

# Riding with INDIA, for the WORLD

Synergy. Speed. Scale. Simplicity.





# A MASTERPIECE FOR THE MASTER.

INSPIRED BY A VISION.  
A TRIBUTE TO A LEGACY.

THE CENTENNIAL COLLECTOR'S EDITION  
MOTORCYCLE. DESIGNED, SCULPTED AND  
ETCHED WITH UTMOST REVERENCE.  
METICULOUSLY CRAFTED ONLY FOR  
THE CHOSEN ONE HUNDRED.  
ON AUCTION FOR THE GREATER GOOD.



DR. BRIJMOHAN LALL MUNJAL



CENTENNIAL CELEBRATION

1<sup>ST</sup> JULY 1923

HERO FOREVER



BROUGHT TO  
LIFE AT  
HERO MOTOCORP

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# Riding with INDIA, for the WORLD

India is on the move, empowering a billion dreams and accelerating inclusive progress, demonstrating its inherent strengths and inspiring growth journey. At Hero MotoCorp, we are changing gears as well, transforming mobility for millions in India and around the world. Over four decades, our world-class products epitomise reliability, efficiency, and style, demonstrating our innovation capabilities, manufacturing prowess and service excellence. In today's volatile, uncertain, complex, and ambiguous world, we have retained our position as the world's largest two-wheeler manufacturer, for 23 consecutive years. Powered by our mantra of Synergy, Speed, Scale and Simplicity, we accelerate into the future, our journey continues to be fuelled by the trust and support of our stakeholders. Together, we ride with a promise to make a positive impact, championing sustainability at every turn, and usher in a prosperous and equitable future.



# Hero @

# 40

Celebrating a 40-year legacy of innovation,  
excellence and transforming mobility for millions.

# OUR STORY



# 1980S & 90S



'84 Hero Honda Motors Ltd. incorporated

'85 Inaugurated 1<sup>st</sup> manufacturing facility at Dharuhera



First motorcycle, CD 100, rolled out



1,00,000<sup>th</sup> motorcycle rolled out



'99 Raman Munjal Memorial Hospital inaugurated



Raman Munjal Vidya Mandir Inaugurated in 1992

'91 5,00,000<sup>th</sup> motorcycle rolls off the assembly line

'92 Inaugurated Raman Munjal Vidya Mandir in the memory of Founder MD, Mr. Raman Kant Munjal

'93

'94 One million cumulative motorcycles



Launched the prestigious model - **Splendor**



Launched the prestigious model - **Splendor**

'95 Inaugurated 2<sup>nd</sup> manufacturing facility at Gurgaon



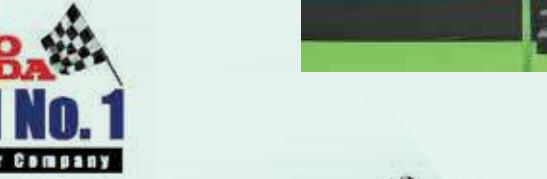
'96 Inaugurated 3<sup>rd</sup> manufacturing facility at Haridwar

'97 Inaugurated 4<sup>th</sup> manufacturing facility at Neemrana

'98 Two million cumulative motorcycles

'99 Raman Munjal Memorial Hospital inaugurated

'01 Made history by becoming the world's single largest two-wheeler manufacturer



'02

'03 Became the 1<sup>st</sup> Indian company to cross the cumulative 7 million sales mark

Launched the iconic **Karizma**, 1<sup>st</sup> 200cc premium motorcycle

'04 Set a global record by selling 2 million+ units in a single year

'05 Launched 1<sup>st</sup> fuel injection motorcycle in India, **Glamour FI**

'06 Launched first scooter - **Pleasure**



'07

'08 Inaugurated 5<sup>th</sup> manufacturing facility at Halol

'09

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'11 Unveiled new global identity and became Hero MotoCorp Ltd.

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'13 Achieved milestone of 50 million two wheelers

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'21 Achieved milestone of 100 million two wheelers

'22 Launched **VIDA V1**, Hero MotoCorp's first-ever electric scooter

'23 Entered into a partnership with USA-based **ZERO MOTORCYCLES** to develop a premium electric motorcycle range

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'21 Launched **Harley-Davidson X440**

'22 Launched **Iconic Karizma introduced in a new avatar, Karizma XMR**

'23 Launched **Maverick 440**

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# A YEAR OF STEADY PROGRESS



## FINANCIAL AND OPERATIONAL

Revenue (₹ 374.56 billion)

₹ 37,456 crore

**+11% ▲**

EBITDA (₹ 52.56 billion)

₹ 5,256 crore

**+32% ▲**

Profit After Tax (₹ 39.68 billion)

₹ 3,968 crore

**+36% ▲**

▲ yoy



Earnings Per Share

₹ 199

**+36% ▲**

Contribution to the  
Government Exchequer (₹ 125.50 billion)

₹ 12,550 crore

R&D Spend (₹ 8.26 billion)

₹ 826 crore

Units Sold (cumulative)

116 million+



## ENVIRONMENT, SOCIAL AND GOVERNANCE



**455%**  
Water Positive



**100%**  
Zero Waste to  
Landfill Certified



**4,000+**  
Women under Training  
for becoming 2W  
Technicians through  
Project Saksham



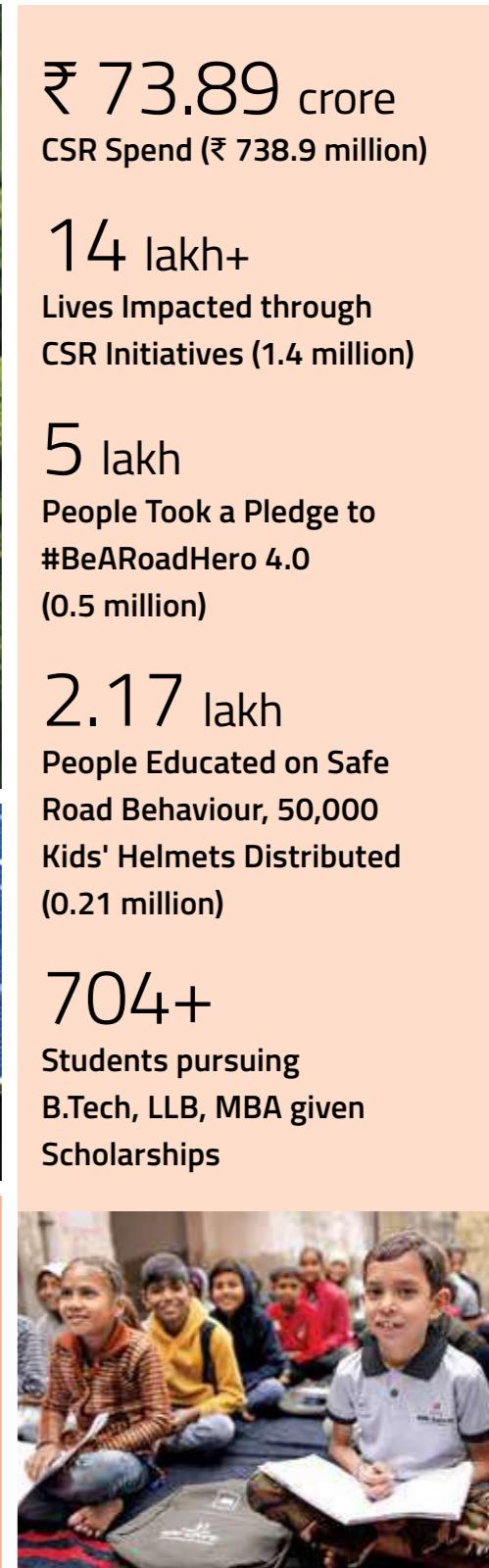
**198.6**  
lakh units  
Renewable Energy  
Generated (19.86 million)



**21.7** lakh  
Riders Trained on  
Responsible Road  
Behaviour (2.17 million)



**13.5%**  
Gender Diversity



# DEFINING MOMENTS OF THE YEAR



## ELECTRIC MOBILITY

- Expanded presence of VIDA to 200+ cities in India
- Set up the country's largest charging infrastructure along with Ather Energy, with 2,000 fast-charging points across 200 cities
- Unveiled the world's first electric class-convertible vehicle – Surge S32

[www.surgefuturemobility.com](http://www.surgefuturemobility.com)



## GLOBAL BUSINESS

- Recognising the evolving market landscape, we realigned our focus towards strategic investments in brand building, network expansion, and customer connect in top 10 markets
- Bolstered presence in Nepal with a new distributor partner and set up a new world-class assembly facility
- Appointed Motorsport SA as our official distributor in Costa Rica, expanding our global footprint
- Implemented the NewGen visual identity across global markets
- 12 new and refreshed products launched
- Entered Philippines, one of the fastest-growing South-East Asian two-wheeler markets



## DOMESTIC BUSINESS

- Highest-ever festival retail sales of 14 lakh two-wheelers
- Highest-ever Splendor sales of 30.8 lakh units
- Upgraded to Hero 2.0 stores, showcasing a new visual identity
- Launched Hero Premia outlets, for premium products



## ESG INITIATIVES

- Achieved 100% zero waste-to-landfill
- Gurugram manufacturing facility received the prestigious CII National Award for Excellence in Water Management under 'Within the Fence' category
- Launched Project Saksham in partnership with Automotive Skills Development Council (ASDC) that will train 1,00,000 women as two-wheeler technicians in the next 5 years
- 100% single-use plastic free for all our factories and offices, reinforcing our commitment to sustainability



## SPORTS INITIATIVES

- Hero MotoSports Team Rally secured 2<sup>nd</sup> place at the Dakar Rally 2024
- Aaron Marè secured a spectacular victory for Hero MotoSports, marking the team's first triumph at a World Championship race
- Hosted the Hero World Challenge, Hero Dubai Desert Classic, Hero Indian Open and Hero Women's Indian Open



# NEW LAUNCHES

DEBUT OF THE **MAVRICK 440**  
IN THE UPPER-PREMIUM  
SEGMENT



ICONIC KARIZMA IN ITS  
ALL-NEW AVATAR –  
**KARIZMA XMR**



FIRST MOTORCYCLE WITH  
HARLEY-DAVIDSON:  
**HARLEY-DAVIDSON X440**



NEW XTREME 160R 4V

INVIGORATED THE  
125CC SEGMENT  
**HERO XTREME 125R**



PREMIUM CUSTOMER  
EXPERIENCE:  
EXPANSION OF  
**PREMIA OUTLETS AND  
HERO 2.0 STORES**

# EXCELLENCE IN MOTION

A global two-wheeler leader, Hero MotoCorp symbolises scale of innovation, trust and excellence. We leverage our world-class production capabilities and cutting-edge technologies to deliver superior products across categories, delighting more than 116 million customers worldwide. There is a Hero for every generation of motorcyclists.

Our expansive network spans 48 countries across Asia, Africa, and Latin America, ensuring widespread reach and accessibility. Committed to innovation, Hero MotoCorp is pushing the envelope, striving to pioneer advanced engineering and sustainable practices, setting industry benchmarks, and having a product portfolio that effectively meets and exceeds the diverse requirements of the economy, mid-sized, and premium performance segments.



## Vision

**Be the Future of Mobility**

## Mission

**Create | Collaborate | Inspire**

## Values



# MANUFACTURING EXCELLENCE

## INDIAN MANUFACTURING FACILITIES

### HARIDWAR

Estd. - 2008

*2.70 million capacity*



### DHARUHERA

Estd. - 1984

*2.10 million capacity*



### GURUGRAM

Estd. - 1997

*2.10 million capacity*



### HALOL

Estd. - 2016

*1.20 million capacity*



### NEEMRANA

Estd. - 2014

*0.80 million capacity*



### TIRUPATI

Estd. - 2020

*0.40 million capacity*



### GLOBAL PARTS CENTER, NEEMRANA

Estd. - 2014



## GLOBAL MANUFACTURING FACILITIES

### BANGLADESH

Estd. - 2017

0.15 million capacity

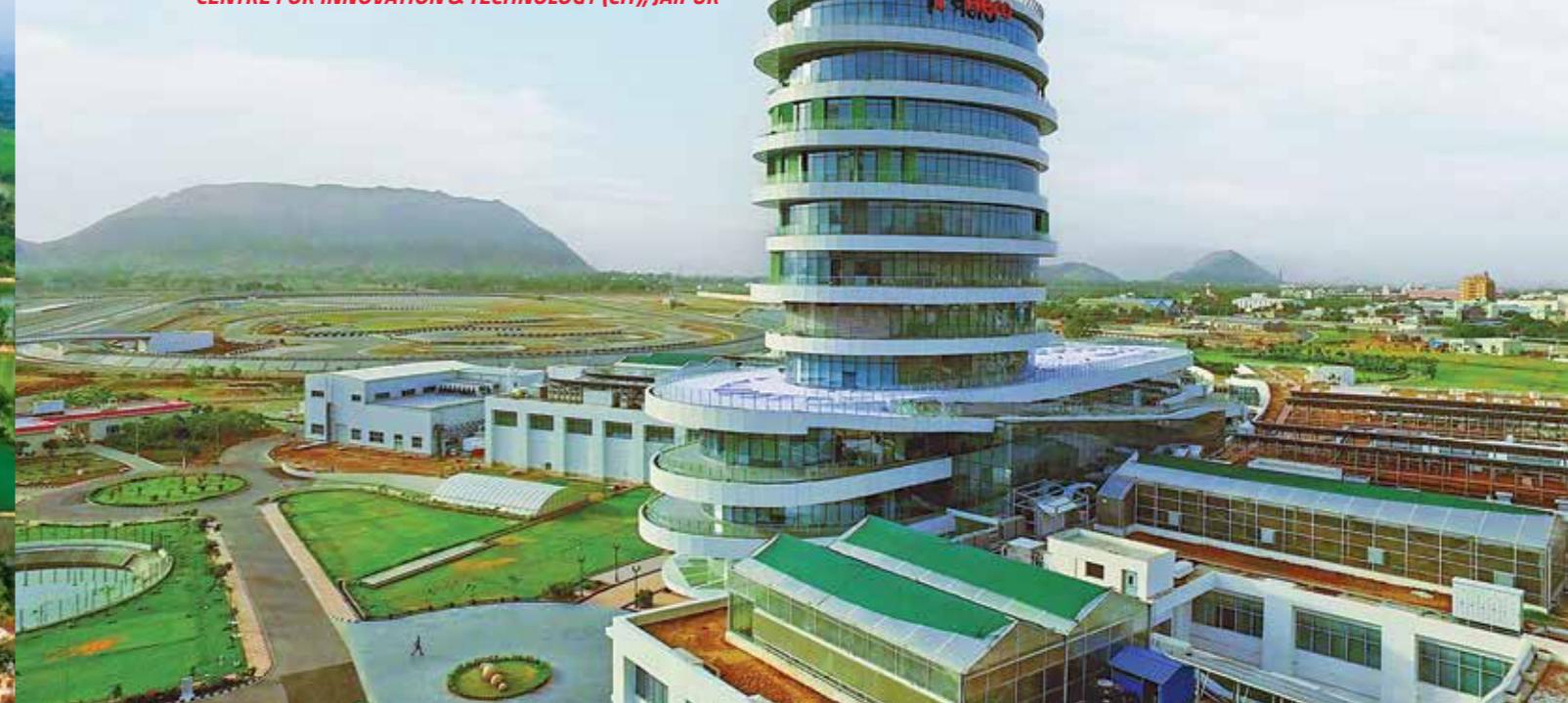


## RESEARCH AND DEVELOPMENT FACILITIES

### INDIA

Estd. - 2016

CENTRE FOR INNOVATION & TECHNOLOGY (CIT), JAIPUR



### COLOMBIA

Estd. - 2015

0.08 million capacity



### GERMANY

Estd. - 2019

HERO TECH CENTRE GERMANY (TCG), MUNICH



# OUR INCLUSIVE WORK SPACES THAT INSPIRE



# AMPLIFYING OUR WORLDWIDE REACH

**Hero MotoCorp serves 48 countries with a diverse portfolio of products, tailored to meet unique regional needs. Our commitment to delivering high-quality vehicles has earned us a respected reputation and consistently elevated customer satisfaction, reflecting our dedication to excellence and our role as a global leader in the automotive sector.**



## Global Business Review

In FY 2023-24, we navigated the challenges of the global two-wheeler market with resilience and determination. While the industry faced a 6% decline compared to the previous fiscal year, our strategic efforts stood out. For instance in Nigeria, despite an 18% downturn, we maintained a strong market position. In regions like South Asia and Africa, where challenges were particularly significant, our commitment to excellence remained steadfast. Despite a 21% decline in South Asia and a 10% downturn in Africa, we continued to deliver top-quality products and unparalleled customer service, setting industry standards.

Despite the industry's challenges, Hero MotoCorp achieved a commendable 16.3% year-on-year growth. Our volume for FY 2023-24 reached an impressive 2,00,923 units, surpassing the previous year's record. This growth not only solidified our market presence, but also increased our market share from 4.7% to 5.8% (Exports from India), demonstrating our leadership in the industry.

Our dedication to enhancing customer experience and sustaining competitiveness was evident through the implementation of over 150 NextGen visual identities across global markets. Our strategic efforts to expand our network and improve market coverage ensured better accessibility for our customers. We also focused on customer satisfaction with round-the-clock availability of parts, fostering loyalty among our clientele.

We introduced innovative initiatives like 'Wheels of Trust' in Bangladesh, known as 'Sohoj Exchange,' revolutionising the exchange of used vehicles. Additionally, we launched 12 new and refreshed products during the year, showcasing our drive for innovation and commitment to meeting evolving customer needs. We embraced digital transformation with initiatives such as Dealer Management Systems (DMS), Global Website Restructuring, and the implementation of a Lead Management System through Sales and After Sales (SAS), setting new benchmarks for operational efficiency and customer engagement.

In essence, our performance amidst adversity highlights our commitment to excellence, innovation, and customer-centricity, reaffirming our position as a global leader in the two-wheeler industry.

## Global Business Strategy

Recognising the dynamic shifts in the market landscape, we strategically increased investments in brand building, network expansion, and customer engagement across our top 10 markets. This realignment is aimed at strengthening our presence in key markets and enhance our competitive positioning. In Bangladesh, we focused on penetrating the premium segment while expanding our core segment to drive growth and market share.

In Colombia, we implemented initiatives to enhance network coverage and strengthen brand awareness, solidifying our position in this key Latin America (LATAM) market. Turkey saw a focus on developing Next Gen infrastructure, including network expansion and service reach enhancements, to sustain growth and meet customer demands.

Nigeria underwent a significant transformation with a new strategic partnership with M/s Tolaram, leveraging their network to expand our presence in key cities. In Mexico, efforts were directed towards expanding market penetration beyond existing channels to drive growth.

In Nepal, we revamped our channels, reinforcing Hero's legacy and enhancing our brand resonance among customers. Guatemala saw an emphasis on increasing network coverage and driving digital sales, strengthening our market presence and customer engagement.

In the Democratic Republic of Congo (DRC), Hero MotoCorp invested in service and brand-building initiatives to capture market share in one of Africa's largest markets. Dispatches also began for the Philippines market, with Brazil set for entry soon, demonstrating our commitment to global expansion and market diversification.

## Hero MotoCorp's South East Asia Strategy

With our entry into the Philippines market, we achieved a significant milestone in our Southeast Asia (SEA) export strategy, symbolising our expansion into crucial markets. Given the substantial industry volume of 2.25 million units in the Philippines, we are poised to seize significant opportunities within the SEA market. We are also exploring additional prospects in other key SEA markets, conducting feasibility studies to unlock their growth potential.

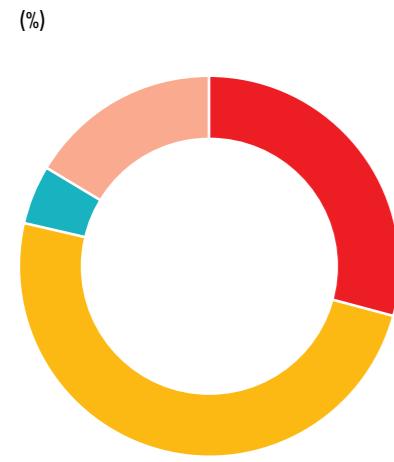
## Revamping Nepal Operations

We revitalised operations in Nepal through a partnership with our new distributor, Chaudhary Group (CG Group), a diversified conglomerate with businesses spanning across sectors such as Fast Moving Consumer Goods (FMCG), hospitality, banking, real estate, and energy. This collaboration has led to the establishment of a state-of-the-art assembly facility, significantly enhancing our operational capabilities.



# STRENGTHENING PRESENCE ACROSS THE WORLD

## SALES VOLUMES (%)



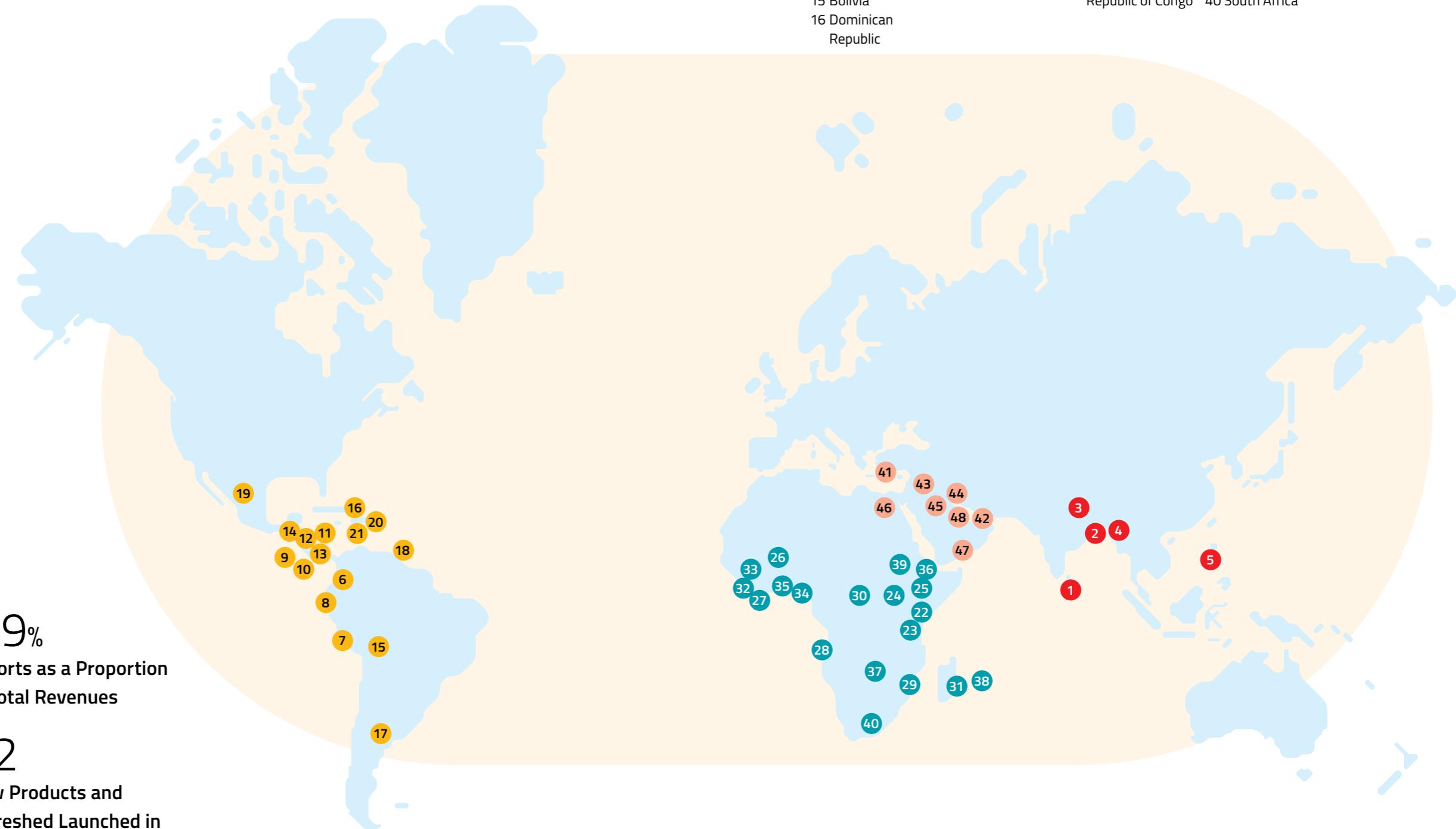
All figures related to the year ended March 31, 2024

48 countries  
Global Presence

3.9%  
Exports as a Proportion of Total Revenues

38%  
Share of Premium Motorcycles in International Sales

12  
New Products and Refreshed Launched in the International Market



Map not to scale.

**Dr. Pawan Munjal**

Executive Chairman  
Hero MotoCorp

**Dear Shareholders,**

With great pleasure, I present to you our Annual Review for Fiscal Year 2023-24, a truly memorable year for our organisation.

This exceptional year witnessed the 'Hero Parivar' (Hero Family) achieving remarkable business outcomes while celebrating two significant milestones – the Centennial Birth Anniversary of our visionary Founder Chairman and the 40<sup>th</sup> year of our Company's incorporation.

The remarkable achievements and milestones of the year fill me with pride and gratitude. Throughout the year, we strengthened our core business, explored new horizons, and set ambitious goals for long-term sustainable growth. Our dedicated employees and valued business partners worked tirelessly to deliver lasting value to our customers and shareholders.

Guided by its vision 'Be the Future of Mobility,' Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters for 23 consecutive years, is poised to establish new benchmarks in innovation, leadership, and sustainability.

**Riding with India, for the world**

The theme of this year's Annual Report aptly reflects our philosophy and purpose. Through our world-class manufacturing, state-of-the-art R&D, globally recognised sustainable operations and millions of customers worldwide, Hero MotoCorp, empowers India to achieve its vision of 'Viksit Bharat' (Developed India). As Hero MotoCorp progresses towards its 50<sup>th</sup> year, it resonates with India's journey in this transformative era.

For us, the year was defined by passion, courage, and innovation.

**100 Years of our Founder Chairman**

We celebrated the centennial birth year of our Founder Chairman and Hero Forever, my beloved father, Dr. Brijmohan Lall Munjal. His enduring legacy and values continue to inspire generations, and his unparalleled towering personality remains a guiding light for everyone at Hero, as we envision the future of mobility.

**40 years of Hero**

In its 40<sup>th</sup> year, Hero MotoCorp continues to expand its impressive customer base of 116 million globally. Operating in 48 countries, the



Company pioneers new-age mobility solutions, marking a milestone in its growth journey.

Driving growth in both our brand and the two-wheeler industry, we have broadened our product lineup to include bold and premium motorcycles. The Harley-Davidson X440, the iconic Karizma XMR, and the Maverick 440, among others, are poised to reshape the automotive horizon. Our entry into the upper premium segment underscores our dedication to supporting India's evolving and progressive aspirations for growth.

Since its launch, the Xtreme 125R has captivated the youth nationwide, strengthening our footprint in the core segment. This is yet another validation of our R&D prowess and our ability to deliver pioneering products that define their categories. These achievements reaffirm our steadfast commitment to innovation, pushing limits, and establishing new industry standards.

Our new brand presence, with its modern design elements, ensures a cohesive appearance at all customer touchpoints. More than 400 stores in India have adopted the Hero 2.0 identity, with plans for all domestic and international stores to follow. Moreover, the introduction of Hero Premia stores elevates the shopping experience for premium product customers through contemporary architecture, captivating design, and cutting-edge digital technologies. This upgrade of our dealer network will significantly enhance our brand's visibility and appeal.

*The theme of this year's Annual Report aptly reflects our philosophy and purpose. Through our world-class manufacturing, state-of-the-art R&D, globally recognised sustainable operations and millions of customers worldwide, Hero MotoCorp, empowers India to achieve its vision of 'Viksit Bharat' (Developed India).*



Accelerating our efforts towards the burgeoning emerging mobility sector, we rapidly expanded VIDA's reach nationwide, enhancing product availability, and establishing public charging stations. At the recent Hero World 2024 event, we unveiled our groundbreaking innovation - the Surge S32, a pioneering vehicle that seamlessly transforms between a two-wheeler and a three-wheeler in just three minutes. I am delighted by the significant excitement and overwhelming response that Surge S32 has generated from experts, businesses and customers.

The year was also marked by the highest number of product launches in our history, and our well-rounded approach led to an 11% growth in revenues and a 36% growth in net profits for the Company.

### 'Viksit Bharat' - A Collaborative Growth Story

The India growth story is one of unparalleled momentum. The Indian economy registered a robust growth of 8.2%<sup>1</sup> in FY 2023-24, making it the fastest-growing major economy in the world. Currently the fifth-largest global economy, India is projected to become the third-largest economy by 2027<sup>2</sup>.

India's growth strategy is underpinned by a robust economy, strong governance, and progressive policies. Substantial investments in infrastructure are transforming the nation's physical landscape and driving economic growth. Significant investments in road transport and highways are particularly beneficial for the automobile sector and for achieving economies of scale.

The Government's emphasis on renewable energy has resulted in a significant increase in

*The year was also marked by the highest number of product launches in our history, and our well-rounded approach led to an 11% growth in revenues and a 36% growth in net profits for the Company.*

its generation, more than doubling over the past decade. This commitment is expected to continue, enabling the nation to reduce dependence on energy imports and transition to cleaner energy sources. While the automotive sector focuses on reducing tailpipe emissions, it is imperative to ensure that the entire energy value chain operates on clean energy. This comprehensive approach will contribute to a more sustainable energy ecosystem.

As the Government strengthens its focus on financial inclusion, digital ecosystems, and policy overhauls, the country's economic growth trajectory will continue to ascend. Various welfare initiatives have positively impacted millions, demonstrating the Government's commitment to inclusive growth and societal well-being.

These combined efforts will lay the groundwork for India's vibrant and resilient growth narrative, solidifying its position as an economic powerhouse. Hero MotoCorp's vision and strategies, interwoven with the Government's policies, will catalyse prosperity that transcends boundaries.

### Create. Collaborate. Inspire

Building upon its mission, Hero MotoCorp is steadily working to boost the larger economy while swiftly advancing new and emerging segments.

As the semi-urban and rural economies catch up with the urban sector, we are focused on increasing two-wheeler penetration in the country, which remains lower than in comparable global economies. Through various interventions such as increased retail financing, an enhanced customer journey, and wider availability, which align with the Government's rural policies, we are ensuring the growth of the core two-wheeler market. This approach is essential for delivering sustained long-term growth.

### Parts, Accessories, and Merchandise (PAM)

Our allied businesses, particularly PAM, present substantial growth opportunities. We are evolving alongside our customers to offer a comprehensive solution for all vehicle-related needs. From ensuring easy access to genuine parts to offering top-tier accessories and merchandise, we are strategically developing this business unit to become a major revenue driver. With notable growth already observed, we foresee PAM becoming a core business unit over the coming decade.

### Digital-First Approach

Hero MotoCorp is spearheading synergies within the organisation and across the industry by pioneering the adoption of the Open Network for Digital Commerce (ONDC) in the automotive sector, ensuring digital accessibility of PAM products.

Across our operations, we are accelerating digital-led growth and innovation. We have implemented extensive digitalisation initiatives to improve efficiency and deliver seamless customer experiences. Leveraging advanced technologies like Artificial Intelligence (AI), Internet of Things (IoT), and data analytics, we are optimising our supply chain, streamlining operations, and providing customers with online booking options, virtual showrooms, and personalised interactions through chatbots and mobile apps.

### Global Economic Resilience

Contrary to earlier forecasts, the global economy exhibited resilience and surpassed growth expectations. Decisive monetary policies and enhanced frameworks effectively anchored inflation expectations. The normalisation of supply chains and lower commodity prices supported emerging markets, contributing to sustained economic momentum.

However, geopolitical uncertainties continue to pose risks to global growth. Projections suggest that global growth will maintain a trajectory of 3% or higher through 2024 and beyond<sup>3</sup>. Advanced economies are anticipated to experience moderate growth improvements, while emerging markets are expected to maintain stable growth rates with regional variations.



<sup>1</sup> MoSPI - Ministry of Statistics and Programme Implementation (Ministry for both NSO and CSO) press note, May 31, 2024

<sup>2</sup> Ministry of Finance, press release no. 2001124

<sup>3</sup> IMF World Economic Outlook, April 2024

### Expanding Business Horizons

As I reflect on the Company's journey, I see significant growth potential in segments such as Global Business and Electric Mobility. Despite fluctuations in the global economy, these areas are poised to become strong, key revenue drivers in the long term.

Together with Ather Energy, VIDA has established India's largest public-charging infrastructure for two-wheeler EVs. Additionally, our partnership with Zero Motorcycle will facilitate the development of new EV motorcycles targeted at a distinct customer segment, thereby expanding the overall market size. I am particularly pleased to witness VIDA V1's rise as one of the leading electric scooters in India, and I anticipate its future launch in global markets, where it is poised to become a significant player as well.

Through our revitalised efforts in global business, we have achieved promising outcomes. With a renewed strategic focus, we anticipate an upward trajectory in the share of global sales contribution to our overall revenues. The establishment of a new subsidiary in Brazil, upcoming operations in Southeast Asia and Europe, and strengthening our presence in key existing markets are poised to deliver positive results for us.

Despite facing global headwinds such as market volatility, regulatory changes, and supply chain disruptions, we achieved a remarkable 16% growth in our global volumes this year. The Indian auto sector serves as a proud ambassador of India's success story worldwide, and we remain dedicated to upholding the reputation of Indian manufacturing and R&D through our exceptional products and services.

### ESG: The Hero Way

I am pleased to share that our journey towards sustainability has yielded remarkable achievements over the past year.

In January 2023, Hero MotoCorp achieved 100% zero waste-to-landfill, surpassing our original target by one year. Our water positivity rate stands at an impressive 455%, saving nearly 3.8 million kilolitres of water annually.

Recognising our effective water management practices, our Gurugram facility received the prestigious CII National Award for Excellence in Water Management earlier this year.

Our steadfast commitment to reducing carbon emissions, enhancing energy efficiency, and aligning with global climate objectives, reinforces our commitment to environmental stewardship.

Through our CSR initiative, Hero WeCare, we have made a positive impact on 1.4 million people by providing quality education, livelihood opportunities, promoting road safety awareness, and supporting biodiversity conservation efforts.

We are dedicated to fostering a workplace culture that promotes collaboration, diversity, equity, and inclusion. Currently, our Company Board boasts a 30% diversity representation, and we are progressing towards achieving 30% women in our workforce by 2030.

By prioritising ESG principles, we not only fulfill our corporate responsibilities but also create enduring value for our shareholders. We believe that businesses play a crucial role in driving positive societal change, and we are proud to lead this transformation at Hero MotoCorp.

### A Sporting Hero: Taking India to the World

Sports partnerships have been integral to Hero MotoCorp's journey, promoting sports across various disciplines and geographies to inspire excellence and passion among the youth.

In 2023, the Hero MotoSports Team Rally made history once again by securing second place in the Dakar Rally. Starting this journey in 2017, achieving such recognition was initially considered improbable. This achievement resonates not only with our team and Company, but also reflects positively on our nation and its automotive industry.

*By prioritising ESG principles, we not only fulfill our corporate responsibilities but also create enduring value for our shareholders. We believe that businesses play a crucial role in driving positive societal change, and we are proud to lead this transformation at Hero MotoCorp.*

Our partnerships in sports such as football and golf serve as gateways to Europe, the UK, USA, Africa, and Latin America, solidifying Hero as a global brand. Collaborations with prestigious associations like the European Tour and the PGA Tour, alongside global ambassadors like Tiger Woods, Diego Simeone, and Virat Kohli, further enhance Hero's global presence and reputation.

Our vision for sports goes beyond sponsorship; we aim for meaningful impact on our Company, our country, and the athletes themselves.

### An Exciting Future Awaits

In the realm of sports, pivotal moments during a game are often termed as 'Moving Day,' 'Moving Quarter,' or 'Moving Half.' For Hero MotoCorp, the Fiscal Year 2023-24 marked a 'Moving Year,' during which we laid strong foundations for our future.

As we enter Fiscal Year 2024-25 on a positive note, numerous promising indicators inspire confidence in an upward trajectory for us, our industry, and India as a whole.

Hero MotoCorp anticipates an exhilarating phase ahead as we strive for profitability with purpose, pioneering mobility technologies and creating sustainable value for all our shareholders.

Thank you for your unwavering support and trust in Hero MotoCorp.

Warm Regards,

**Dr. Pawan Munjal**  
Executive Chairman  
Hero MotoCorp



# SURGING AHEAD



We are surging ahead, powered by our 4S mantra of Speed, Scale, Synergy, and Simplification.

## Niranjan Gupta

Chief Executive Officer  
Hero MotoCorp



## Dear Stakeholders,

As I complete my first year as the Chief Executive Officer of Hero MotoCorp, I am filled with pride in being part of the world's largest manufacturer of motorcycles and scooters for 23 consecutive years. When I was appointed as CEO on May 01, 2023, the mandate from our Chairman was to "Change Gears." Last year, I spoke about how we were going to shift into a higher gear, leveraging our robust legacy and foundation built over 40 years.

I am delighted to report that we have successfully delivered a year of outstanding performance, achieving our highest-ever revenue and profits. In Fiscal Year 2024, Hero MotoCorp recorded an 11% increase in revenue and a 36% increase in profits, accelerating to a net profit of ₹ 3,968 crore.

We are surging ahead, driven by our 4S mantra of **Speed, Scale, Synergy, and Simplification**. Today, I would like to elaborate further on each of these principles and how they will steer us into a new trajectory of growth in the future.

## Changing Gears: The 4S Mantra in Action

These principles are turbocharging our efforts and propelling us into the fast lane of innovation and growth:

- **Speed:** We have accelerated our product development, launching a record number of new products in a single year. We have upgraded more than 400 stores in less than 400 days, averaging more than one store per day. We expanded VIDA, our EV scooter, from three to over 100 cities and established the highest number of charging stations in the country. We increased the supply chain capacity of our premium products in record time to respond to customer demand. Embracing speed is crucial as we navigate rapidly changing global and consumer trends. We are now focussing on further reducing the time our products' take to roll out and enhancing speed by decentralising decision-making to the point where the actions reside. By experimenting with new ideas and adopting a 'fail fast to succeed sooner' approach, we continue to challenge ourselves and drive faster growth and progress.

### - **Scale:** Our Company enjoys a significant scale advantage.

With a customer base of 116 million, over 7,500 distribution points, a supply chain capacity of 10 million units, a presence in around 50 global markets, and a workforce of more than 25,000 employees, our scale is unparalleled. Leveraging this scale is key to success in everything that we do. We are adopting this scale Mantra in every decision we make; our strategy is to put our might behind products and projects that can be scaled up faster. While we have a huge scale in the domestic market, we have embarked on a similar journey to scale up our global business with a single-minded focus on the top 10 markets. Additionally, we are tapping into opportunities to scale up our accessories and merchandise business. In a similar vein, we have a roadmap to scale up our EV business rapidly. The combination of Speed and Scale will power our onward journey.

- **Synergy:** Synergy within and across our ecosystem presents a significant opportunity to drive productivity, efficiency, and speed. Internally, we are leveraging our distribution network to expand VIDA's presence. To supercharge this synergy, we have established Centres of Excellence and a Business Unit structure within our Company. Externally, we are collaborating with Harley-Davidson on premium products, Ather on EV charging infrastructure, and Zero Motorcycles on premium EV motorcycles. We believe that there is immense untapped potential in our ecosystem. As such, a deeper collaboration with ecosystem partners-vendors, dealers, design partners, and joint venture partners-will help us achieve a bigger impact.

- **Simplification:** We, as human beings, often make things more complex than they are. The simpler the process, the better the results. Recognising this, we are streamlining our processes and systems to increase agility and responsiveness to our customers and stakeholders. We are relentlessly pursuing simplification across all aspects of our operations, from processes and organisational structure to ways of working and portfolio management. Through the power of simplification and automation, in some of our processes, we have cut down on time by almost 90%. The power of simplification is largely untapped in our industry, and we are determined to lead the way.

## Building Capability for the Future

As we deliver today, we are conscious of the need to build capabilities for tomorrow, and there are many initiatives being taken in this direction. I would like to call them the 5Ps, and let me talk about each one of them.

- **Product:** Putting customer needs first is how we do business. In the past year, we have launched nine new products, each designed to redefine expectations. From the Xtreme 125R and Xtreme 160R4V to the Harley-Davidson X440 and the Karizma XMR to the Maverick, each of our products has the potential to become power brands in the future. Our premium portfolio across ICE and EV will grow exponentially with a line-up that is committed to innovation and equipped with first-in-class and best-in-class features, keeping customers' ultimate satisfaction in mind. We will continue to establish new benchmarks with our product design and features, catering to every customer segment in India and across the world.

- **Portfolio:** We have a strong portfolio in the core segment, with very strong brands like HF Deluxe, Splendor, Glamour, Super Splendor, and Passion. Last year, we launched a series of premium products, boosting our premium portfolio. We will continue to launch more premium products in the coming years. We want to build leadership in EV, and in order to do that, we will be creating a very powerful EV product portfolio, augmenting the VIDA V1 Pro that we have today. We will be launching products in the mid- and affordable segments this fiscal year. There is path-breaking innovation underway at our state-of-the-art R&D Centres at CIT Jaipur and Tech Centre Germany to create a winning portfolio in all segments.





- **People:** Our exceptional team remains our greatest asset. Their dedication, ingenuity, and passion have fueled another year of remarkable growth and innovation. We have emphasised fostering a culture of diversity and inclusion, increasing gender diversity to 13.5% and boosting employee engagement by 10%. As we build a future-fit organisation, we continue to invest in nurturing talent and leadership at multiple levels and roles. Our robust skill-building initiatives, succession planning, internal job postings and targeted campus programmes are preparing and nurturing the next generation of leaders. This focus on human capital is integral to our long-term vision and a testament to our belief in the power of our people to shape and expand the contours of the mobility business.
- **Place:** Our stores are the window to our products. Upgrading our stores is essential for enhancing the customer experience by creating modern, engaging environments with a premium atmosphere. The launch of our new Hero 2.0 store version elevates this experience, while the introduction of our 'Premia' showrooms marks the beginning of an exciting expansion into the premium retail segment. Additionally, we are premiumising the entire service experience with the development of Premia workshops. We will extend our reach through both physical and digital channels, ensuring a seamless and convenient customer journey.
- **Process:** Digitising our processes and leveraging the power of AI is crucial for enhancing customer engagement, operational efficiency, and decision-making throughout our value chain. Digital initiatives like the One Hero app, the Marketing data workbench, the Digi-finance aggregator platform, Industry 4.0, and the cloud-based data ecosystem, among others, have had a massive impact on the way we work and drive business. We believe that AI can be a game changer for the auto industry in many ways, right from product development to supply chain management to marketing and sales processes to customer experience and fulfillment—the opportunities are exciting and immense. We have doubled down on digital and AI, increasing our spending to create capabilities for the future.

## Conclusion

I am incredibly proud of what we have accomplished together this year. Our unwavering commitment to our vision, '**Be the Future of Mobility**', combined with the dedication and passion of our teams, has propelled Hero MotoCorp to new heights.

As we embark on the next chapter of our journey, I am confident that we will continue to lead the way in shaping the future of mobility.

We stand at a juncture of immense opportunity in India, and I am filled with a profound sense of excitement and possibility. We have significant market penetration potential in the entry segment, while aspirational India continues to drive premium demand. Our success story in India serves as a blueprint for global expansion, opening doors to new markets. Additionally, our 116 million customer base provides a strong foundation and the opportunity to diversify our revenue streams. This isn't simply growth; it's a transformation—one that will redefine our Company and set a new standard for our industry.

Finally, I would like to thank each one of you for the trust and confidence placed in us, which has resulted in our share prices doubling in the last year, reaching new lifetime highs. It is truly humbling, and I take this as a measure of the increased expectation that you have from us as a company and as leaders. We stand committed to delivering competitive, profitable, and sustainable growth. Thank you for your continued support and trust in Hero MotoCorp.

**Niranjan Gupta**

Chief Executive Officer  
Hero MotoCorp

# COMPELLING VALUE PROPOSITION

**With ever-expanding scale, technology expertise, and product portfolio, Hero MotoCorp is well positioned to meet the growing demand for two-wheelers in India and across key global markets.**

## Growing Two-wheeler Demand

Strong economic momentum, rising income levels, rapid urbanisation, and greater access to affordable financing options have fuelled a consistent demand for two-wheelers in India. This demand is further amplified by the need for practical commuting solutions and a growing interest in the premium segment. With only ~49.7%\* of Indian households currently owning a two-wheeler, the sector presents a significant growth opportunity.

\*National Family Health Survey 2019-21



Notes: Low-income less than US\$ 4,000; lower-middle US\$ 4,000 to US\$ 8,500; upper-middle US\$ 8,500 to US\$ 40,000; high income more than US\$ 40,000; this classification is based on income per household in real terms  
Sources: Price surveys; Deloitte research

## Robust Rural Economy

India's rural economy is poised for robust growth, propelled by the government's emphasis on boosting agricultural and non-agricultural incomes. Rural growth is expected to drive up demand in the two-wheeler market, particularly in the commuter segment. Hero MotoCorp, with its extensive portfolio and deeply-penetrated networks in rural India, is well-positioned to capitalise on this growing demand.

## Strong Brand Equity

We enjoy exceptional brand equity in India and in our key international markets. We have 3 brands among the top 10 best-selling motorcycles and 2 brands among the top 10 best-selling scooters in India. We have a commanding market share of 30.9% in the domestic market and are confident of maintaining our leadership position in India's two-wheeler industry. This dominant presence attests to our enduring reputation for quality and innovation, and customer trust, reinforcing our status as a market leader.

**30.9%**

Market Share in the Domestic 2W Market

## Portfolio

Extensive product portfolio and presence across price points and user segments empower us to effectively cater to the diverse demands of our customers. Our recent launches have helped us address portfolio gaps. The VIDA range of scooters in the EV category has provided a strong impetus to efficient and low-carbon transportation by catering to the growing demand for sustainable mobility.

## Associations and Partnerships

Over the past few years, we have strategically forged partnerships with both global and Indian leaders to enhance our product portfolio. Our collaboration with Harley-Davidson has bolstered our premium offerings, while our recent alliance with Zero Motorcycles will help us expand our presence in the emerging mobility segments. Additionally, we are fortifying the nation's charging infrastructure through our partnership with Ather Energy, further demonstrating our commitment to sustainable mobility.

## Investments in Research and Development

We have been consistently investing in Research and Development (R&D) to enhance our product portfolio as well as drive operational efficiencies. As a result, we have successfully introduced new platforms for product development in the premium and EV spaces while augmenting the efficiency of the existing ones.

## A Deleveraged, Strong Balance Sheet

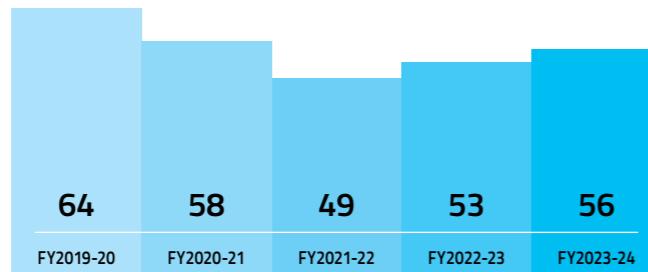
Hero MotoCorp boasts an impressive financial profile, characterised by negligible debt, substantial net worth, and robust cash reserves. Our negative net working capital cycle minimises our working capital needs, allowing us to focus mainly on capex maintenance. Our internal cash accruals comfortably cover fixed obligations, leading to strong free cash flow and a continual build-up of cash reserves. This financial strength positions us well for sustained growth and strategic investments.



# ZOOMING AHEAD

## SALES VOLUME

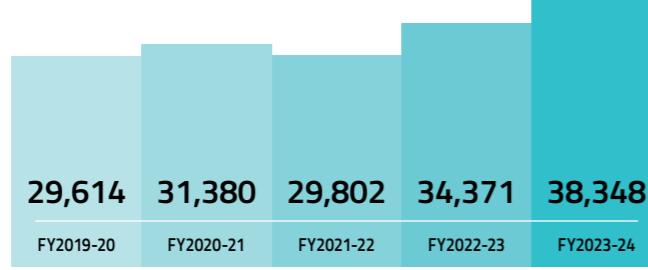
(lakh units)



Driven by the recovery in rural markets and increasing focus on the premium segment, we reported a 5.50% increase in the sales of scooters and motorcycles.

## TOTAL INCOME

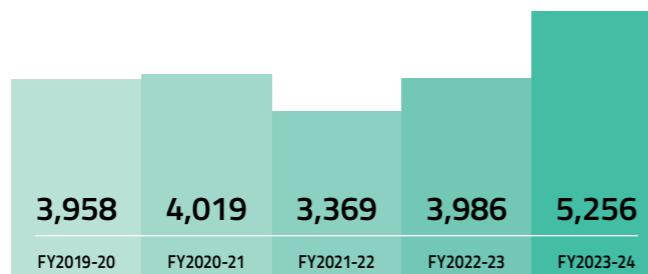
₹ crore)



We recorded the highest-ever Total Income for a year during the year under review—a **growth of 12%** over the previous year

## EBITDA

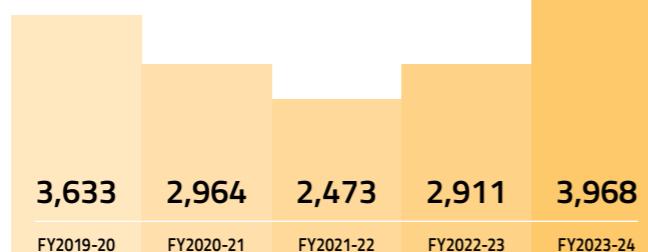
₹ crore)



EBITDA for the year reported **32% y-o-y growth** during the end of the year, driven by stable raw material prices, demand recovery, a better product mix, and cost-optimisation initiatives

## PAT

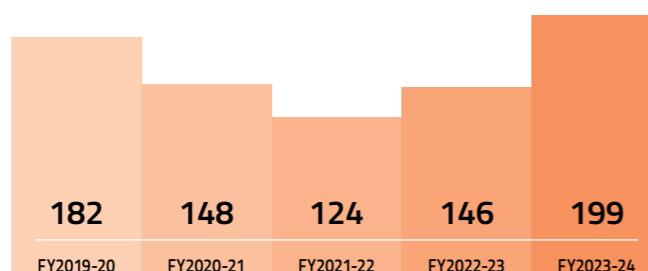
₹ crore)



PAT for the year reported a **y-o-y growth of 36%**

## EARNINGS PER SHARE

₹)



EPS reported a **stupendous growth of 36%** over the previous year

## RETURN ON AVERAGE EQUITY

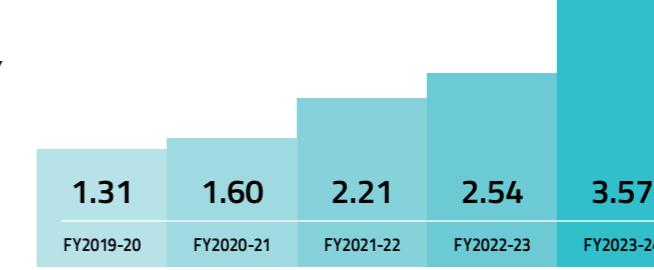
(%)



Our Company reported **496 bps growth in RoAE** over the previous year

## RENEWABLE ENERGY INTENSITY

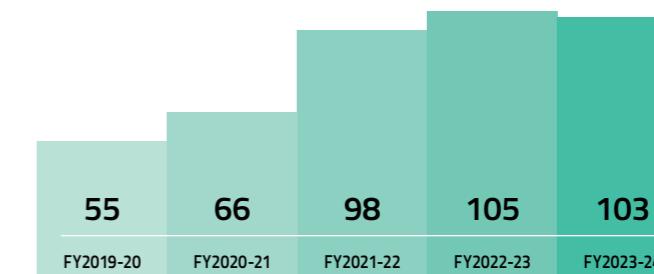
(kWh/Vehicle))



We are consistently increasing the share of renewable energy with aim to achieve carbon neutral operations

## SPECIALLY-ABLED WORK FORCE

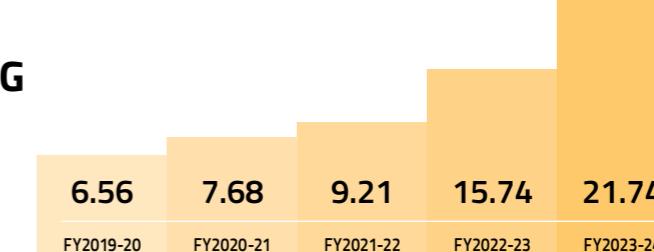
(nos)



Committed to diversity and inclusion, we have 103 specially-abled employees in our workforce

## BENEFICIARIES OF RIDE SAFE TRAINING

(lakh)



Our Ride Safe Training Programme reached 21.74 lakh rider during the year under review

# POWERING EVERY JOURNEY, EVERY RIDER

Our diverse portfolio of motorcycles and scooters, mirroring our passion for technology-led excellence, has been crafted to cater to every rider's needs, from the everyday office commuter to the intrepid explorer. Embodying exceptional quality, our two-wheelers offer unmatched performance, reliability, and style. Through our expansive network of retail touchpoints, we ensure the products reach commuters across the country and our global markets.

## PRACTICAL

HF DELUXE



SPLENDOR+



HF 100



SPLENDOR + XTEC



## EXECUTIVE

PASSION PRO



PASSION XTEC



SUPER SPLENDOR



SUPER SPLENDOR XTEC



GLAMOUR XTEC



GLAMOUR CANVAS



# PERFORMANCE

XTREME 125R



XTREME 160R



XTREME 200S 4V



XPULSE 200 4V



XPULSE 200 4V RALLY EDITION



MAVRICK 440



KARIZMA XMR



# SCOOTERS

PLEASURE+ XTEC



XOOM



DESTINI PRIME



DESTINI 125 XTEC



# ELECTRIC SCOOTER

VIDA V1 PRO

(3.94 kWh)



VIDA V1 PLUS

(3.44 kWh)

# GLOBAL

**ECO DELUXE****HUNTER 100****HUNK 160R****IGNITOR 125****ECO 150****HUNTER 125****DASH 125****THRILLER 160R****XPULSE 200****DASH 110****HUNK 150**

# HARLEY DAVIDSON

FATBOY



HERITAGE CLASSIC



STREET GLIDE



NIGHTSTER SPECIAL



FATBOB



PAN AMERICA



NIGHTSTER



ROAD GLIDE



SPORTSTER S



X440

First product developed through Hero MotoCorp and Harley-Davidson collaboration



# RIDING THE NEXT WAVE OF GROWTH

**Our VIDA electric scooters have been a game-changer, featuring industry-leading specifications, including a removable battery pack, a range exceeding 110 km, 100+ custom modes and a large suite of connected features. VIDA boasts 10 acceleration features, 10 regeneration features, and 50 speed settings.**

In FY 2023-24, VIDA focused on building the foundation of the brand, expanding its sales channel, creating awareness about the category and its products and establishing the EV ecosystem through its charging infrastructure and service touch-points and expanding its sales channels.

During the year, we expanded the product lineup to include the VIDA V1 Plus and broadened the sales network to over 100 cities and 150 dealers. We centred our attention on delivering an exceptional customer ownership experience and delighting each and every customer. The solutions included building over 2,000 fast-charging points across more than 200 cities to alleviate range anxiety and offering 5-year extended warranty options to address concerns about EV longevity.

## Building Brand Visibility

As a new-age global electric mobility brand, VIDA aims to empower people to be part of transformative journeys that contribute to a greener tomorrow. In October 2023, VIDA launched a campaign urging consumers to drive the change they want to see by challenging the status quo and ushering in a new era of sustainable mobility. The campaign celebrated global changemakers and showcased VIDA's spirit through strategic collaborations with extraordinary individuals like Durga Gawde (inclusivity champion), Abhiir Bhalla (BBC environmentalist), and Bhargsetu Sharma (animal activist), whose impactful work in their respective domains proves that change begins with the actions of a single person.



**MAKE WAY  
THE VIDA V1  
ELECTRIC SCOOTER  
IS HERE.**



2,000+

Charging Points reached across 200 Cities in FY 2023-24

## Widening Reach

To reach a larger customer base, we are continuously expanding our presence through an omnichannel strategy for seamless brand interaction. We have two dedicated formats — VIDA Hubs and VIDA Experience Centres — across cities in India. Additionally, we leverage Hero Premia and Hero 2.0 stores to further expand VIDA's presence. These physical touchpoints offer customers an immersive and unique experience. They can explore VIDA V1 scooters and charging stations and engage with interactive walls showcasing the brand's vision. The Experience Centres provide a comfortable social space for customers to explore product features and benefits, understand the transition's impact, and learn about the VIDA support ecosystem.

## Seamless Charging Infrastructure

VIDA's brand promise is to build a 'Worry-free EV ecosystem.' The country's largest charging network ensures a seamless and convenient ownership experience for customers.

In an industry-first collaboration, we partnered with Ather Energy to create an interoperable fast-charging network in India. This partnership allows EV users to seamlessly access both VIDA and Ather grids nationwide.

VIDA-Ather interoperable charging network is built on Type 7 charging connector, which has become one of the standards in the industry, approved by Bureau of Indian Standards (BIS) as a charging infrastructure standard for light transport vehicles.

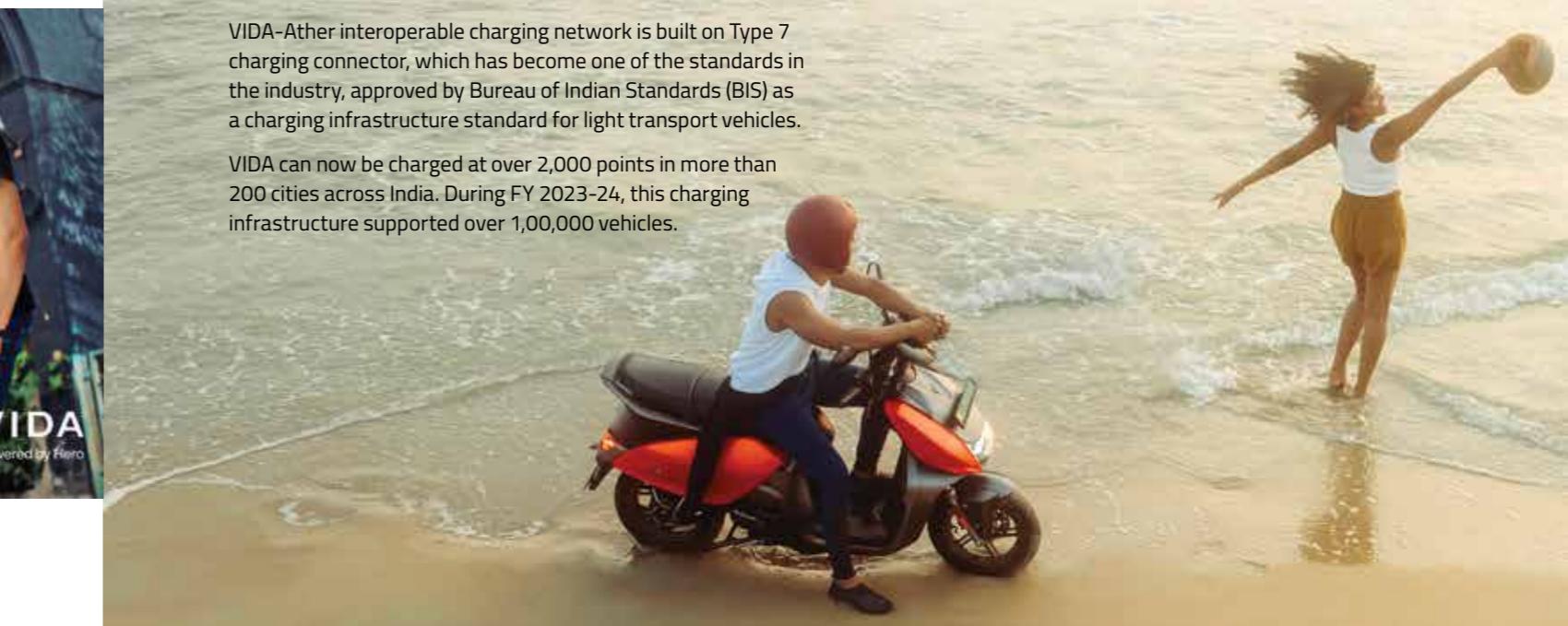
VIDA can now be charged at over 2,000 points in more than 200 cities across India. During FY 2023-24, this charging infrastructure supported over 1,00,000 vehicles.

## Widening our Portfolio with Zero Motorcycles, California

Our partnership with Zero Motorcycles is advancing well. We expect this collaboration to culminate in a shared platform that will deliver multiple vehicle products for both brands in the mid-power categories.

## Building for the Future

We are focused on strengthening the VIDA product portfolio with new launches targeted for FY 2024-25. Our geographic expansion aims to extend beyond 200 cities and increase density. We are committed to enhancing VIDA's brand strength and awareness by leveraging Hero MotoCorp's channel presence across Premia and Hero 2.0 stores and expanding exclusive VIDA dealerships. Additionally, we are expanding VIDA's charging infrastructure to ensure a seamless customer experience. To provide a superior EV ownership and purchase experience, we are developing innovative financing options and partnering with ecosystem players to increase charging infrastructure network density.



# REVVING UP OUR PREMIUM RIDE

The year 2023 was a landmark for Harley-Davidson in India. In July 2023, Hero MotoCorp launched the Harley-Davidson X440, introducing a whole new generation of enthusiasts to the brand.

The X440 marked Hero MotoCorp's entry into the middleweight motorcycle segment of the Indian two-wheeler market. In every aspect—the look, sound, and feel—the X440 stayed true to the iconic Harley-Davidson heritage.

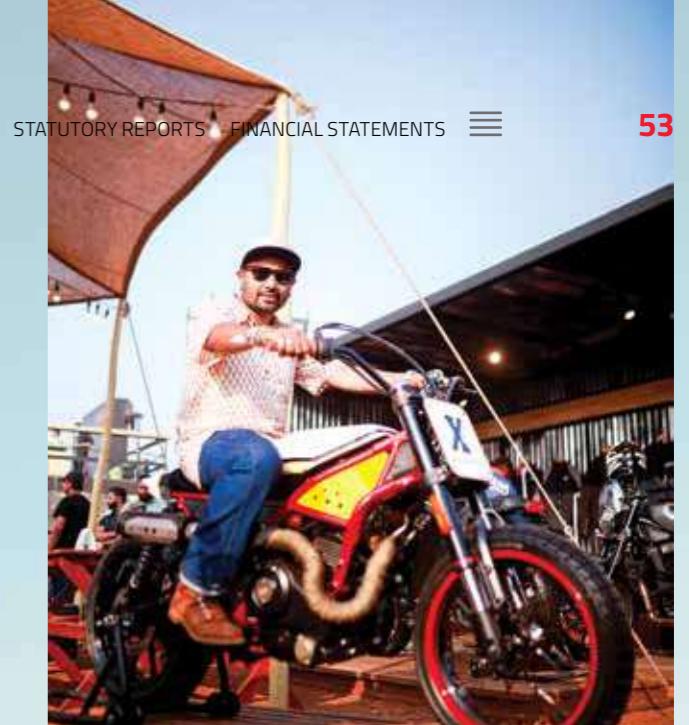
The marketing campaign for the Harley-Davidson X440 promised, 'Everything Will Change.' Within a month of opening bookings, 25,597 customers had staked their claim to the new Harley-Davidson X440.

As deliveries commenced and rider stories began pouring in, it was evident that the Harley-Davidson X440 had fulfilled its promise of offering a transformative experience.



Later in the year, the Harley-Davidson X440 took centre stage at India Bike Week (IBW), the country's biggest motorcycling festival in Goa. Four of India's most acclaimed custom builders unleashed their creativity on the H-D X440, showcasing its versatility and adaptability to unique custom jobs. Harley-Davidson stole the show at IBW with its unmissable presence and exceptional exhibits.

A rapidly growing community of Harley-Davidson X440 fans and riders kicked off what promised to be a vibrant calendar of rides and events. The first ever 'India Ride' saw over 1,000 new X440 owners ride out together across the country.



The excitement around X440 continued with the first edition of Destination X: Harley-Davidson X440 Plant Tour, where prominent journalists, influencers, and a selection of X440 owners rode out to the Hero MotoCorp plant in Neemrana to witness how the motorcycle is built. The participants saw in real time how the H-D X440 is assembled on the line and got a full tour of the Garden Factory.

**All in all, an eventful and exciting inaugural year!**





**1 Dr. Pawan Munjal**  
Executive Chairman  
**SCSR**

**2 Mr. Suman Kant Munjal**  
Non-Executive Director

**3 Ms. Vasudha Dinodia**  
Non-Executive Director

**4 Mr. Pradeep Dinodia**  
Non-Executive Director  
**AC** **NRC** **RMC** **SRC** **SCSR**

**5 Ms. Tina Trikha**  
Non-Executive and Independent Director  
**AC** **SCSR**

**6 Ms. Camille Tang**  
Non-Executive and Independent Director

**7 Prof. Jagmohan Singh Raju**  
Non-Executive and Independent Director  
**NRC** **SRC** **SCSR**

**8 Air Chief Marshal BS Dhanoa (Retd.)**  
Non-Executive and Independent Director  
**AC** **NRC** **RMC**

**9 Mr. Rajnish Kumar**  
Non-Executive and Independent Director

**10 Mr. Vikram S. Kasbekar**  
Executive Director  
**RMC** **SRC**

**AC** Audit Committee  
**NRC** Nomination and Remuneration Committee  
**RMC** Risk Management Committee  
**SRC** Stakeholders' Relationship Committee  
**SCSR** Sustainability and Corporate Social Responsibility Committee

Chairman Member

**Dr. Pawan Munjal****Executive Chairman**

Dr. Pawan Munjal is one of India's renowned corporate leaders, championing growth, socio-economic progress, and technological innovations. He is the Executive Chairman of Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters.

Under his leadership, Hero MotoCorp achieved the coveted title of the world's No. 1 two-wheeler company in 2001 and has successfully retained this position to date for 23 consecutive years. Our Company has also surpassed the rare milestone of 116 million cumulative production and sales.

Dr. Munjal has consistently demonstrated visionary leadership to guide Hero MotoCorp to not just consolidate its leadership status but also expand its global footprint across multiple continents. Hero MotoCorp currently operates in nearly 50 countries across Asia, Africa, Latin America, and the Middle East. It has eight world-class manufacturing facilities, of which six are located in India and one each in Colombia and Bangladesh.

One of the crown jewels of Hero MotoCorp's ecosystem is its world-class Hero Centre of Innovation and Technology (CIT) at Jaipur, Rajasthan – a result of Dr. Munjal's vision to make Hero MotoCorp a globally benchmarked powerhouse of research, design and development. The Company has also set up the Hero Tech Centre Germany (TCG) near Munich to build a robust R&D ecosystem that is spread across key geographies.

Hero MotoCorp has rapidly transformed into a true multinational organisation, with people from over 10 countries now working in our Company. Our Company is also championing Diversity, Equity, and Inclusion, and Sustainability across its global offices. In keeping with our Company's vision, "Be the Future of Mobility", Dr. Munjal has also led Hero MotoCorp to embark on new partnerships with global brands to develop future-ready and technology-driven mobility solutions.

In March 2022, Dr. Munjal unveiled VIDA, Powered by Hero, a new brand for emerging mobility solutions, including electric vehicles (EVs). VIDA V1, our Company's first EV, is already available in India and will soon be commercially available in Europe, the UK and Latin America.

Dr. Munjal has held executive positions at key Indian industry bodies, including the Confederation of Indian Industry (CII) and the Society of Indian Automobile Manufacturers (SIAM).

Dr. Munjal is not only a visionary when it comes to business; he is also a sports enthusiast. Due to his commitment and passion, Hero MotoCorp is one of the largest corporate promoters of multiple sporting disciplines around the globe, including golf, cricket, field hockey, motorsports, and football. Iconic golfer Tiger Woods is the Global Corporate Partner of Hero MotoCorp.

**Awards and Recognitions**

- AIMA JRD Tata Corporate Leadership Award for the Year 2021-22
- Best CEO for 2021 in the auto sector by Institutional Investor
- Hall of Fame: Asia's Most Powerful People in Golf for 2021/22 season
- Hockey India, Fédération Internationale de Hockey President's Award - 2021
- CNB Visioneer of the Year – 2021
- Business Leader of the Year at The Economic Times Awards for Corporate Excellence – 2021
- Inducted into the Asia-Pacific Golf Hall of Fame (First Indian) - 2019
- Special Achievement Award for outstanding contribution to Golf in Asia by the Asian Tour – 2019
- Honorary Degree of Doctorate of Science (Honoris Causa) by the esteemed Shri Mata Vaishno Devi University (SMVDU) – 2018
- Honorary Doctorate by National Institute of Technology (NIT), Kurukshetra - 2018
- Lakshya Business Visionary Award by National Institute of Industrial Engineering (NITIE) - 2018
- Lifetime Contribution Award by Indian Golf Industry Association (IGIA) - 2015
- Leader in Auto (Two-wheelers) by NDTV Profit Business Leadership Awards - 2013
- Business Leader of the Year by All India Management Association - 2013
- NDTV Business Innovator of the Year Award - 2012
- Man of the Year in the Indian Automotive Industry by NDTV Profit Car & Bike Awards - 2010
- Man of the Year by CNBC TV18 Overdrive Awards - 2009
- Award for Corporate Excellence in Vocation by Rotary International District 3010 – 2009

**Dr. Munjal is also on the board of the following companies:**

- Chairman & Director - Hero FinCorp Limited
- Director - Munjal Acme Packaging Systems Private Limited
- Director - Pan Mining Private Limited
- Director - Bahadur Chand Investments Private Limited
- Director - Hero InvestCorp Private Limited
- Director - Indian School of Business
- Director - Hero Future Energies Global Limited
- Director - Rockman Industries Limited

**Mr. Suman Kant Munjal****Non-Executive Director**

Mr. Munjal is the Executive Chairman (Whole-time Director) of Rockman Industries Ltd., a leading supplier of aluminium die-casting, machined, and painted assemblies to Hero MotoCorp.

With his leadership, wealth of experience, and expertise in business management, he has been instrumental in the growth of Rockman Industries.

Beyond his current role, his extensive experience and expertise have earned him positions on the Boards of various companies.

**Mr. Pradeep Dinodia****Non-Executive Director**

Mr. Dinodia is an astute finance professional with immense business acumen. He is the Chairman and Managing Partner of the Delhi-based Chartered Accountancy firm M/s. S.R. Dinodia & Co. LLP. He is a fellow member of the Institute of Chartered Accountants of India.

A co-author of the book 'Transfer Pricing Demystified', Mr. Dinodia is a much sought-after voice in the fields of taxation, finance, and corporate governance.

An alumnus of St. Stephen's College and also a law graduate from Delhi University, Mr. Dinodia also serves as the Chairman of Shriram Pistons & Rings Limited, the Non-Executive and Independent Director at Hero FinCorp Limited, and DCM Shriram Limited.

**Ms. Vasudha Dinodia****Non-Executive Director**

Ms. Dinodia is a successful third-generation entrepreneur from the eminent Munjal family. She is the Founder and Managing Director of the boutique chocolate Company, Choko La.

She has been an astute marketing strategist who has scaled Choko La to be a globally recognised, premier chocolate brand with its presence across the US, Europe, and Asia. The brand has seven premium chocolate boutiques and has partnered with global duty-free operators across multiple international airports, including Singapore, Macau, Delhi, Mumbai, Bangalore, Chennai, Kolkata, Hyderabad, Ahmedabad, Goa, Jaipur, and Raipur.

Choko La plans to open its boutiques in London, Paris, New York, Dubai, Sydney, and Tokyo in the coming years.

A trendsetting chocolatier and an astute businessperson, Ms. Dinodia has grown the brand and diversified it to create a Choko La Constellation that is unique in its approach to customer satisfaction. The brand offers a wide array of products and services, ranging from customised gifting to cafes and boutiques.

**Ms. Tina Trikha****Non-Executive and Independent Director**

A business strategist, investment banker, published author, and executive coach, Ms. Trikha is a global corporate leader with two decades of diverse experience working with companies in India, the United States, and Southeast Asia.

At various stages of her career, she has been the Head of Communications and Talent Development for SeaLink Capital Partners, an India-focused private equity firm; a financial and strategic consultant with McKinsey & Company in the USA; an investment banker with Credit Suisse in New York and Hong Kong; and Vice President of Corporate Planning and Strategy at Godrej Industries Limited. She has also earlier managed strategic planning and business development at Scholastic, a book publisher and distributor in New York.

She holds a Bachelor's degree in Economics from the Massachusetts Institute of Technology and a Master's degree in Business Management from the Wharton School of Business at the University of Pennsylvania.

**Ms. Camille Tang****Non-Executive and Independent Director**

Ms. Camille Tang has deep experience in innovation, productisation, and intellectual property across wireless power charging technology, international standardisation and licensing, investment banking, leadership education, agribusiness, cyber security, luxury, and consumer retail.

Ms. Tang co-founded and led ConvenientPower, a wireless power technology startup, to 28 world-firsts with applications across automotive, consumer electronics, infrastructure, medical and health, mobile phones, surfacing materials, and wearables. She co-founded and was co-chair of the Wireless Power Consortium, the international standardisation of wireless power as the "Qi" standard. ConvenientPower and three leading multinationals launched, as initial patent owners, the first Qi Wireless Power Patent Portfolio License.

Ms. Tang held senior roles in leadership education with Harvard Business School Asia-Pacific Research, the school's first international research centre; in derivatives and investment banking with Swiss Bank Corporation, SBC Warburg, HSBC, and Continental Grain in strategy, trading and investment, risk management, marketing, operations, corporate communications, and government relations; in luxury and consumer retail with Blanc de Chine and Macy's California. Milestones include two industry firsts in Chinese luxury retail.

Ms. Tang is co-founder and advisor to the Asia-America Multi-Technology Association Pearl River Delta. She was an advisory board member of Bunge Asia-Pacific, The 1990 Institute, and the Graduate Theological Union. She was a member of the Hong Kong Government Central Policy Unit, the Social Services Subventions and Lotteries Fund Advisory Committee and other statutory bodies. She served on healthcare and education non-profit boards.

Ms. Tang received a BA.Social Sciences with a Distinction-Stanford University, and MBA-Harvard University.

**Prof. Jagmohan Singh Raju****Non-Executive and Independent Director**

Prof. Jagmohan Singh Raju is currently the Joseph J. Aresty Professor of Marketing at the Wharton School of the University of Pennsylvania.

He also served as the Vice Dean for Wharton Executive Education and Wharton Online from July 2016 to March 2022. Prior to that, Professor Raju chaired Wharton's Marketing Department for six years and currently manages Wharton's relationship with the Indian School of Business (ISB). Before joining Wharton, he taught at the Anderson School at UCLA. He has received numerous teaching and research awards at Wharton and UCLA.

He holds a Ph.D. in Business, an M.S. in Operations Research, and an M.A. in Economics from Stanford University, California. He has an MBA from the Indian Institute of Management (IIM), Ahmedabad, and a B. Tech. degree in Electrical Engineering from the Indian Institute of Technology (IIT), Delhi. He was recognised at IIM, Ahmedabad, for the best academic performance in each of the two years he attended and was on the merit list at IIT, Delhi.

His research interests include pricing, new product introduction strategies, retailing, strategic alliances, and advertising. He leads and teaches in many executive education programmes at Wharton, has consulted extensively with several leading companies around the world, and advises start-ups initiated by Wharton students.

**Air Chief Marshal B.S. Dhanoa (Retd.)****Non-Executive and Independent Director**

Air Chief Marshal B. S. Dhanoa (Retd) is a decorated veteran of the Indian Air Force. Beginning his career in the Fighter Stream of the Indian Air Force (IAF) in June 1978, he served at various ranks, rising to be the 25<sup>th</sup> Chief of the IAF (January 1, 2017 to September 30, 2019). During his tenure as the Air Force Chief, the IAF executed air strikes over Balakot, Pakistan, in February 2019. ACM Dhanoa's (Retd.) exceptional leadership was recognised with prestigious Presidential Awards such as the Param Vishisht Seva Medal (2016), Ati Vishisht Seva Medal (2015), Yudh Seva Medal (1999), and Vayu Sena Medal (1999). During the Kargil conflict, the Fighter Squadron led by him became one of the most decorated Air Force units. An alumnus of St. George's College, Mussoorie, and Rashtriya Indian Military College (RIMC) in Dehradun, he joined the National Defence Academy (NDA) in June 1974. He later graduated from Jawaharlal Nehru University in 1977. He also holds an M.Sc. in Defence Studies from Madras University. ACM Dhanoa (Retd.) also serves as a Non-Executive Independent Director on the Board of InterGlobe Aviation Ltd, and HMC MM Auto Ltd.

**Mr. Vikram Kasbekar****Executive Director**

Mr. Kasbekar has an illustrious career spanning over 48 years in the auto industry. He has worked across diverse sectors such as Commercial Vehicles, Auto Ancillary and Two-Wheelers. Over the years, he has successfully established state-of-the-art manufacturing facilities across the globe. Having joined Hero in 2001, Mr. Kasbekar served in key roles such as Head of Operations, Head of Supply Chain, and Chief Technology Officer (CTO) before becoming the first employee of our Company to be elevated to the position of a Director on the Board. He is also a member of various Board committees, namely the Risk Management Committee, the Committee of Directors, and the Stakeholders' Relationship Committee.

Additionally, he currently holds the critical role of Head of Global Product Planning. He also actively participates in management committees for new models, pricing, sourcing, ESG Steero, statutory compliance, and audits. Through the years at Hero, he has played instrumental roles in shaping and implementing our Company's sustainable manufacturing strategy, meeting global standards in quality and delivery, and overseeing New Model Centre and Global Parts Center.

Mr. Kasbekar, a Mechanical Engineer from IIT Madras, is also on the Board of Hero MotoCorp Joint Venture (JV) Companies such as HMC MM Auto Ltd. and HMCL Niloy Bangladesh Limited.

In addition to his role at Hero MotoCorp, Mr. Kasbekar is an active member of the Confederation of Indian Industry (CII), SIAM alternate EC Meeting, CEO of the Two Wheeler Committee, and serves as the Chairman of the Greenco Delhi Chapter. He also contributes to the Manufacturing Council of CII.

**Mr. Rajnish Kumar****Non-Executive and Independent Director**

One of the foremost names in the Indian financial sector, Mr. Kumar has had a distinguished career in banking, with nearly four decades of service with the State Bank of India (SBI), culminating with a glorious three-year term as its Chairman in October 2020. He is credited with successfully steering SBI through challenging times and adopting key technological transformations. During his tenure, the bank developed YONO, a digital platform, establishing SBI as a global leader in technology and innovation adoption. He has also held various positions, including Chairman of SBI's subsidiaries, including SBI Life Insurance Company Limited, SBI Foundation, SBI Capital Markets Limited, and SBI Cards & Payments Services Limited. An M.Sc. in Physics from Meerut University and a Certified Associate of the Indian Institute of Bankers (CAIIB), Mr. Kumar serves as an Independent Director on the Boards of prestigious companies such as HSBC Asia Pacific, L&T, Ambuja Cements Ltd., and Brookprop Management Services (P) Ltd. He is the Non-Executive Chairman of Master Card (India) and Resilient Innovations (BharatPe).

# ARCHITECTS OF OUR SUCCESS



**Mr. Niranjan Gupta**  
Chief Executive Officer



**Mr. Vikram S. Kasbekar**  
Chief Technology Officer  
Head - Global Product Planning



**Mr. Vivek Anand**  
Chief Financial Officer



**Mr. Ram Kuppuswamy**  
Chief Procurement Officer



**Mr. Sanjay Bhan**  
Chief Business Officer -  
Global Business Unit



**Ms. Rachna Kumar**  
Chief Human Resources Officer



**Mr. Mike Clarke**  
Chief Operating Officer



**Mr. Ranjivjit Singh**  
Chief Business Officer –  
India Business Unit



**Ms. Reema Jain**  
Chief Information & Digital Officer



**Mr. Swadesh Srivastava**  
Chief Business Officer – Emerging  
Mobility Business Unit



**Mr. Bharatendu Kabi**  
Head – Corporate  
Communication and CSR



**Mr. Rakesh Vasisht**  
Head – Corporate Services  
Executive Sponsor - Scooter Business



# FOSTERING SUSTAINABLE GROWTH

## RESOURCES

### Financial

We efficiently manage our financial resources through responsible capital allocation and streamlined operations, with an aim to maximise returns for our investors and shareholders.

### Manufactured

We effectively utilise our state-of-the-art physical infrastructure such as manufacturing facilities, R&D centres, warehouses, and offices.

### Intellectual

Intellectual property and knowledge-based assets, including patents, trademarks, copyrights, and innovative products, are developed through R&D, collaborations, and partnerships.

### People

Our team of employees and their skills and expertise are pivotal to achieving organisational aspirations. We promote innovative ideas and nurture employees through tailored training and development initiatives.

### Social Relationship

The trust-based mutual connection among our Company, its customers, communities, and other stakeholder groups ensures shared value creation.

### Environment

The responsible utilisation and preservation of both renewable and non-renewable natural resources meet present and future requirements, fostering long-term sustainability.

## INPUTS

### Financial

- ₹ 17,986 crore  
Net worth (₹ 179.86 billion)

- 8 manufacturing facilities
- 2 R&D centres
- 9.5 million units annual production capacity

- ₹ 826 crore R&D spend (₹ 8.26 billion)
- 1,002 patents filed

- 9,225 total employees
- 11,18,505 training hours

- 10,000+ customer touchpoints
- 273 suppliers
- ₹ 1,054 crore advertisement & promotions spend (₹ 10.54 billion)
- ₹ 73.89 crore CSR spend (₹ 738.9 million)

- 198.6 lakh kWh renewable energy consumed (19.86 million)
- 7,57,178 KL fresh water consumption
- 18.3% recycled input materials used in product manufacturing

## Vision

### Be the Future of Mobility

## Mission

### Create | Collaborate | Inspire

## Values

### Passion | Integrity | Respect Courage | Being Responsible

## Strategic Pillars



### Grow the Core



### Win in Premium



### Build EV Leadership



### Build a Future-Fit Organisation

## OUTCOMES

### Value Chain



### World Class R&D Facilities

Our Centre for Innovation & Technology (CIT), Jaipur and Hero Tech Centre, Germany (HTCG) campuses have world-class, integrated facilities for new product design, prototype manufacturing, testing, and validation.



### Sustainable Supply Chains

Sourcing of materials from partners who abide by strict environmental and social norms.



### Green Manufacturing

Production processes that use resources efficiently and sustainably.



### Strong Logistics and Distribution

Networks through which all our products and services are available for our stakeholders, all the time.



### After Sales Service

Engaging with customers throughout their product usage journey.



### Branding and Marketing

Building our brand and infusing it with associations of passion, energy, and confidence.

## UN SDGs

### Financial

- ₹ 37,456 crore total revenues (₹ 374.56 billion)
- ₹ 3,968 crore PAT (₹ 39.68 billion)
- ₹ 199 earnings per share
- ₹ 140 dividend per share



### Sales

- 5.21 million motorcycles sold
- 0.41 million scooters sold
- 8 launches in domestic market
- 12 launches in global markets



### Intellectual

- 240 patents granted



### People

- 1,233 new hires
- 13.5% gender diversity
- 0.24 (permanent workmen) LTIFR (loss time injury frequency rate)



### Social Relationship

- 90.40 customer experience index
- 98.77% customer complaints resolved
- 796 new touch-point appointed
- 66.8 net promoter score



### Environment

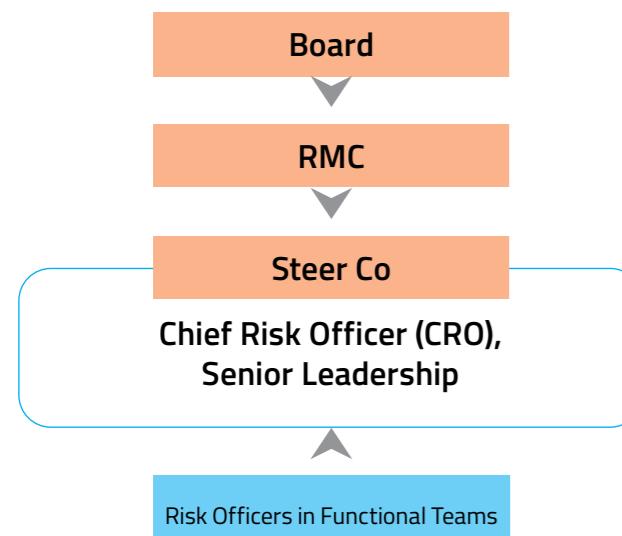
- 18.61 KgCO<sub>2</sub>/vehicle - carbon emission intensity (scope 1 and 2)
- 0.14 KL/vehicle - fresh water intensity
- 23.64 Kg/vehicle - recycled material used intensity



# NAVIGATING UNCERTAINTIES

**Hero MotoCorp is impacted by various external and internal factors influencing the automotive industry, including policy changes, stricter regulations, and fluctuating energy and commodity costs. To effectively navigate these challenges and ensure business continuity, we employ a proactive risk mitigation approach. By adopting a systematic and collaborative risk management strategy, we gain a thorough understanding of the challenges affecting both our company and society, allowing us to address them effectively and maintain our commitment to both.**

## Enterprise Risk Management (ERM) Framework



## Risk Management Process

The risk management function at Hero MotoCorp takes into account threats from external and internal sources to design and mitigate a diverse set of strategic, operational, regulatory, and technology-related risks. The risk identification, analysis, mitigation, and monitoring is undertaken periodically by the Management Team and overseen by the Risk Management Committee (RMC).

As a process, an annual structured exercise is carried out with an expert facilitator. The Risk team works with each key function and their Risk Officers to conduct an in-depth analysis of functional risks and a subsequent identification of enterprise-level risks based on their impact and/or nature. The defined risks are detailed, with their mitigation plans, owners, and timelines. Such enterprise-level risks form a part of Hero MotoCorp's Risk Register, which is then presented to the RMC. The RMC, in turn, oversees and monitors the implementation of mitigating actions through the Chief Risk Officer, the Risk SteerCo, and, more broadly, the relevant risk owner.

Senior management team members are actively involved to ensure the consistency of the overall process through a Risk SteerCo. After the assessment, a calendar and detailed mitigation plans are prepared and implemented, and the RMC is updated accordingly on a periodic basis with regards to these and also works on and reports on new developments, as the case may be, from time to time.

We have developed and conducted a deep dive on the Company-level Risk Register, and have worked on and tested, via multiple simulations, a robust business continuity plan (BCP) to manage unforeseen and less-anticipated scenarios. As a part of the activity, key risk areas were identified and their mitigation plans developed, tested, and presented to the RMC.

Risk	Impact	Mitigation measures
<b>Geopolitical Tensions</b>	<ul style="list-style-type: none"> <li>- Decline in sales could impact market position and profit margins.</li> <li>- Logistics and supply chains could get impacted.</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on countries that are less impacted to cover up.</li> <li>- Build a strong domestic supplier base for sourcing resources locally as far as possible.</li> </ul>
<b>Cost Pressure in Material Sourcing</b>	<ul style="list-style-type: none"> <li>- Higher costs could lead to pressure on margins.</li> <li>- Change in mix, focus markets could impact the sourcing requirements.</li> </ul>	<ul style="list-style-type: none"> <li>- Offset increase in costs through optimisation programmes viz. LEAP etc.</li> <li>- Develop alternate and innovative technologies, strategies, and vendors.</li> </ul>
<b>Cyber-attack and Data Security</b>	<ul style="list-style-type: none"> <li>- Loss of valuable data, information, unauthorised access to data systems, and other events of intrusion.</li> <li>- Impact pronounced with the change in mix of business to more connected vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>- Deployed measures including Next Gen Security Operations Centre, Vulnerability Management Programme, Data Governance, Cloud Access Security, and Enhanced Endpoint Security.</li> <li>- Cyber insurance.</li> </ul>
<b>Substantial impact on demand and/or, production due to various reasons, similar to the recent impact of the pandemic, domestically, or, in export markets</b>	<ul style="list-style-type: none"> <li>- Demand slowdown due to lockdowns.</li> <li>- Non-availability and slow movement of supply chain leading to lower supply chain availability.</li> </ul>	<ul style="list-style-type: none"> <li>- Strong, tested business continuity plan (BCP) followed by our Company during earlier incidences helped minimise impact and recover at the earliest.</li> <li>- Hero MotoCorp has also started to explore newer markets to limit regional business impact.</li> <li>- Preparation of alternate vendors to compensate for impact in certain markets from other vendors.</li> </ul>
<b>Shifting of consumer preference to EV</b>	<ul style="list-style-type: none"> <li>- There has been higher adoption of EV two wheelers.</li> <li>- Should this adoption continue, it has the potential to impact the sale of ICE engine two-wheelers.</li> </ul>	<ul style="list-style-type: none"> <li>- Set up Hero's EV products and models now sold across the country under the brand "VIDA".</li> <li>- Grow VIDA with more product launches and market entries.</li> <li>- Tie up with Zero Motorcycles, USA, to bring premium EVs to India and a strategic investment in Ather Energy in India.</li> </ul>
<b>Depleting Air Quality and Rising Pollution Levels</b>	<ul style="list-style-type: none"> <li>- Increased health hazards and pollution.</li> </ul>	<ul style="list-style-type: none"> <li>- Transition from BSIV to BSVI-compliant vehicles have brought down the pollution levels caused, reducing these to the most effective, lowest polluting 2w in the world complying to strict Indian norms.</li> </ul>

We will also work towards the acknowledgment and development of organisational risk culture to guide our operations as well as lay the foundation for internal decision-making. This will also help our external stakeholders have a better understanding of the operations at Hero MotoCorp. With a clearer understanding of our risk culture, a detailed analysis of the existing risk register, and its planned mitigations; your company is also preparing a detailed Business Continuity Plan (BCP).

The details of the Committee, along with its charter, are set out in the Corporate Governance Report that forms a part of this report.

# OUR PATHWAY TO SUSTAINED GROWTH

To propel enduring growth, our strategic focus centres on strengthening our core segments, winning in the premium market, establishing leadership in electric vehicles, and building a future-fit organisation to elevate Hero MotoCorp to new heights of business growth.



## GROW THE CORE

### Expand the Category and Fortify our Brands

- Support Splendor with multiple strong brands viz. Glamour, Super Splendor and Passion
- Passion+ to attract aspirational First Time Buyers

### Recover Market Share in 125cc

- Drive category expansion and premiumisation with Xtec model launches
- Drive unique offerings such as industry-first features, best-in-class acceleration and best-in-class ride-ability and handling

### Increase Share in Scooter segment

- Expand scooter segment portfolio under Xoom

### Accelerate Parts, Accessories & Merchandise (PAM) business

- Strong growth in the PAM business through increasing breadth and depth, efficient logistics and expanded portfolio

### Rapid scale up in top 10 global markets

- Targeted strategy for identified top 10 markets while continuing to build other markets



## BUILD EV LEADERSHIP

### Fully-loaded Product with Best-in-class Features

- Focused on exceptional customer experience, we addressed challenges by offering access to 2,000 fast-charging points in 200+ cities to ease range anxiety. Additionally, 5-year extended warranties alleviate concerns about EV longevity.



## WIN IN PREMIUM

### Build Portfolio

- Build core and upper premium portfolio
- With four out of eight products launched last year in the premium category, including three in the fastest-growing 200cc+ segment, we now cover all premium sub-segments.

### Power Brands, Premium Imagery

- Invest in brand building through impactful launches, enriched channel experiences, and initiatives within the rider community. Our goal to set industry benchmarks in channel experience through Hero 2.0 and all new Hero Premia stores

### Elevate the Retail Buying Experience

- With an aim to create a new era of premium customer experience, we launched our flagship store – Hero Premia, designed to deliver an unrivalled premium sales and service to customers
- Our store layouts are thoughtfully designed with pre-defined planograms and choice of prime locations to ensure accessibility.

### Premium Customer Journey

- We have actively adopted digital tools to deliver differentiated value. Our store layouts are thoughtfully designed with pre-defined planograms and choice of prime locations to ensure accessibility.



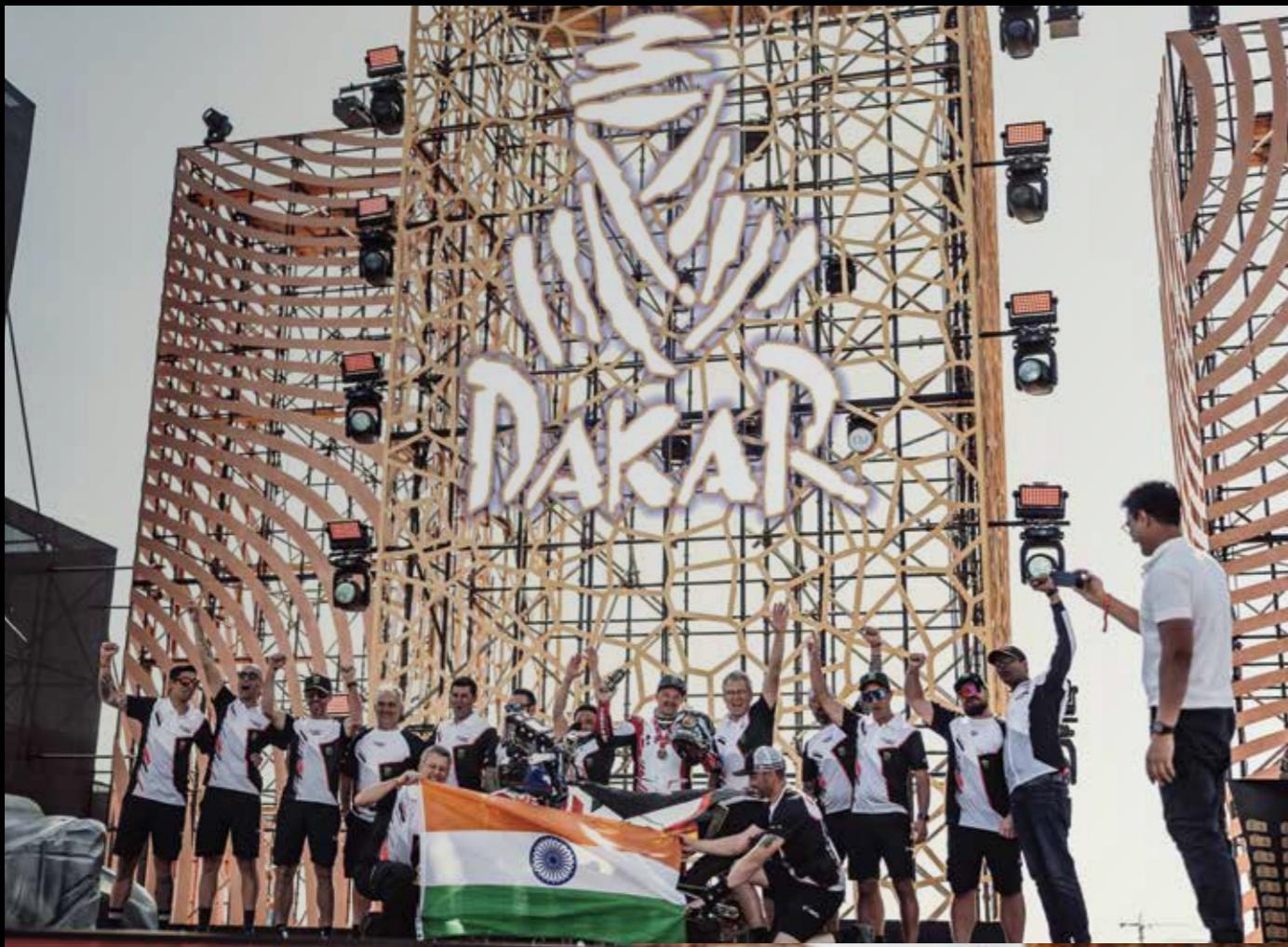
## BUILD A FUTURE-FIT ORGANISATION

### Create Unmatched Customer Experience

- Deliver end-to-end customer experiences and enhance connectivity through connected vehicle platforms
- Leverage advanced analytics, IoT, and automation, we optimise supply chain, manufacturing and customer service
- Smart Cell and Utility Cockpit connect machinery and utilities, providing real-time data for transparency

### Drive Organisational Efficiency

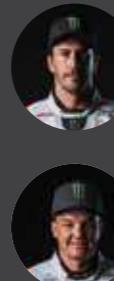
# LEADING RACES, WINNING HEARTS



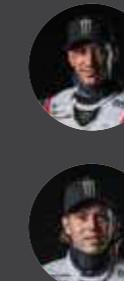
In 2024, Hero MotoSports Team Rally, an 8-year-old team, made history as the first Indian manufacturer to reach the Dakar Rally podium. This milestone underscores Hero MotoCorp's commitment to creating a world-class racing team with top-rated, in-house-developed off-road machines. It also significantly adds to our Company's growing reputation as a formidable contender on some of the most challenging tracks across geographies.



## TEAM FOR DAKAR



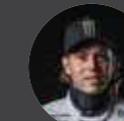
Joan  
Barreda



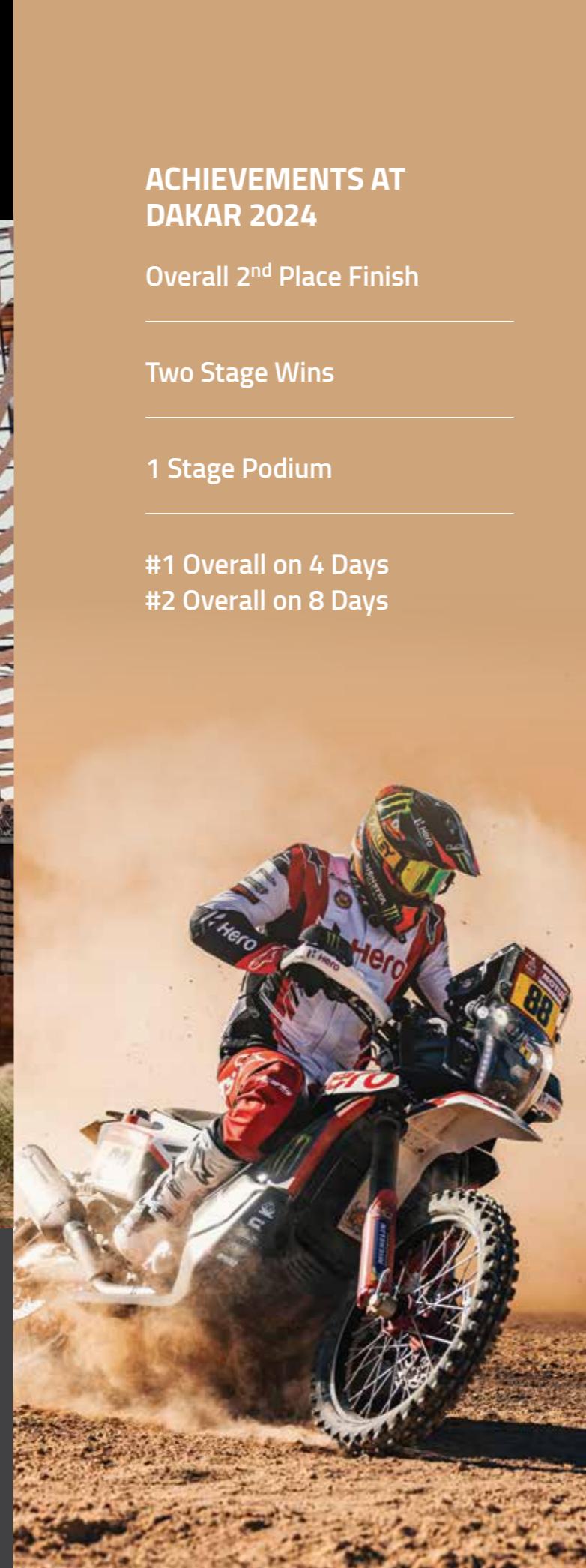
Joaquim  
Rodrigues



Ross  
Branch



Sebastian  
Buhler



## ACHIEVEMENTS AT DAKAR 2024

Overall 2<sup>nd</sup> Place Finish

Two Stage Wins

1 Stage Podium

#1 Overall on 4 Days  
#2 Overall on 8 Days

All revved up following their best-ever Dakar result, Hero MotoSports triumphed at the Abu Dhabi Desert Challenge in March 2024, the second round of the FIM World Rally Raid Championship (W2RC 2024). As of this report, Hero MotoSports leads the 2024 World Championship in both the manufacturer and rider rankings, a historic first for an Indian manufacturer. The championship season spans five races, concluding in October 2024.

The Hero 450 Rally bike is a testament to Hero's engineering excellence and has received continuous upgrades and testing worldwide.

## INTERNATIONAL RACING

Highlights of the International Racing 2023-24 Season



### Dakar Rally 2024, Saudi Arabia

2<sup>nd</sup> Overall; 2 Stage Wins;  
1 Stage Podium



### Abu Dhabi Desert Challenge 2024, UAE

Overall Win; 1 Top-5  
Finish; 5 Stage Wins; 1  
Stage Podium



### Sonora Rally 2023, Mexico

2 Top-10 Finishes



### Desafio Ruta 40 2023, Argentina

1 Top-5 Finish;  
1 Stage Podium



### Rallye Du Maroc 2023, Morocco

1 Top-5 Finish; 1 Top-10  
Finish; 1 Stage Win; 1  
Stage Podium



### TGR 1000 Desert Race 2023, Botswana

Overall Win; 1 Stage Win



## Dakar Rally 2024

**2nd Place Overall; 2 Stage Wins; 1 Stage Podium**

The Dakar Rally 2024 was the most arduous, set in the punishing Saudi Arabian desert. Over 14 days, the world's top manufacturers and athletes navigated an 8,000+ km journey through extreme terrain and weather conditions. The competition was fierce, with contenders battling for the top prize. Strikingly, after 8 stages and over 6,000 km, the gap between Ross Branch and the first-place competitor was just a second!

Hero Factory rider Ross Branch overcame numerous challenges to secure a remarkable 2<sup>nd</sup> place at the Dakar Rally 2024. His teammates Joaquim Rodrigues, Sebastian Buhler, and Joan Barreda were forced to withdraw due to crashes and injuries in the 1<sup>st</sup>, 3<sup>rd</sup>, and 6<sup>th</sup> stages, respectively. Hero MotoSports led overall for 4 days and held a solid 2<sup>nd</sup> position for 8 days, achieving 2-stage victories and a stage podium. This phenomenal achievement marks a significant milestone for the young team, which has steadily progressed from winning their first Dakar stage in 2022, doubling their victories in 2023, to reaching the final podium in 2024.

## Abu Dhabi Desert Challenge (ADDC) 2024

**Overall Winners; 1 Top-5 finish; 5 Stage Wins; 1 Stage Podium**

The Abu Dhabi Desert Challenge (ADDC), known for its unforgiving sand and desert conditions, presented an intense week of racing in the extreme climate of Rub Al' Khali (Empty Quarter) for the 2024 race. Team Hero faced setbacks even before the race began, including customs clearance issues and a last-minute rider replacement, leaving the members with less than a day to prepare. Despite these challenges, the team excelled from the start and ultimately won the rally.

This victory marked the 8-year-old team's first triumph in a World Championship race. Aaron Marè, a last-minute substitute for Sebastian Buhler, won the race for Hero MotoSports. Ross Branch finished 4<sup>th</sup>, raising his total championship points to 50 and taking the lead in the FIM World Rally-Raid Championship (W2RC) 2024 Rider Rankings. With this win, Hero MotoSports also ascended to the top of the manufacturers' leaderboard in the W2RC 2024, making history as the first Indian manufacturer to achieve this stupendous success on the global stage.



## Sonora Rally 2023, Mexico

**2 Top-10 finish**

Set in Mexico's second-largest state and featuring North America's hottest desert, the Sonora Rally spanned 2,300 km across five stages. This event, debuting in the World Championship, offered diverse unfamiliar terrains such as flat ranchlands, soft dunes, open beaches, and riverbeds in the land of the Saguaro cacti. Representing the team in its first North American outing, Ross Branch and Sebastian Buhler finished 7<sup>th</sup> and 10<sup>th</sup> in overall positions, respectively.



## Desafio Ruta 40, 2023, Argentina

**1 Top-5 finish; 1 Stage Podium**

Popular as South America's toughest rally, the Desafio Ruta 40 joined the FIM World Rally Raid Championship (W2RC) in 2023. The week-long race featured a wide array of demanding terrain, including off-track pistes, stony riverbeds, sandy stretches, salt flats, and towering dunes. Competitors faced dramatic temperature swings of up to 35 degrees within a single day, riding at altitudes of 3,000 metres, crossing rivers, and navigating mountains and canyons.

Ross Branch demonstrated consistent top performance throughout, emerging as a leading contender for the overall podium. After five gruelling stages, Ross secured a 4<sup>th</sup>-place finish. Unfortunately, his teammate Sebastian Buhler had to withdraw in the 4<sup>th</sup> stage due to a mechanical issue.



## Rallye Du Maroc 2023

**1 Top-5 finish; 1 Top-10 finish; 1 Stage Win; 1 Stage Podium**

Team Hero MotoSports delivered a stellar performance in a 6-day race in Morocco, spanning 2,200 km of sand, dunes, stones, and mountains. This edition of the 'mini Dakar' was particularly gruelling due to complex navigation and Saharan temperatures soaring between 35 and 40 degrees Celsius.

Ross Branch, armed with a stage win and a stage podium, was a strong contender for the overall rally win until the final moments of Stage 5. A crash in the dunes during the last stage set him back by a few minutes, resulting in a 4<sup>th</sup>-place finish, just 1.5 minutes shy of the podium. Sebastian Buhler finished eighth in the rally.



The Rallye du Maroc was also the 5<sup>th</sup> and final round of the FIM World Rally-Raid Championship 2023 season. Ross Branch secured a top-5 finish in the 2023 World Championship, achieving 4<sup>th</sup> overall.



## Welcoming Joan Barreda Bort, our New Rider

In November 2023, Hero MotoSports strengthened its line-up by signing ace rider Joan Barreda Bort, a highly accomplished rally-raid athlete known as a 'Dakar legend'. The Spanish rider has won 12 international races and finished the Dakar Rally seven times. Over 13 consecutive Dakar appearances, he has achieved 30 stage wins, the most among active competitors in the motorcycle category. Barreda's enviable reputation and racing expertise will help Hero MotoSports achieve even higher targets.



## New Partners Onboarded – Monster Energy and AlpineStars

Hero MotoSports Team Rally is backed by global partners who have played a key role in their success. In November 2023, the team welcomed two new premium partners: Monster Energy and AlpineStars. These industry leaders, known for supporting top athletes and teams across various sports, offer strong validation for the young team's rapid ascent to the big leagues.

## Official sponsor – Dakar Rally

In January 2024, Hero MotoCorp became the first Indian company to partner with the Dakar Rally as an official sponsor. The Dakar Rally is the third-most popular motorsport event after Formula 1 and MotoGP. It is broadcast in over 190 countries, covered by more than 1,000 media outlets, and reaches over 7 million online followers. This three-year partnership will enhance Hero's global brand visibility and create exciting opportunities in the premium category.

## DOMESTIC RACING (INDIA)

### INRC Championship 2023

- Winner – Ladies Class
- 1<sup>st</sup> Runners up - Group B (upto 250 cc), Ladies Class

### INSX Championship 2023

- 1<sup>st</sup> Runners up - Novice Class
- 2<sup>nd</sup> Runners up - Expert class

### Dakshin Dare 2023

- Overall Runners-up
- Winners - Group B (upto 250 cc), Ladies Class

### Ultimate Desert Challenge 2023

- Overall Winner - Team Trophy
- 1<sup>st</sup> Runners up - Group B (upto 250 cc)

### SJOBA Rally 2023

- Overall Winner - Team Trophy
- 1<sup>st</sup> Runners up - Overall
- Winners - Group B (upto 210 cc), Group C (upto 210 cc)
- 1<sup>st</sup> Runners up - Group A (upto 550 cc)

The Hero MotoSports National team had a stellar 2023-24 season, competing in two premier national championships — the Indian National Rally Championship (INRC) and the Indian National SuperCross Championship (INSX) — and three major independent events: Dakshin Dare Bengaluru, Ultimate Desert Challenge Jaisalmer, and SJOBA Rally Chandigarh. The team excelled in both stock and modified classes, winning the INRC (Ladies Class) Championship and the Overall Team Winner titles at the UDC and SJOBA Rallies. Riders Yuva Kumar, Arun T., Karan Kumar, Tanika Shanbhag, Tanaya Singh, and Shailesh Kumar secured multiple group wins and podiums.

Throughout the year, the team participated in over 22 races nationwide. They developed a custom prototype at CIT, based on an upcoming platform, that competed successfully against imported, higher-cc racing machines. This prototype provided valuable feedback for the upcoming model. The team also continued to race with the Hero MotoSports Xpulse Rally 200 and stock Xpulses fitted with rally kits, highlighting the superior performance of Hero's premium products.



# GROWING BRAND PROMINENCE

**Hero MotoCorp drove high octane media marketing campaigns to amplify its foray into premium mobility.**

**From collaborating with producers to pioneering India's first brand launch via a live gaming stream, we capitalised on creative techniques to reach out and engage our audience and generate interest for our products.**



**Hero MotoCorp's Xtreme 160R4V witnessed a smashing media launch, heralded as the 'Fastest & Lightest 160cc' in the air-cooled segment of the category. This initiative included extensive engagement with top media outlets and over 100 auto influencers, resulting in over 38 million views and driving rapid awareness and impact.**

## Highlights of the Year

- We used an eye-catching display of the top-notch motorcycles to drive the premium imagery for the brand during 'India Bike Week', the largest motorcycle festival in India. A special 'X Clan Rally', was planned, in which 100+ eager riders drove Karizma XMR and X Pulse motorcycles to the event.
- We reinforced the middle and bottom funnels by enhancing consideration and word-of-mouth for the scooter portfolio through a regional influencer and testimonial campaign, reaching over 8.6 million individuals.
- We increased our interaction with approximately 50 on-site events, including Xdrags and Xtracks, as well as creating an experience ride at the Rann of Kutch exclusively for the Mavrik 440. These efforts were undertaken to provide enthusiasts with immersive experiences while demonstrating the potential of our products across different terrains, thus bolstering our connection with our audience.

We unveiled the much-awaited Karizma XMR motorcycle, along with the 'Live the Legend' campaign, which featured Hrithik Roshan and generated a lot of attention, yielding 1.37 lakh chats, a 12x increase in searches, and a 90% positive mood.



Capitalising on the gaming phenomenon, Hero MotoCorp became the first two-wheeler brand to integrate with 'Playground' and 'BGMI-Krafton' for the Xtreme 125R launch. This targeted approach connected with Gen-Z audiences and first-time bike purchasers, a vital market for future growth. Leveraging live streaming, India's first brand launch via a game stream at Hero World 2024 generated over 20 million views and 63,000 concurrent viewers, igniting significant buzz for the new Xtreme 125R.



## Digital-First

This year, strategic digital initiatives and a focus on customer-centric experiences drove significant brand performance growth. Here's a snapshot:

- **Hero App:** Downloads soared to 4 million, transforming into a one-stop after-sales hub, boosting customer engagement.
- **Personalised Power:** Data-driven offer rollouts in the Hero App doubled visit-to-lead conversion, showcasing targeted marketing effectiveness.
- **Next-Gen AI:** Launched an industry-leading AI chatbot, facilitating natural customer interactions and accelerating sales pipeline growth.
- **Hyperlocal Hero:** Spearheaded the auto industry's fastest hyperlocal programme rollout, reaching over 900 dealerships (a two-wheeler first). This swift and efficient implementation generated a 6%+ increase in inquiries, demonstrating the power of our localised digital strategy.
- **Content Creator Engagement:** Influencer partnerships generated over 160 million views and significant engagement, extending brand reach and fostering deeper audience connections.
- **#GoDigital:** In collaboration with Google, Hero MotoCorp hosted the first-ever #GoDigital session for 500 dealers, equipping them with the tools and knowledge to thrive in the evolving digital landscape.



## #BOLOHAAN

To capitalise on the immense viewership of the Cricket World Cup, we launched a strategic brand activation campaign, #BoloHaan, featuring Hero MotoCorp brand ambassador Alia Bhatt. This purpose-driven 360-degree campaign effectively communicated the unique selling points of Hero Pleasure scooter through a creative and engaging narrative. By leveraging Alia Bhatt's celebrity influence, the campaign successfully resonated with the target audience and amplified the Hero MotoCorp brand message, achieving significant reach and engagement.

## REVVING UP ENGAGEMENT: A COLLABORATION WITH BGMI

Ignited fan engagement through a strategic e-sports partnership with KRAFTON India, creators of BGMI. The 'Challenge the Extreme' contest integrated the Hero Xtreme 125 into the game, offering unique experiences and custom-branded bikes as prizes. The innovative integration of the Hero Xtreme 125 within BGMI strengthened brand engagement and generated significant interest in our latest offering.



# READYING FOR TOMORROW

**Leveraging the power of data and analytics and aided by our state-of-the-art Innovation Centres in India and Germany, Hero MotoCorp is redefining the automotive landscape, introducing cutting-edge technologies and sustainable mobility solutions to enhance the style, efficiency, and strength of its products. Embracing digitalisation, we have optimised operations and enhanced efficiency across the value chain. Our digital platforms enable real-time data analysis, empowering decision-making and fostering agility.**



## Prioritising Customer Needs

We put a premium on research and development (R&D), ensuring our products cater to evolving customer demands. By prioritising fuel efficiency (FE) leadership in core segments like the 100cc and 125cc categories, alongside the technical readiness for Flex Fuel E85, we anticipate and cater to changing market dynamics. Through Quality Function Deployment (QFD), we integrate customer feedback into product development, as exemplified by initiatives such as the Passion Plus and Glamour Revamp projects. Noteworthy collaborations, such as Acoustic Engineering in the Harley-Davidson X440, highlight our commitment to enhancing product quality and customer satisfaction.

## Enhancing Operational Efficiency

In addition to driving innovation, R&D plays a pivotal role in enhancing operational efficiency. By leveraging digital engineering and artificial intelligence (AI), we streamline design processes and reduce time to market. Collaborative efforts with suppliers ensure cost-effective solutions without compromising on quality. Moreover, investments in advanced testing facilities like the 4 Axis Road Simulator facilitate quicker lab-to-road conversions, accelerating product development cycles, and enhancing our competitive edge.

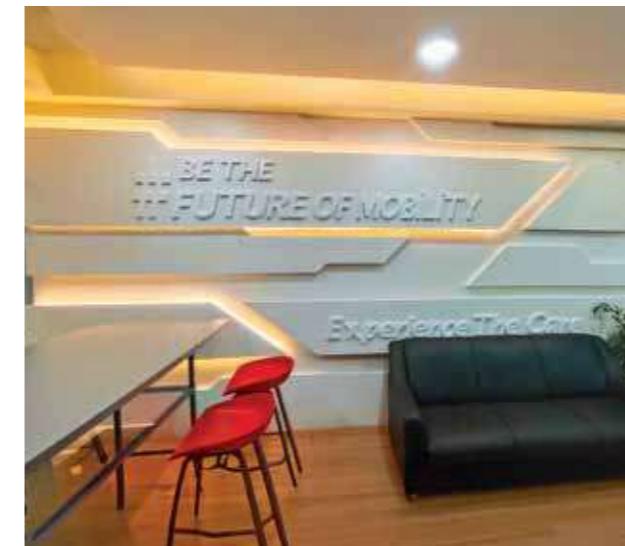


## Driving Competitive Edge

Research & Development (R&D) lies at the heart of Hero MotoCorp's transformation journey, serving as a cornerstone of our competitive advantage. Groundbreaking projects like the new platforms for the X440, Maverick, and Xoom in the premium segments and for VIDA in the electric vehicle (EV) space underscore our commitment to innovation. Continuous platform upgrades, such as the Splendor XTec and Glamour Revamp, reinforce our dedication to value enhancement. With a strategic technology roadmap guiding our efforts, we anticipate meeting future consumer expectations with cutting-edge technologies that redefine the riding experience.

## Amping up Customer Service Proposition Using Technology

We are leveraging technology to elevate our customer service proposition, evident in the enhancements made to service intervals across the 100cc platform. The implementation of connected technology and over-the-air (OTA) capabilities underscores our commitment to providing seamless customer experiences. Furthermore, cost efficiencies in new products enable attractive pricing while maintaining product quality.



## Revolutionising the EV space with Surge

In 2018, our Executive Chairman Dr. Pawan Munjal initiated 'Hero Hatch,' an internal incubation centre to foster innovation and disrupt the mobility segment. Surge, one of the first startups from this initiative, was born by a motivated group of co-founders.

With a vision to 'Revolutionise mobility through sustainable innovations' and technology-driven decarbonisation, Surge introduced the world's first class-changing vehicle, the S32. The S32 is a battery-powered electric vehicle that can transform from a two-wheeler into a three-wheeler based on user needs. Targeted at daily commuters seeking robustness, efficiency, and longevity, the S32's design, inspired by a warrior's armour, instills confidence and empowerment. The convertible design allows it to carry goods and passengers. It can be used for personal chores and can also serve as a versatile fleet vehicle, particularly for last-mile mobility. The patented vehicle interchange design ensures a user-friendly, quick, and safe conversion process.

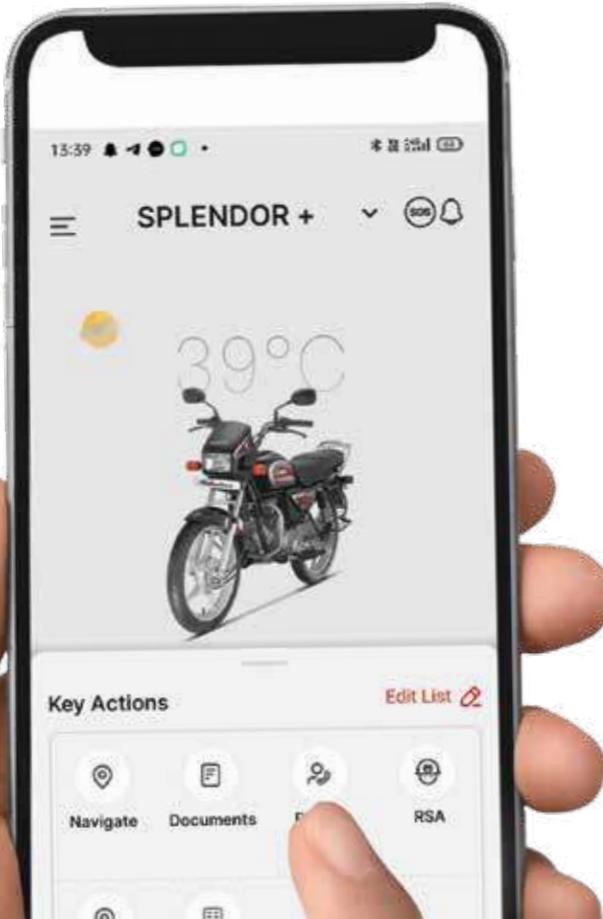
To incorporate this new vehicle category into the Motor Vehicle Act of India, Hero MotoCorp aligned the 2&3W industry to publish Type Approval Regulation AIS 177 through ARAI, leading to the government notifying a new vehicle category, 'L2-5'. Surge has filed 40+ patents on its in-house technologies and developed a scalable vehicle platform, AMSEP®, capable of producing various vehicles, including load carriers, passenger carriers, utility vans, and two-wheelers.



# BUILDING A DIGITAL-FIRST FUTURE

**Hero MotoCorp is committed to delivering exceptional digital experiences for customers, partners, and employees. Our goal is to seamlessly weave in tech to enhance efficiency and speed of innovation and excellence in business. During FY 2023-24, we have made significant progress, developing numerous capabilities and digital assets that bring us closer to this vision.**

**1 million**  
Active Monthly Users of  
the Hero App



## Highlights of the Year

### Customer Experience

We reimagined customer experience by revamping our website with advanced technology and visuals, including a 3D Configurator and end-to-end digital booking and test ride journeys. This led to a record-breaking 13,689 digital bookings for the H-D X440, accounting for 54% of total bookings. Additionally, our indigenous CDP, the Marketing Data Workbench, generated 78,000 inquiries. We enhanced our Wheels of Trust (WoT) platform for vehicle exchanges, achieving 1,10,000 retail transactions, up from 11,000 last year. We have also integrated GenAI into customer acquisition journeys to provide a personalised understanding of the product.

### Hero App: A Companion for Vehicle Owners

The Hero App, launched last year, has become the go-to application for Hero vehicle owners. With over 5 million downloads, the app continues to grow and evolve, emerging as a trusted companion of our customers, enhancing their vehicle ownership experience.

The Hero App offers a range of features and services designed to make life easier for vehicle owners, such as:

- In-context messaging
- Personalised recommendations
- Digital buying
- Service booking
- Seamless after-sales experience

The app also serves as a central hub for all things Hero, integrating various digital assets and providing customers with a unified and differentiated digital experience.

Hero App has achieved over a million monthly active users. By creating stickiness and monetising the app through loyalty programmes, roadside assistance, and insurance, the app aims to become a profitable venture.

The Hero App is a testament to the Company's commitment to delivering a next-generation, digitised customer experience. By leveraging cutting-edge technology and innovative solutions, the app empowers customers to get the most out of their vehicles and enjoy a seamless and enjoyable ownership journey.

## Dealer Experience

**Generative Artificial Intelligence (Gen AI)-based Dealer Sales Executive (DSE) App:** We launched a beta version of the DSE app to create custom sales pitches based on customer profiles, which will revolutionise the way we sell. This is the first-of-its-kind in industry.

**DigiFin:** Our retail finance platform, provides easy self - and dealer-assisted journeys for our customers to finance their vehicles. Customers have so far loved the ease and availability of multiple financiers in one place.

**Integrated Learning Management System (ILMS):** We have deployed an all-new learning solution for all our channel partners that provides in-hand, contextual, bite-sized, and on-demand learning. This is also now the backbone for our big learning competitions.

We also launched an all-new salesforce automation app for our Hero Genuine Parts Distributors (HGPDS) that allows their sales executives to have handheld access to take orders as well as track their metrics.

## Re-defining Ways of Working

We are enabling new capabilities to facilitate smarter, simpler, and more efficient ways of working. The introduction of the Price Change Request (PCR) has streamlined the cycle from 0 to 5 days, reducing route revisions by an impressive 90%.

Our Governance, Risk and Compliance (GRC) solution in SAP enhances fraud detection, risk assessment, and compliance. The EMF Just-In-Time Procurement solution resulted in a ₹ 2 crore inventory reduction at the Haridwar Plant. The Lighthouse initiative at the Chittoor plant is automating manufacturing operations and monitoring, boosting Overall Line Efficiency (OLE) by 5% and tool life by 2%. Our Product Traceability measures, such as Barcode Linking of the VIN to the Supplier Batch, ensure safety and compliance across all plants. We also launched the 5C Engine Part Traceability initiative, which involves QR code-based linking of the CTP or CTQ of 5C parts with Frame & Engine VIN for a zero-defect product. Additionally, the Festive Live Retail Cockpit has enabled our sales teams to make faster, data-driven decisions.

## Industry First innovation

### Joining the ONDC Network

In line with our customer-first approach, we joined the Open Network for Digital Commerce (ONDC), becoming the first auto company in the country to do so. We already boast the largest physical distribution and service network in the Indian auto industry. Partnering with ONDC will further enhance our reach and convenience, providing customers with an easily accessible digital platform. The Open Network will initially offer two-wheeler parts, accessories, and merchandise. Customers can discover Hero Genuine Parts through any buyer apps on the network, such as Paytm and Mystore.

This integration improves reach and creates a fair and efficient environment for our channel partners, speeding up order processing with hyperlocal deliveries supported by our extensive physical distribution network.

The initiative is a step towards strengthening the Digital India mission, driving the country's digital transformation and economic growth while revolutionising the digital automotive marketplace.

## Enterprise Systems

- Analytics: Deployment of Data Lakehouse – Unlocking the Hero MotoCorp data ecosystem and Analytics with a single source of truth and unlimited storage and compute capacity
- SAP Enterprise Resource Planning (ERP)
- Central and SAP Goods & Service Tax Report (GSTR) Upgraded to latest version
- New Part Numbering system for PLM to enable localisation
- Cloud Proxy, Cloud Security Broker and End point detection toll deployed to enhance cyber security

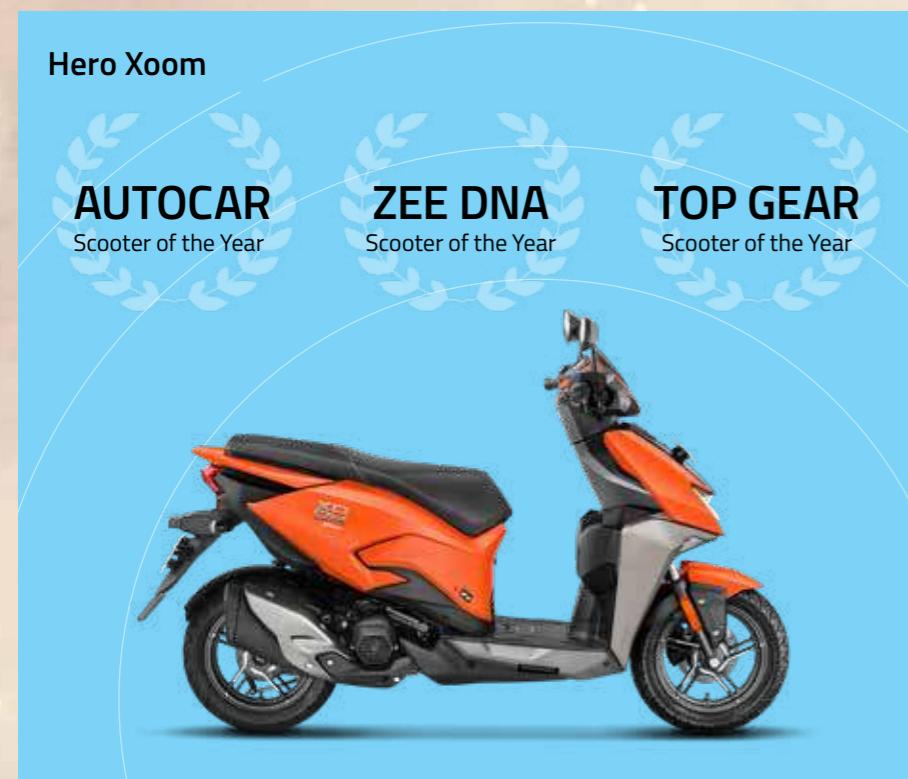
## Way Forward

In FY 2024-25, we will enhance Hero Hub, our intranet platform, to boost employee productivity and simplify processes. A new VIDA website for next-gen customer experience and Service App Modernisation are underway. We are introducing a Transportation Management System for GPC and Product 360 for actionable product insights. The Thor project will launch a Connected Platform for Vehicles. Other initiatives include Digital CLM, Finance Cockpit, Bodhi (an indigenous Gen AI platform), a new VIDA App, and Project Jedi to redefine the in-store customer experience. These advancements will propel us into the new digital era.



# OUR HALL OF FAME

## PRODUCT AWARDS



## SUSTAINABILITY AWARDS



## OPERATIONAL AWARDS

### Plant: Dharuhera

**CII**

Awarded 'Excellent Energy Efficient Unit' at 24<sup>th</sup> National Award in Excellence in Energy Management 2023

**CII**

Awarded with 'Single Use Plastic Free Plant'

**CII**

Won 24<sup>th</sup> National Award for Excellence in Energy Management

### Plant: Halol

### CII Kaizen Award

Won Gold Award in the Innovation kaizen category

### Plant: Halol and Tirupati

Won Platinum Award in Productivity Improvement Category in 19<sup>th</sup> CII National Competition on Low cost automation

### Plant: Global Parts Center

## CII Sustainability Awards

Awarded 'Outstanding Accomplishment in Corporate Excellence Category'

## GreenCo

Awarded GreenCo Champion for implementation of GreenCo Rating System at multiple manufacturing locations

### Plant: Gurgaon

**CII**

Received National Award for Water Management 2023 within the fence

**CII**

Received National Award for Excellence for Energy Management

## CORPORATE ACHIEVEMENTS

### 2024 Asia Pacific (Ex-Japan) Executive Team – Rest of Asia

**Institutional Investor**

**Honored Company**

**Best CEO**

**Best IR Professional**

**Best IR Team**

## ANNUAL REPORT AWARDS

### Platinum Award

LACP Vision Awards 2022/23 – Annual Reports in Automobile sector

### AMONG TOP 50

LACP Vision Awards 2022/23 – Reports Worldwide

### Technical Achievement Award

LACP Vision Awards 2022/23 – Overall Excellence in the art and method of Annual Report communications



LACP: League of American Communications Professions

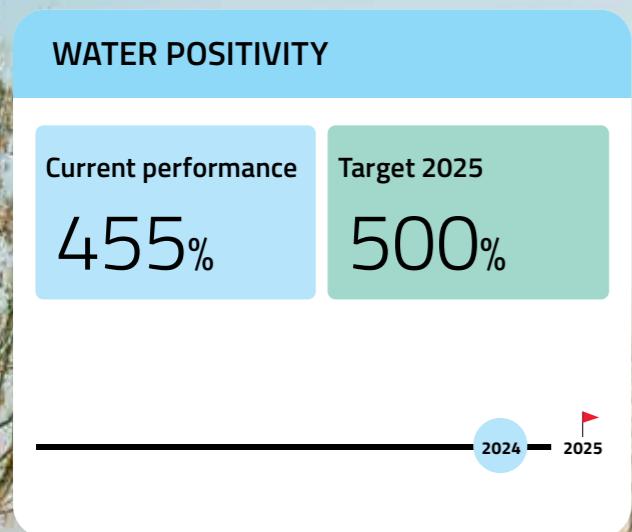
CII: Confederation of Indian Industry

# LIFE AT

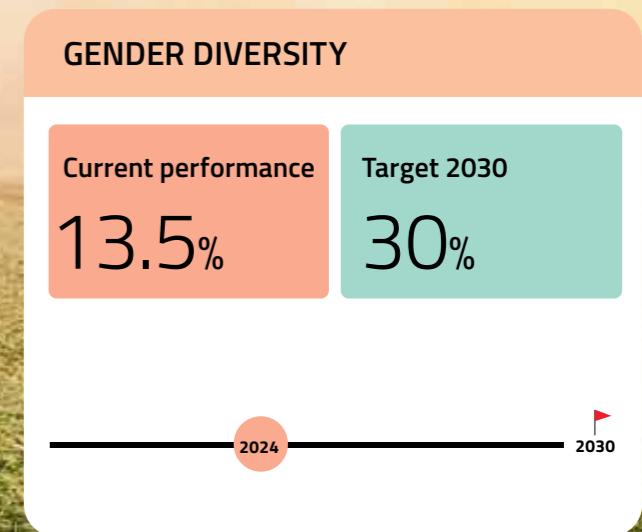
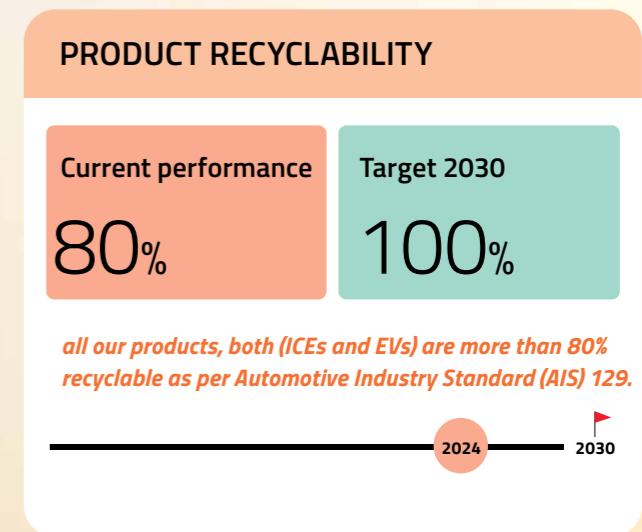
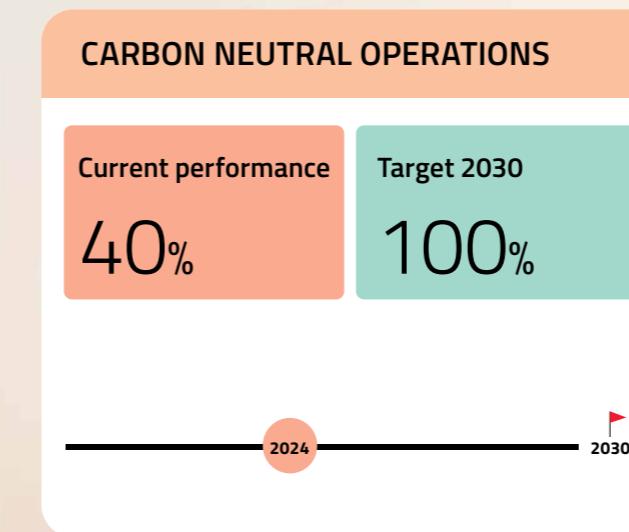


# SAFEGUARDING THE FUTURE

By 2025



By 2030



# ACCELERATING TOWARDS GREENER HORIZONS

We address the climate crisis by aligning responsible business practices with ecological well-being and mitigating environmental impacts. During the year, we revised our environmental policy to further enhance eco-friendly management and reduce negative impacts across our value chain. This policy, which is regularly reviewed and updated, applies to all employees and business partners, emphasising compliance and sustainable practices.

## Environmental Governance

We have a comprehensive governance system to identify and manage environmental issues through regular communication with stakeholders. The Sustainability and Corporate Social Responsibility Committee (SCSR), our highest decision-making body, receives reports on environmental performance and oversees the implementation of sustainable practices, resource allocation, and quarterly reviews.

All our sites maintain current ISO 14001 certifications, ensuring compliance with environmental standards. We offer environmental training for employees, covering air quality, GHG emissions, waste management, and water quality to enhance practical competencies and compliance. During the year, a significant number of employees completed this training, contributing to our commitment to environmental stewardship.

## Carbon Neutral Operations

We aim to achieve 100% carbon-neutral operations (Scope 1 & 2) by 2030 through a comprehensive strategy. This includes enhancing energy efficiency, increasing renewable energy usage, and implementing offset mechanisms. Key initiatives involve optimising building heat loads and monitoring emissions across all operations. Additionally, we are committed to reducing Scope 3 emissions through our Sustainable Partner Development Programme and Green Dealer Development Programme.



## Energy

We acknowledge the pivotal role of energy management in achieving our sustainability goals and advancing decarbonisation efforts. Our energy management programmes encompass various elements, including energy audits, quantified targets for energy savings, actions to reduce energy use, and progress evaluation. Through numerous energy-saving projects, such as automation, optimisation systems, and the installation of energy-efficient equipment, we have successfully reduced energy usage and improved efficiency across our operations. Additionally, we have transitioned from non-renewable to renewable energy sources, installing in-house solar plants in all manufacturing facilities and wheeling hybrid renewable energy into our Vadodara plant.

**198.6 lakh kWh**

*Renewable energy consumed FY 2023-24  
(19.86 million kWh)*



## Water

We aim to reduce fresh water withdrawals for manufacturing processes to support local fresh water availability and ensure water positivity across our manufacturing locations. Our water management programmes focus on assessing water use, taking actions to reduce consumption, improving wastewater quality, setting reduction targets, applying water recycling, and providing awareness training to employees. This results in efficient water usage in manufacturing, aquifer replenishment, water harvesting for local communities, and no wastewater discharge. Our water positivity rate for the year is 455%, with audits conducted in three plants and a commitment to achieving a 500% water positivity rate by 2025.

**13.8%**

*Reduction in fresh water intensity  
compared to FY 2022-23*

**0.14 KL per Vehicle**

*Fresh water intensity*



## Waste

We have achieved our Zero Waste to Landfills (ZWL) target ahead of schedule, diverting over 99% of operational waste from landfills and incineration. Our waste management programmes include waste segregation, audits to identify improvement opportunities, waste reduction action plans, measurable targets, investment in innovation, employee training, and the integration of recycling programmes to ensure zero waste to landfills. Efforts to eliminate single-use plastics involve finding alternatives, encouraging reusable containers, and phasing out single-use plastic utensils.

**100%**

*Of our facilities are Zero Waste to Landfill certified*

**100%**

*Of our facilities are single-use plastic free-certified*



# NURTURING ENGAGEMENT AND EXCELLENCE

Hero MotoCorp is powered by dedicated people; our team of 9,000+ members has an unflinching focus on making a meaningful impact on our stakeholders every day. All Hero team members demonstrate care, courage, integrity, teamwork and are deeply passionate about fostering a healthy, engaged, and inclusive work environment.



A women's network platform was introduced across eight locations, accompanied by an open house session featuring the leadership team. This platform empowers women to exchange experiences, mentor, and support one another. Within the HEROes Network, we facilitate mentoring conversations with leaders and initiate Lean-In Circles. These circles comprise 12-13 women who select topics relevant to their workplace experiences and are paired with mentors from the leadership team to learn and grow together.



## DIVERSITY, EQUITY AND INCLUSION

### Green Shoots



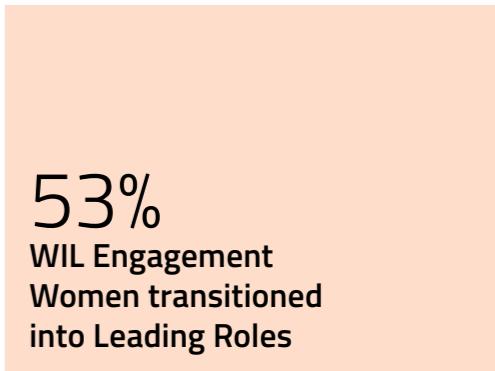
**43%**  
Growth continued  
in Women at Senior  
Management Roles



**83.2%**  
Growth in Women  
deployed on the  
Shop Floor



**85%**  
Returning Mothers  
continue to Work  
with Us



**53%**  
WIL Engagement  
Women transitioned  
into Leading Roles



**41%**  
Increase of Women in Science,  
Technology, Engineering &  
Mathematics (STEM)



## International Women's Day, March 8, 2024

This year on International Women's Day, themed 'Inspire Inclusion,' we not only celebrated women's accomplishments but also reaffirmed our commitment to Diversity, Equity, and Inclusion (DE&I).

The event commenced with an engaging panel discussion moderated by our Executive Chairman, Dr. Pawan Munjal, exploring the significance of inclusive leadership and strategies for driving organisational change. This was followed by a thought-provoking fireside chat featuring Mr. Niranjan Gupta, CEO, and Ms. Radhika Gupta, MD and CEO of Edelweiss Mutual Fund.

We recognised and honoured women achievers, DE&I advocates, and champions within our organisation who embody the values of inclusion and leadership. Through acknowledgement and accolades, we celebrated their remarkable contributions, inspiring others to follow suit.



## TRAINING & DEVELOPMENT

### Green Shoots

<b>33,966</b>	<b>19</b>
<b>Number of Trainings</b>	<b>Employees from Senior Management for Hero ACE</b>
<b>142</b>	<b>4</b>
<b>NexGen Leaders Developed</b>	<b>Visionary Leaders for Manufacturing</b>
<b>23</b>	<b>23</b>
	<b>Budding Women in Leadership (WiL) Trained in this Year</b>
<b>46</b>	
<b>Transcend Leaders developed</b>	
<b>20</b>	<b>20</b>
	<b>Heroes undergoing MBA programme</b>
<b>26</b>	
<b>Mid-managers for LeadNext</b>	<b>Winner Of Skillsoft Impact Award for Special Learning and Development Initiative</b>

### Catalyst to Success – HGPD Development Programme

The 'Catalyst to Success' programme, organised in collaboration with the SP Jain Institute of Management & Research (SPJIMR), took place from February 15-17, 2024. The programme offered a comprehensive focus on various topics, including growth mindset, working capital management and fund management, product portfolio planning, operational efficiencies, and decision-making. The sessions were designed to help increase market share, profit margin, expansion in primary and secondary rural and remote areas, and the share of new business avenues like oils, tyres, bike care products, batteries. This programme was exclusively focused on HGPDs.



### Convocation - Women in Successful Entrepreneurship (WISE)

WISE was rolled out to recognise women's positive impact, increase their presence in powerful positions, benefit from diversity and gender parity, empower women's organisations, support movements for success, and strive for gender parity in leadership, especially in our dealer network. Launched in collaboration with BML Munjal University, it was a nine-month in-person programme.

### Leadership & Transformation Training Programme

The programme was curated to build future-ready capabilities among our domestic channel partners to realise our Company's Vision. The programme offers a comprehensive focus on leadership in uncertain times, combining theoretical knowledge with practical insights. We have collaborated with Imperial College London, along with BML Munjal University, to deliver an exceptional learning experience. The programme took place in June 2023.



### Tech Centre Germany (TCG) Batch 2023

In line with our commitment to build synergies between the teams and locations, we initiated the first induction programme for our TCG colleagues in India. The two-week programme focuses on exchanging knowledge about Hero MotoCorp India and cultivating a collaborative environment within our system. Interactive sessions, function orientations, facility visits, and immersive experiences helped our German colleagues gain insights into each other's work culture, values, and practices, laying the foundation for enhanced cooperation and efficiency across geographies.

### Leadership Development Framework

At Hero MotoCorp, we have a clear vision of 'Be the Future of Mobility.' In line with this is our training vision, which makes us committed to becoming a learning organisation with a clear direction towards future-ready skills and competencies.

We are dedicated to enhancing the opportunities for our employees to help them realise their full potential. Our tailored development programmes focus on enhancing leadership and managerial skills at all levels within Hero MotoCorp. This tiered leadership approach ensures a strong current leadership team while nurturing future successors. Our programme combines educational modules, hands-on experience, and practical application to equip aspiring leaders with essential leadership qualities. It fosters self-awareness, personal growth, and a commitment to continuous learning. Through a supportive and collaborative environment, these programmes empower individuals to unleash their full potential and become impactful leaders.



## HEALTH & WELLNESS

### BW Healthcare Awards - Institutional Excellence in Occupational Health and Wellness

Hero MotoCorp received this award on February 24, 2024 in recognition of its excellent programmes, policies, and initiatives for employee health and wellness.

### Fit India- GOQii

Hero MotoCorp has been certified as a 'GOQii Healthy Place to Work' in August 2023. This achievement reflects our commitment to nurturing the well-being of our workforce. We have also secured an impressive 3<sup>rd</sup> position in the 'GOQii Corporate Challenge', where we competed with 70 organisations in the ultimate Inter-Corporate Holistic Health Challenge!

### Arogya World Platinum Award

Hero MotoCorp was recertified and recognised with the Platinum (top) award by Arogya World for our Company's programmes, policies, and practices for improving and protecting employee health and wellness.



## EMPLOYEE ENGAGEMENT

### Long Service Award

In April, 2023, the Hero MotoCorp family came together to celebrate and honour the dedication and commitment of its long-serving employees at the annual 'Long Service Award' ceremony. Awards were presented to employees who have reached significant milestones in their tenure, ranging from five to thirty years of service. The event concluded with a festive reception, where attendees had the chance to mingle, share stories, and celebrate the strong bonds formed through years of collaboration and mutual respect.



## DIGITAL HR: ENHANCED EMPLOYEE EXPERIENCE

In our pursuit of streamlining the employee experience, the People Ex Programme remains at the forefront of our efforts. Our goal is to achieve a frictionless employee journey by seamlessly integrating people, tools, and processes. Here's a glimpse into the initiatives we have undertaken:

- **Project THRive:** Focused on optimising travel and expense management, smart office solutions, and administrative processes, this project aims to elevate the overall employee experience.
- **Project People Insights:** Through the development of descriptive and predictive people analytics, we are empowering business decision-making. Key performance indicators are being incorporated into dashboards for people managers, function heads, and executive management, providing valuable insights into critical people metrics.

As we continue our digital HR transformation journey, we remain committed to driving innovation and fostering a culture of excellence across the organisation.



## AWARD

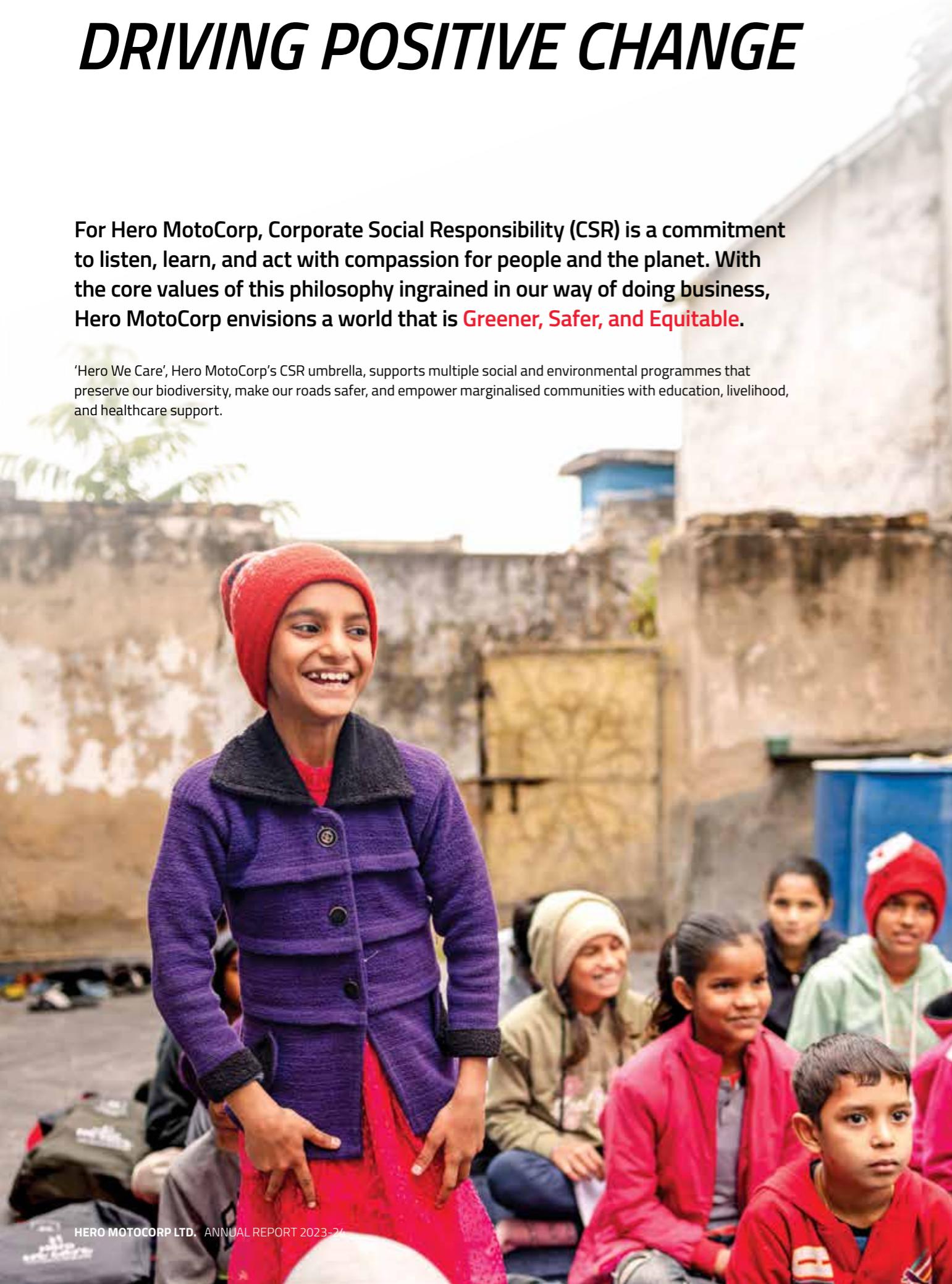
### Fast Runners in Gender Equity Award by TOI and Ask Insights 2024

The award is evidence of our commitment to foster gender equity across roles, levels and hierarchies within the system. As an organisation, we are steadfastly focused on providing equal opportunities, hiring the right talent, and nurturing them to succeed in their journey.

# DRIVING POSITIVE CHANGE

For Hero MotoCorp, Corporate Social Responsibility (CSR) is a commitment to listen, learn, and act with compassion for people and the planet. With the core values of this philosophy ingrained in our way of doing business, Hero MotoCorp envisions a world that is **Greener, Safer, and Equitable**.

'Hero We Care', Hero MotoCorp's CSR umbrella, supports multiple social and environmental programmes that preserve our biodiversity, make our roads safer, and empower marginalised communities with education, livelihood, and healthcare support.



## IMPACT OF OUR SOCIAL INTERVENTION



### GREENER

Adopted Aravali Biodiversity Park



### SAFER

5 lakh  
People took a Pledge  
(0.5 million)

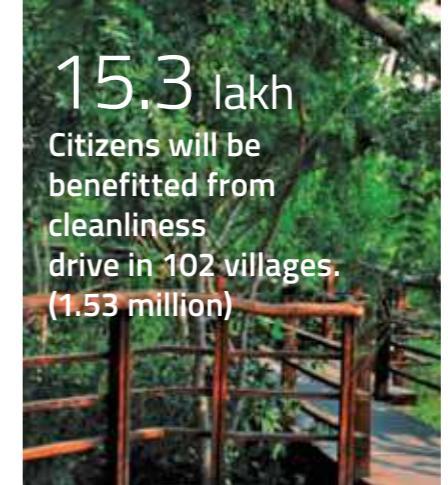


### EQUITABLE

4,000+  
Women under training for  
2W technician



6 lakh  
Next of kin supported  
through Veerangana  
Sewa Kendras



15.3 lakh

Citizens will be  
benefitted from  
cleanliness  
drive in 102 villages.  
(1.53 million)



50,000

Kids Helmet  
distributed to over 400  
Schools across India



62 farm ponds

Created in Chareda,  
Rajasthan

6,892+  
Students covered by  
Remedial Education  
Initiatives



## 1.4 million+ Lives Impacted across the Country in FY 2023-24

### A Greener Planet for Our Future

Hero MotoCorp strengthened its efforts to preserve, protect, and nurture biodiversity.

With prolonged summers and rainfall deficits emerging as prominent impacts of climate change, Hero We Care has partnered with communities to strengthen rainwater harvesting initiatives, thereby creating access to this scarce resource. These initiatives provide access to water resources in months of low rainfall and have impacted incomes by increasing yields and crop varieties.

In Chareda village in Rajasthan, we initiated a model farm pond project by creating 62 farm ponds on 5% of the farmer's land. The project is set to save 4 crore litres of groundwater that will be used for irrigation. Approximately 310 people will benefit from access to the water sources.

Along with this, more than 52,371 trees have been planted during the fiscal year in different parts of the country.

15,30,000 citizens have benefitted from the Yuva Sawachhta and Jan Sewa Samiti cleanliness drives in 102 villages in Haryana.

### Aravalli Biodiversity Park, Gurugram, Haryana

Hero MotoCorp has adopted Aravalli Biodiversity Park, Gurugram with the objective of conservation, restoration, and protection of the flora and fauna.

A baseline survey conducted by the Indian National Trust for Art and Cultural Heritage (INTACH) on the Flora Biodiversity assessment of Aravalli Biodiversity Park. Recommendations to continue the sustained conservation efforts focusing on the preservation of native species have been implemented. Other key recommendations to monitor changes in species composition, research to investigate the interaction of different species in their microenvironments, and the eradication of Acacia Senegal (an invasive species) are on track to be implemented in FY 2024-25.

### Ride Safe India

Hero MotoCorp is committed to making Indian roads safer through its national flagship programme. The programme includes road safety awareness campaigns, running two-wheeler riding training schools, and a nationwide digital awareness campaign called #BeARoadHero.

With more than 5,00,000 people taking a pledge to follow traffic guidelines, #BeARoadHero 4.0, in partnership with HT Media, completed its fourth consecutive year of building awareness of road safety.

We imparted training on safe riding techniques and responsible road behaviour to more than 1.38 lacs participants at its Hero Two-Wheeler Riding Training Schools in Lucknow, Hyderabad, Gurugram, Delhi, and Nagpur. In partnership with local police authorities across India, we are looking to scale up this project by adopting riding training schools across other states.

Identifying the safety needs of children between the ages of 0 and 5 who ride two-wheelers, Hero MotoCorp partnered with the Indian Head Injury Foundation to conduct road safety awareness programmes across the country. The initiative focused on 10 states that had the most number of two-wheeler road accidents<sup>1</sup>. The awareness sessions reached out to 2,17,434 children and parents through government schools and distributed 50,000 kid's helmets.

We joined hands with The New Indian Express to implement the Surukshit Atmanirbhar Bharat campaign, educating citizens on the importance of wearing the right helmets and carrying safety kits while riding two-wheelers across multiple Indian cities, reaching out to 6,000 riders.

### Hero Salutes Heroes of the Nation

The welfare of the brave soldiers of the Indian Armed Forces is how Hero MotoCorp salutes the service and courage of the indomitable defence forces of this country. In partnership with the Directorate of Indian Army Veterans (DIAV), the Central



<sup>1</sup> Ministry of Road Transport and Highways Transport Research. (2021). Road Accidents in India. New Delhi: Government of India.

Reserve Police Force (CRPF), and the Border Security Force (BSF), we provide mobility support; our retrofitted scooters help army veterans who have lost their limbs in the line of duty to live an optimal life. In FY 2023-24, 34 army veterans were supported.

As part of our partnership with DIAV, Hero MotoCorp has contributed towards setting up the Veerangana Sewa Kendra (VSK), a unique single-window facility for welfare and grievance redressal for Indian army widows and next-of-kin. Affected family members are now accessing this facility on average every month for quick redressal of their grievances.

Hero MotoCorp, along with the Navy Welfare and Wellness Association (NWWA), has set up Comprehensive Health Early Evaluation Timely Action Nurturing Assistance (CHETNA) centres to support the developmental needs of 98 children with neurodevelopmental disorders. Our intervention has provided a dedicated space to run parent support groups, create a toy library, and engage a clinical psychologist, occupational therapist, and speech therapist. These interventions resulted in tangible neurological developments for several children within 6 months.

### A Sporting Hero

While Hero MotoCorp continues to be one of the largest corporate promoters of sports globally, its commitment to nurturing multiple disciplines of sports and sportspersons also extends to the grassroots through 'Hero We Care'.

Hero MotoCorp today supports budding athletes through its partnership with the Paralympic Committee of India. The Mary Kom Regional Boxing Foundation and the Indian Deaf Cricket Association.

A total of 170 athletes and para-athletes are being supported by Hero MotoCorp for their training and holistic development.

### Project Saksham

India's growth story is pivoted on the abilities and aspirations of its youth. 65% of Indians are under 35 years old<sup>2</sup>, and an opportunity to make the most of this demographic dividend lies in adequate investments in education, skilling, and employment. Moreover, almost 50% of this demographic dividend is attributed to women.<sup>3</sup>

With the Automotive Skills Development Council (ASDC), we have developed a skilling and livelihood initiative called Project Saksham that will empower 1,00,000 women over five years to become two-wheeler technicians. In FY 2023-24, as part of the pilot phase, 4,000 women enrolled themselves in multiple two-wheeler technician and allied courses across 10 cities, namely, Haryana, West Bengal,

Jharkhand, Karnataka, Delhi, Uttar Pradesh, Tamil Nadu, Maharashtra, Chhattisgarh, and Punjab. The average period for the courses is 3 months. The women are being trained for placement or establishing their workshops. The ASDC is a professional body that seeks to bridge the skilling gap by providing skilling and placement opportunities to the female workforce in the Indian automotive sector.

### Education

Our education initiatives benefitted over 7,000 students through a multitude of support mechanisms. These include:

- **6,892 students** supported through remedial education that provides additional learning support to bridge any gap caused by marginalisation, learning disabilities, and lack of quality training.
- **704 students** were provided scholarship support, enabling them to pursue a higher education in BTech, LLB, BBA, and MBA from the nationally accredited BML University, Gurugram. Almost 45% of the students have received a 50% tuition fee waiver, and 34% of these are female students from 23 states across India. These are meritorious students who have been struggling due to financial hardships.

### Healthcare

In collaboration with credible partners, we support mobile medical vans that bring healthcare within reach of rural communities in Halol, Hardiwar, Chittoor, Dharuhera, and Jaipur, particularly benefitting the elderly, pregnant women, and persons with disabilities who are unable to cover the distance to the nearest public health care centre. A total of 91,672 people could access healthcare through medicines and medical consultations.

### Swach Bharat Abhiyan

Hero MotoCorp has collaborated with Yuva Swachhta and Jan Sewa Samiti to run an awareness drive on cleanliness, health, and hygiene in 102 villages in Haryana. The villages were selected by the Haryana government to promote cleanliness, hygiene, and sanitation practices in the state and contribute to the overall well-being of the community. The drive includes awareness and education programmes, infrastructure development for waste management and maintaining public toilets, community engagement, and collaboration with local authorities. This is an ongoing project that is set to reach out to a population of 15,40,000. Currently, it has reached 3,00,000 people in 25 villages. This has included setting up waste disposal systems and providing sanitation kits with gloves, safety jackets, and mosquito killers.

<sup>2</sup> Deo, P. (2023, February 2). Is India's rapidly growing youth population a dividend or disaster? Retrieved from Times of India: <https://timesofindia.indiatimes.com/india/is-indias-rapidly-growing-youth-population-a-dividend-or-disaster/articleshow/9754222.cms>

<sup>3</sup> Kurian, O. C., & Kumar, S. (2023, November 15). Harnessing India's Demographic and Gender Dividend. Retrieved from Observer Research Foundation: <https://www.orfonline.org/research/harnessing-indias-demographic-and-gender-dividend>

# UPHOLDING THE HIGHEST STANDARDS

Transparency, integrity, and honesty are the cornerstones of Hero MotoCorp's ethos, guiding us to do business with purpose. We prioritise these values to cultivate trust among our employees, customers, suppliers, shareholders, and communities alike. They serve as the bedrock upon which we build meaningful relationships and uphold our commitment to ethical conduct and accountability.



## Governance Framework

Our robust corporate governance framework is led by a diverse Board of Directors comprising both Executive and Non-Executive members. Supported by various committees, the Board leverages a wealth of professional expertise, experience, and skills to manage the Company's affairs effectively. Emphasising diversity, both within the Board and across the organisation, we place significant value on compliance with evolving legal requirements. Regular policy reviews, conducted at least once every three years, ensure alignment with changing regulations, underscoring our Company's commitment to transparency and accountability.

## Code of Conduct for Board and Employees

We have a robust Code of Conduct in place, established for the Board, senior management, and the employees. Originally formulated in 2010 based on eight key principles, including Fiduciary, Transparency, and Citizenship, it was updated in 2020 to align with contemporary norms and business requirements. The revised code now extends its coverage to all employees, incorporates provisions on anti-bribery and anti-corruption, mandates disclosure of personal relationships, and includes a detailed section on conflicts of interest. Furthermore, it emphasises our Company's commitment to being an equal opportunity employer and fostering a diverse and inclusive workplace culture.

## Ethics

We uphold stringent ethical standards in all our operations worldwide. Operating across various countries, we ensure strict compliance with diverse national laws and governmental regulations concerning bribery and corruption, irrespective of their jurisdiction. Our zero-tolerance policy prohibits any form of bribery and corruption.

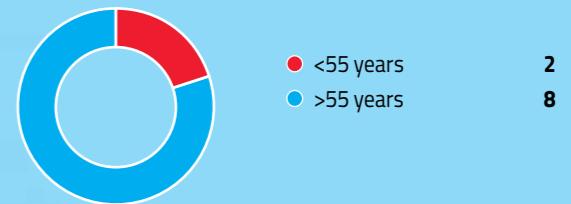
## Vigil Mechanism/Whistle-blower Policy

In adherence to regulatory norms, we maintain a policy and mechanism approved by the Audit Committee, to handle whistle blower complaints. The Audit Committee periodically reviews this policy as needed. Throughout the year, no individual was denied access to the Audit Committee for reporting concerns, if any.

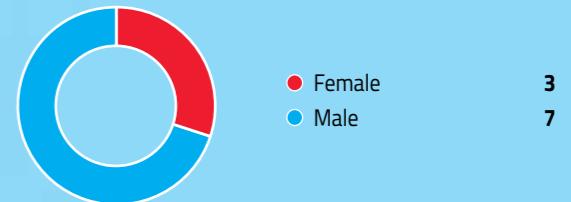
## Experience of Directors



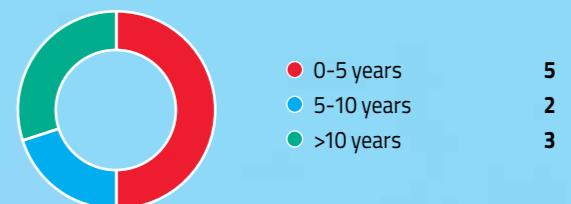
## Age Profile



## Diversity



## Board Tenure



**The Surge S32** is a unique three-wheeler electric vehicle that can be converted into an electric two-wheeler scooter. It aims to solve problems around the fundamental aspects of the last-mile delivery industry, provide personal mobility solutions, and increase the earning potential.

**GLOBAL AWARDS**

- + 4<sup>th</sup> VEHICLE, MOBILITY AND TRANSPORTATION DESIGN AWARD - PLATINUM WINNER
- reddot winner 2024 best of the best

**1 lakh+**  
Engineering Hours

**40+**  
Technology Patents Filed

**14**  
Prototypes Developed

The year was 2018, when our Chairman Dr. Pawan Munjal planted the Sapling of 'Hero Hatch', an Internal Incubation Centre with the aim to Foster Innovation within the organisation and disrupt the mobility segment.

Surge, being one of the first startups, was born, comprising a motivated group of Co-founders. The Team set out to explore the opportunity in the huge mobility space and demographic variety of the automotive world and found a glaring opportunity in a sector as big as 3 billion USD, i.e., commercial 3-wheelers.

HERO MOTOCORP LTD. ANNUAL REPORT 2023-24

**Stage 1**

Initial Sketch of the Product, used for Pre Seed Funding

**Stage 2**

Concept Showcase and Working Prototype

**Stage 3**

48+ Design Iteration and Multiple Physical Prototypes Created

**2018**

- HeroHatch kickoff
- Surge, one of the first incubated Startup
- Proof of concept demonstrated to leadership

**2020**

- Hero World 2020 concept vehicle
- Funding secured for mass production design kickoff

**2022**

- Mass production intended design completed
- Funding secured for vehicle development

**2024**

- Vehicle unveiled at Bharat Mobility Show and Hero World
- New Vehicle Category introduced in Motor Vehicle Act, as L2-5 Category



# MOMENTOUS OCCASIONS



## GBC UDAIPUR 2024

Hero MotoCorp hosted its Global Business Convention, welcoming 51 international guests from 23 countries. The theme, 'Changing Gears,' symbolised Hero MotoCorp's strategic shift, new model line-up, and focus on premium products. Representatives from key markets, including Nigeria, Turkiye, and Mexico, shared localised strategies under 'My Hero, My Country'. The convention emphasised digital initiatives, strengthening distributor relationships, and fostering unity under 'One Hero Global Family,' aiming to enhance Hero's online presence and market share.



## NATIONAL DEALER CONFERENCE 2023

The 2023 National Dealer Conference 2023 brought together dealer partners and business units to plan for the ongoing financial year. The event embodied the #ChangingGears theme with immersive team-building activities and featured inspiring sessions by Olympic medallist and Padma Shree awardee Mary Kom and performances by the Vayali folklore group and Kathakali dancers.



## HERO WORLD 2024

Hero World 2024 unveiled our future roadmap, showcasing advanced solutions from premium motorcycles to mass mobility. The event reaffirmed our commitment to inclusivity, electrification, and sustainability, defining our vision for the future of mobility.



# ***MANAGEMENT DISCUSSION AND ANALYSIS***



**Prelude**

In FY 2023-24, India's two-wheeler industry continued its transformative journey, reflecting the nation's evolving mobility landscape. Strategic Partnerships and investments accelerated technological innovation and an expanded market reach for Indian two-wheeler manufacturers, enhancing global competitiveness.

Hero MotoCorp Limited (Hero) envisions leading India's domestic industry to global prominence, leveraging its extensive portfolio targeting diverse market segments. Despite challenges like regulatory uncertainties and fluctuating raw material prices, Hero MotoCorp's determination propels sustainable growth and technological leadership in India's two-wheeler sector.

During the year, electric two wheelers adoption improved as government offered incentives, which led to efforts by players to develop cost effective models.

**Economic Environment****Global**

The global economy demonstrated unexpected resilience despite facing significant geopolitical challenges, severe banking sector stress, and conflicts in Ukraine and Israel, as well as a brief but intense tightening of financial conditions. The resilience is a result of several factors: stronger labour market growth supported a rebound in inflation-adjusted income, a delayed shift in growth towards service-driven sectors, a mitigated impact from tighter monetary policies due to healthy household and corporate balance sheets, and fiscal support in certain economies.

Easing inflation played a role in supporting economic resilience, driven by reduced supply constraints, alleviated labour shortages, cooling energy prices, and moderate demand growth. The global economic performance exceeded expectations, with a growth rate of 3.3%. Among major economies, the US and China experienced higher GDP growth in 2023 compared to 2022. However, economic growth in the Eurozone moderated due to weak consumer sentiment, persistent high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment.

*Easing inflation played a role in supporting economic resilience, driven by reduced supply constraints, alleviated labour shortages, cooling energy prices, and moderate demand growth.*

**Global Output (GDP) Trend (%)**

	2022	2023	2024	2025
Global Output	3.5	3.3	3.2	3.3
Advanced economies	2.6	1.7	1.7	1.8
United States	2.1	2.5	2.6	1.9
Euro Area	3.3	0.5	0.9	1.5
UK	4.1	0.1	0.7	1.5
Emerging Markets	4.1	4.4	4.3	4.3
China	3	5.2	5	4.5
Russia	-2.1	3.6	3.2	1.5
Middle East & Central Asia	5.6	2	2.4	4
Sub-Saharan Africa	4	3.4	3.7	4.1
India*	7.2	8.2	7	6.5

[Source: WEO July 2024]

\* For India, data and projections are presented on a fiscal year (FY) basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 7.3 percent in 2024 and 6.5 percent in 2025 based on calendar year.

**Key Positive Trends in 2023**

Rate Cycles Have Peaked

Global supply chains eased

Commodity prices were stable

US unemployment lowest

**Global Trade Growth**

Global trade in goods and services is expected to grow at around 0.3% during 2023, a decline from the average growth registered during the previous decade due to anaemic global industrial production. The services trade continued to recover from the effects of the pandemic, but at a slower pace than previously expected. Global trade growth is projected to pick up to 3.0% in 2024, reflecting a recovery of demand for goods in part and, more broadly, in trade by advanced economies.

**Moderating Inflation**

With energy and food price inflation ebbing and monetary policy turning restrictive, both headline and core inflation witnessed a decline in 2023. Goods price inflation declined to low levels in most countries, buoyed by lower energy commodity prices and the gradual easing of the chain bottlenecks from their earlier peak in 2021-22. The uptick in supply chain and the resultant growth have raised expectations of better economic growth globally, which will eventually also reflect on inflation.

**Commodity Markets**

The average prices of most commodities, in US dollar terms, fell in 2023 due to moderating demand. However, they remain elevated from pre-pandemic levels. Crude oil prices remained volatile during the year, including in the wake of the conflict in the Middle East. Natural gas and coal prices declined considerably in 2023, as countries in Europe reduced energy demand and maintained gas inventories above 90% of their storage capacity. Cumulatively, these factors led to energy price volatility in the recent past.

**Outlook**

According to the July 2024 update of the World Economic Outlook by the, global GDP growth is expected to stabilise at 3.2% in both 2024 and 2025. However, this forecasted growth rate falls considerably below the historical average of 3.8% (2000-2019), reflecting the impact of restrictive monetary policies, reduced fiscal support, and sluggish underlying productivity growth.

Global trade growth is projected at 3.0% in 2024, with a slight increase to 3.6% in 2025. These figures fall below the historical average growth rate of 4.9%, influenced by persistent issues such as rising trade distortions and geo-economic fragmentation, which continue to exert downward pressure on global trade levels.

Developed economies are projected to experience minor growth in 2024 and 2025. The Euro area is expected to rebound somewhat from a low growth period in 2023, while growth in the US is anticipated to moderate. Emerging markets and developing economies are forecast to sustain stable growth in 2024 and 2025, with regional variations. India remains an outlier, with strong anticipated GDP growth driven by robust domestic consumption.



## Indian Economy

The global economy in the past few years has been marred by a number of challenges: highest inflation for the past four decades, major geopolitical conflicts, and what was probably and hopefully a one-in-a-lifetime pandemic. The Indian economy, however, navigated these challenges with ease, driven by policy reforms, building high-end manufacturing capabilities, improving competitiveness through sustained investments in infrastructure, and the use of digitalisation to drive financial inclusion. With a size of \$4.1 trillion, India retained its position as the fifth-largest economy in the world.

India's economic performance in FY 2023-24 demonstrated remarkable resilience and growth momentum, with the GDP expanding by a robust 8.2%, surpassing the 7.2% growth of the previous fiscal year. The standout performer was the construction sector, with a double-digit growth of 10.7%, indicating significant infrastructural development and investment activities. The manufacturing sector also contributed significantly, registering a commendable 8.5% growth rate. These sectors played pivotal roles in driving economic expansion and compensating for any sluggishness observed in the agriculture segment.

The stability in the interest rates maintained by India's central bank, the Reserve Bank of India (RBI), played a crucial role in sustaining consumer confidence and fostering a conducive environment for economic growth. This ensured that borrowing costs remained manageable for businesses and consumers alike, facilitating investment, spending, and overall economic certainty and activity.

Overall, the robust performance of key sectors along with prudent monetary policy measures contributed to India's impressive GDP growth in FY 2023-24, signalling resilience and potential for further economic advancement.

Furthermore, FY 2023-24 marked another milestone with a total gross GST collection of ₹ 20.14 lakh crore, and 11.7% increase compared to the previous year. The average monthly collection for this fiscal year stands at ₹ 1.68 lakh crore, surpassing the previous year's average of ₹ 1.5 lakh crore which supported the government's expenditure aspirations.



**India's economic performance in FY 2023-24 demonstrated remarkable resilience and growth momentum, with the GDP expanding by a robust 8.2%, surpassing the 7% growth of the previous fiscal year.**

**We have been actively investing in building a robust EV ecosystem, and have partnered with Ather Energy to establish an interoperable fast-charging network for electric two-wheelers in India.**

Leveraging digital public infrastructure to provide last-mile financial services has been a key factor in driving the country's aspiration to become a \$ 5 trillion economy. The Jan Dhan-Aadhar-Mobile (JAM) trinity has played an instrumental role in delivering government benefits directly to intended consumers and ensuring a higher degree of governance. Furthermore, the launch of the Open Network for Digital Commerce (ONDC) has been pivotal in democratising digital commerce in India, creating a level playing field for grassroots-level entrepreneurs and local retailers. At Hero MotoCorp, we have adopted evolving technologies as the first two-wheeler manufacturer on ONDC and have proactively invested in building a digital ecosystem to accelerate our next phase of digital growth.

The Government of India launched the Electric Mobility Promotion Scheme (EMPS) 2024 on April 1, 2024, to promote the adoption of electric two-wheelers and three-wheelers through demand incentives while driving the development of an electric vehicle (EV) manufacturing ecosystem in the country. We have been actively investing in building a robust EV ecosystem and have partnered with Ather Energy to establish an interoperable fast-charging network for electric two-wheelers in India. This collaboration will enable EV users to seamlessly utilise both VIDA and Ather Grids, offering close to 2,000 fast-charging points across 200 cities in India. Additionally, we have partnered with Zero Motorcycles to develop an electric platform for manufacturing electric motorcycle models.



## Outlook

Over the past decade, the Indian economy has demonstrated remarkable growth driven by determination, creativity, and foresight, despite the various challenges. The economy has displayed resilience, leveraging adversities for advantages and progressing towards robust, sustainable, equitable, and comprehensive development.

The Indian economy's growth trajectory remains strong, supported by macroeconomic and financial stability. The RBI forecasts a 7.2% growth rate for FY 2024-25, with headline inflation expected to gradually decline to target levels, nearing 4.5%.

Investment has been central to economic expansion. Government initiatives, including production-linked incentive (PLI) programmes, have been introduced with the objective of revitalising manufacturing, strengthening value chains, and expanding export capabilities.

The financial sector boasts healthy fundamentals, evidenced by robust non-food credit growth and improved household financial health, indicative of inclusive development.

Strategic measures have been implemented to enhance agriculture. The Minimum Support Prices (MSPs) for the 22 Kharif and Rabi crops have been consistently increased to ensure returns over the cost of production and boost sectoral growth and resilience.

India's growth story underscores its ability to navigate challenges, adapt, and progress towards sustained economic prosperity.

## Global Two-Wheeler Industry

The growth of the global two-wheeler market is propelled by several factors, including increasing urbanisation, rising disposable incomes, improved road infrastructure, and the demand for fuel efficiency and manoeuvrability in congested areas. Additionally, the expanding middle-class population and the adoption of electric and hybrid technologies for sustainability are driving market expansion. In 2023, the global two-wheeler market was valued at US \$116.82 billion in 2023, and is projected to grow to US \$123.54 billion in 2024 and US \$215.96 billion by 2032.

[Source: <https://www.fortunebusinessinsights.com/two-wheeler-market-106884>]

## Indian Two-Wheeler Industry

The Indian two-wheeler industry witnessed a healthy double-digit growth in FY 2023-24. This mushrooming demand comes from an aspirational India that instills confidence in personal mobility for progress. This quantum of growth was largely uniform across motorcycles (14%) and scooters (12%); with transforming landscapes at a segment level showing a wider spectrum.

The Indian two-wheeler industry is the largest globally and continues to contribute to three-fourths of the overall automobile industry. A broad-based recovery has manifested in both urban and rural markets, a positive indicator for demand dynamics. Moderate inflation levels, upbeat GDP growths, stable and sturdy RBI monetary policies, and a healthy employment scenario continue to be the drivers of growth. The traditional socio-economic pyramid is gradually evolving to a more balanced diamond shape driven by the growing middle class. This inclusive growth benefits the two-wheeler industry.

Hero MotoCorp sold 56.2 lakh motorcycles and scooters across domestic and international markets in FY 2023-24. We grew 11% in revenue and 36% in profits. Through this remarkable performance, we have retained the coveted position of being the world's largest manufacturer of motorcycles and scooters for 23 consecutive years, a testament to the trust and confidence bestowed by our entire stakeholder ecosystem.

The Industry forecast stays upbeat in terms of both short-term and long-term outlooks. India is positioned to remain the fastest-growing major economy, demonstrating resilience amid geopolitical challenges and supply chain pressures. The IMF, World Bank and rating agencies like Moody's, S&P and others have revised India's growth upwards. These indicators augur well for the Indian economy and automobile industry.

### Key Trends in the Industry

The growing aspirations of a progressive India have been expressed through the consumption of premium products, not just limited to two-wheelers but widely spread across four-wheelers, consumer durables, hospitality, and many other sectors. In a commuter-concentrated two-wheeler industry like India, the growth has been largely anchored on 125cc and higher capacity premium segment models, cutting across both motorcycles and scooters. The aesthetic preference is witnessing an inclination toward sporty form factors and the models launched in this space have capitalised disproportionate growths. Our perpetual rejigging of the product portfolio and making it premium-rich corroborates this transformation. It sets us in the right direction toward serving the aspirational and evolving mobility needs of the Indian consumer.

The EV-ICE transition is propagating with a robust coexistence. Transforming the world's largest two-wheeler industry needs a balanced shift for a sustainable and regulated ecosystem to build. We are in the continued process of shaping our EV products, infrastructure and services to cater to the electrification momentum of the nation.

### Increasing Demand for Premium and Performance Motorcycles

The Indian demography is riding high on economic development resulting in increased purchasing power and growth in aspirations. The gap between urban & rural affordability levels is gradually narrowing, mainly attributed to growing affluent target groups in both constituencies; manifesting in a constant uptick in the consumption of premium two-wheelers. 150cc and above motorcycles have grown at the fastest pace. This space has been seeing maximum launches across OEMs. More precisely, it is the 200cc and above sub-segment that has grown at 14% CAGR in the last 3 years; the highest among all the motorcycle segments. The scooter industry has a similar demand shift where volume contribution is shifting toward 125cc and above models.

Cognisant of these transitions, Hero MotoCorp launches were positioned across the growing segments— Xtreme 125R/160R 4V, Karizma XMR, Maverick 440, and the H-D X-440 in motorcycles and Destini Prime in scooters. These spaces would continue getting reinforcements through a slew of launches in the times ahead.

**The EV-ICE transition is propagating with a robust coexistence. Transforming the world's largest two-wheeler industry needs a balanced shift for a sustainable and regulated ecosystem to build. We are in the continued process of shaping our EV products, infrastructure and services to cater to the electrification momentum of the nation.**

### Prioritising Safety

Safety on the roads continues to remain a major focus for the automotive sector in India. Government mandates require safety features like anti-lock braking systems (ABS) and combined braking systems (CBS) to be standard in two-wheelers to reduce the risk of accidents. A bank angle sensor is available across all Hero two-wheelers that cuts off the engine when the two-wheeler tilts beyond 45 degrees, an important safety feature. At Hero MotoCorp, we are aware of the importance of advanced safety technologies and are proactively integrating them into our products to offer our riders the peace of mind and security they seek.

### The Rise of Electric Two-wheelers

Growing consciousness towards the environment and low ownership costs are encouraging Indian consumers to make the shift towards electric two-wheelers. Various government policies, including the recently launched EMPS 2024 are further accelerating the growth of the electric segment. The increasing affordability and efficiency of lithium-ion batteries are increasing the significance of this segment within the industry. Further, growing charging infrastructure should also aid growth in the segment. We are focused on capitalising on the growth prospects in the electric segment and are working towards augmenting our portfolio.

The EV industry has made significant inroads in the scooter category, while penetration in the motorcycle category is at a nascent stage. Technology shifts undergo a gradual transition, and we envisage a robust coexistence of EV and ICE going forward.



### Outlook

The Indian 2W industry has continued its progress on the U-shaped recovery and is inching closer to the pre-pandemic level with back-to-back double-digit growths. These are exciting yet vigilant times, as beyond aggregate growth, the constituent segments are witnessing rapid contribution shifts towards premiumisation. Our perpetual refresh of the product portfolio and making it premium-rich corroborates this transformation. It sets us in the right direction towards serving the aspirational and evolving mobility needs of the Indian consumer.

The industry forecast stays upbeat in terms of both short-term and long-term outlooks. India is positioned to remain the fastest-growing major economy, demonstrating resilience amid geopolitical challenges and supply chain pressures. The IMF, World Bank, and rating agencies like Moody's, S&P, and others have revised India's growth upward. These indicators augur well for the Indian economy and automobile industry.

The projections are positive, and the industry is expected to continue to expand substantially in the next decade. The EV-ICE transition will witness a robust coexistence, and that will be our focus. Beyond products and services, we would stay heavily invested in revamping the consumer experience across our physical and digital touchpoints to delight ever-evolving consumer behaviour. Our, "Be the Future of Mobility," continues to ride high with the growth of the nation.

### Making Strategic Progress

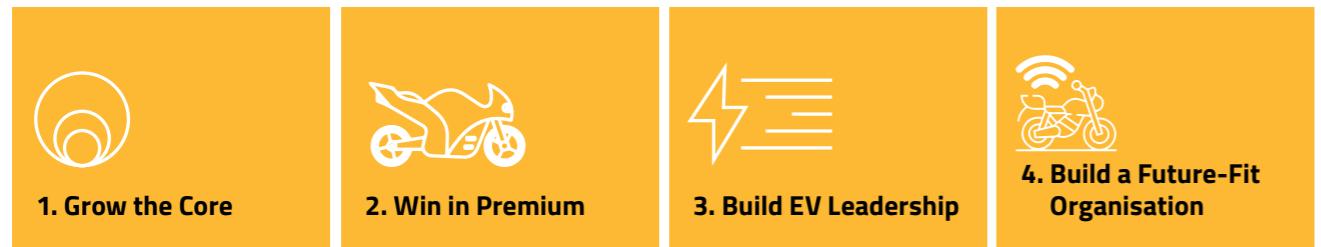
With the evolving two-wheeler industry landscape, the organisation is working on the strategic framework of 'Changing Gears' to lead the industry the way we have been doing it for the last 23 years consecutively. Synergy, Speed, Scale and Simplicity are the 4S mantras for driving efficiency in the value chain and staying ahead of the curve.

We have identified three key pillars powered by Innovation, digitalisation, and services; significant strides have been made under each pillar.

### Partnerships and Collaborations



## Changing Gears: The Four Pillars



1

**Grow the Core**

### Grow the Core

The 100/110cc motorcycle industry continues to be the largest contributor to the Indian Two-wheeler Industry and our strong foothold in this space remains uncontested. As our customers have started moving up the ladder towards products of higher cubic capacities, we must draw new-entrants into this space to replenish the void. Expanding the segment to new first-time buyers is the epicenter of actions to grow our core.

*The Passion+, HF Deluxe, and Splendor Xtec models was strategically executed to capture first-time buyers in the market.*

approximately 45% of younger first-time buyers, contributing to the brand's expansion in this demographic.

### Increase Market Share in the 125 cc Segment

125cc is a fast-growing segment and we have a 3-brand strategy to increase both volumes and market share. With the launch of Xtreme 125R, our 125cc motorcycle portfolio has a wide range of choices for the customer across commuter, stylish and sporty sub-segments.

**Driving connect with the youth** – The recently launched Xtreme 125R has received an overwhelming response and we are continuously ramping up our capacity to meet the demand. With a slew of first-in-class and best-in-class features, the product is well-received. Strategically positioned around young consumers, association with BGMI (Battlegrounds Mobile India) is an innovative initiative to engage with the gaming community.

### Attracting First-Time Buyers

The relaunch of the Passion+, HF Deluxe, and Splendor Xtec models was strategically executed to capture first-time buyers in the market. Passion+ successfully captured approximately 71% of first-time buyers, while HF Deluxe, strategically priced in key markets to improve affordability, captured around 70%. Additionally, Splendor Xtec, launched in May 2022, attracted

- Emphasising Mileage Superiority** – A compelling campaign highlighting the impressive 69 KMPL fuel efficiency of the Super Splendor XTEC is striking chords with consumers across the markets. This is being communicated through contextual messaging across various media.
- Driving Brand Advocacy** – The relaunch of Glamour Magnetic has spiralled up the volume and market share of the Glamour family in the core markets; marking a promising resurgence. The trust of over 8 million customers who love this iconic brand is driving advocacy for new customers to join the Glamour family.

### Increase Share in Scooters

While the scooter portfolio has grown in volume; in the 110cc sub-segment, Hero was the only OEM to grow in market share. However, the goal that we have set out for us is much higher. Owing to dual transitions of EV-ICE coexistence and a shift towards 125cc and above, we are embarking on transforming Hero scooters and reimagining the entire segment. We have structured our strategy around four key pillars:

- New Product Interventions:** The scooter industry is experiencing a notable shift, with 125cc scooters growing by over 30% and accounting for 47% of the market. Capitalising on this trend, we have an array of launches lined up in the form of Destini 125 in a completely new avatar and an expansion of the XOOM portfolio across higher cc, and more powerful & sporty platforms.
- Leveraging Performance Category:** Consumer insights highlight a clear demand for performance-oriented scooters. With our XOOM portfolio, we aim to establish XOOM as a powerhouse brand, focusing on youth and exploration.
- Dialling up the Commuter Category with Destini:** The commuter category represents 70% of the market, and our Destini 125 and Destini Prime are strategically positioned here. We plan to deploy a flanking strategy with Destini Prime and the new avatar of Destini to redefine value and capture a larger share of the market.
- Revitalising Pleasure:** Hero Pleasure has been a popular model among women riders. This year, we aim to revamp and strengthen the model's appeal by augmenting the value proposition along with vibrant, youthful, and regionalised communication to enhance its brand image and attract a broader audience. Pleasure would also serve as the entry price positioned model in the scooter category.

### Making Finance More Accessible

During the year, we unveiled a new retail finance marketplace to simplify vehicle financing for our customers. Available through primary dealers, the platform already features 10 financiers, including Hero FinCorp Limited (HFCL), five private banks, and four NBFCs. The marketplace offers diverse financing options, allowing customers to compare rates and terms conveniently. It can be applied for online or through Hero MotoCorp dealers, marking a significant step towards enhancing the purchasing experience.

### Key Features of the Retail Finance Marketplace

- Wide range of finance options from multiple lenders
- Competitive interest rates and terms
- Convenient online application process
- Paperless process
- Quick loan approvals

### Benefits for Dealers

- Increased customer satisfaction
- Improved sales conversion rates

### Benefits for Financiers

- Access to a large pool of potential customers
- Streamlined loan application and approval process
- Reduced risk of defaults

The marketplace is a win-win for customers, dealers, and financiers. It provides customers with a convenient and hassle-free way to finance their vehicle purchases, dealers with increased sales conversion rates, and financiers with access to a large pool of potential customers.

### Focused on the Top 10 markets in Global Business

Globally, our focus markets are Bangladesh, Colombia, Turkiye, Mexico, Nepal, Guatemala, Nigeria, the DRC, and the Philippines. We are augmenting our presence in these target markets through focused products and distribution strategies.

We prioritised the implementation of NextGen Visual Identity globally to enhance the customer experience and maintain competitiveness. Efforts were made to expand our network for broader market coverage and improved customer accessibility. We focused on 24/7 parts availability to boost satisfaction and loyalty. The 'Wheels of Trust' platform for exchanging used vehicles was successfully tested in Bangladesh. Additionally, 18 new and refreshed products were launched, and digital initiatives like DMS, Global Website Restructuring, and a Lead Management System through SAS were initiated.



2



Win in Premium

### Build our portfolio

Our vision is resolute – to establish ourselves as the leading premium two-wheeler brand in India, under the guidance of our Chairman, Dr. Pawan Munjal and uphold the highest standards of excellence. Recent launches, viz. the Xpulse and Xtreme has transformed customer perceptions. With four out of eight products launched last year in the premium category, including three in the fastest-growing 200cc+ segment, we now cover all premium sub-segments. Our successful launches, viz Xtreme 160R 4V, Karizma XMR, Harley-Davidson X440, and Maverick 440, are signs of the progress we have made so far. While considerable work has been done thus far in this segment, FY 2024-25 will see us extend our product launches further.

*With an aim to create a new era of premium customer experience, we launched our flagship store – Hero Premia. The first dealership was launched in October 2023 with nine stores by the end of FY 2023-24, receiving positive customer feedback and increasing sales conversion.*

### Build Aspirational Power Brands

We are developing five power brands in the premium segment –the Xtreme, Xpulse, Karizma, Maverick, and X440 – each with a distinct and aspirational identity based on unique codes (such as Xtreme=Fastest, Karizma=Above All). The brands will be strengthened through our 4C framework of Culture, Collaboration, Community, and Content.

### Elevate the Retail Buying Experience

With the aim of creating a new era of premium customer experience, we launched our flagship store, Hero Premia. The first dealership was launched in October 2023 with nine stores by the end of FY 2023-24, receiving positive customer feedback and increasing sales conversion. Hero Premia is designed to deliver unrivalled premium sales and service to customers. The Premia stores feature modern architecture, appealing design, and new-age digital technologies.

### Premium Customer Journey: Physical + Digital

At Hero MotoCorp, we are committed to providing an unmatched customer experience to our customers. In addition to the high-quality experience at our stores, we have actively adopted digital tools to deliver differentiated value. During the year, we appointed 75 exclusive stores. These stores will offer exceptional customer experiences through a blend of premium portfolio selection, phygital customer journeys that seamlessly integrate physical and digital interactions, and immersive sensorial experiences. Our store layouts are thoughtfully designed with pre-defined planograms and a choice of prime locations to ensure accessibility.

Our staff are trained in soft skills to enhance customer interactions. Leveraging data analytics, we personalise marketing strategies to drive targeted traffic and engagement. We introduce interactive 3D configurations and AR try-on experiences for engaging buying journeys. Additionally, our unified app offers differentiated service experiences. We actively engage customers through various digital platforms to enhance connectivity and responsiveness.

### Hero One App

Hero One app helped us augment our digital engagement with customers. During the year we strengthened the app by introducing self-evaluation of used two wheelers.

### Scaling up the Hyperlocal Platform

We rolled out Hyperlocal across 100% dealerships. This initiative enabled dealers to effortlessly launch digital-first campaigns using Google and Meta platforms in just three simple steps.

### Reputation Management

We launched the next-gen Online Reputation Management with personalised responses, to strengthen our digital reputation.





3

**Build EV Leadership**

Hero MotoCorp started its EV journey with the launch of VIDA range of electric scooters in FY 2022-23. The scooters delivered industry-leading performance with specifications that included a removable battery pack, a range of over 110 km, custom modes, and more than 30 connectivity features. Throughout FY 2023-24, VIDA concentrated on building brand awareness, stabilising its products, and expanding its sales channels.

In the year under review, we expanded our product line to include the VIDA V1 Plus. Additionally, we expanded the sales channel to encompass over 100 cities and 150 dealers.

Our focus was on delivering an exceptional customer ownership experience and addressing key challenges. The solutions provided included access to over 2,000 fast charging points across more than 200 cities to alleviate range anxiety, as well as a 5-year extended warranty option to address concerns about EV longevity.

We leveraged our cloud infrastructure and engineering capabilities to lay the groundwork for the next generation of connected vehicles and the rollout of new features.

***Our focus was on delivering an exceptional customer ownership experience and addressing key challenges. Solutions provided included access to over 2,000 fast charging points across more than 200 cities to alleviate range anxiety, as well as 5-year extended warranty options to address concerns about EV longevity.***

**Partnerships and Collaborations**

- We forged a partnership with Ather Energy to establish an interoperable fast-charging network, aimed at accelerating EV adoption. This collaboration allows EV users to access both VIDA and Ather Grid charging stations.
- During the year, progress was made in developing electric motorcycles in collaboration with Zero Motorcycles, a global leader in electric motorcycles and powertrains. The California-based Zero Motorcycles combines advanced automotive technology with traditional motorcycle design, enhancing the riding experience for global riders.
- We are leading the charge towards green mobility by expanding our charging network infrastructure in collaboration with HPCL and BPCL India.
- Our partnership with Harley-Davidson resulted in the launch of the Harley-Davidson X440 in FY 2023-24. The X440 marked Hero MotoCorp's entry into the middle-weight motorcycle segment of the Indian two-wheeler market.

VIDA, positioned as a contemporary global electric mobility brand, is dedicated to empowering individuals to embark on journeys that contribute to a greener future. In line with this vision, a new campaign was launched in this year, encouraging consumers to be the catalysts for the change they wish to see. The campaign drew inspiration from the brand's tagline, 'Make Way', inviting all changemakers to challenge norms and drive transformations.



4

**Build a Future-Fit Organisation****Digitalisation**

The retail of two-wheelers in India is exploring new channels. The conventional brick-and-mortar setups are going brick-and-click for enhanced visibility and reach. Rising smartphone penetration and increased internet consumption have opened up avenues to communicate with our customers, around the clock. Hero MotoCorp, as a progressive organisation, has been significantly invested in building capabilities that empower our connection with customers across the life cycle.

Digital campaigns have played a meaningful role in our demand-generation actions the availability of products on e-commerce platforms, phygital in-store experience, and the introduction of the Hero One App for a seamless ownership experience are notable shifts in the way we operate. Our focused initiatives to drive an omnichannel path to purchase for our consumers have yielded a significant contribution to our retail volumes in FY 2023-24.

***Embracing digitalisation has enabled us to enhance operational efficiency across manufacturing, sales, after-sales, and vendor development. Leveraging advanced analytics, IoT, and automation, Hero optimises supply chain, manufacturing, and customer service.***

We, at Hero MotoCorp, are transitioning from merely implementing digital solutions to fully embracing a digital-first approach. This shift entails moving from a push to a pull model, particularly in the premium segment, leveraging digital technologies. Our focus is to deliver end-to-end customer experiences and enhance connectivity through connected vehicle platforms. This evolution represents a move beyond being a mere enabler of digital transformation to integrating digital technologies into the core of the business, redefining how Hero MotoCorp operates and engages with customers in a rapidly evolving automotive industry.

Embracing digitalisation has enabled us to enhance operational efficiency across vendor development, manufacturing, sales & after-sales. Leveraging advanced analytics, IoT, and automation, Hero optimises supply chain, manufacturing, and customer service. Smart Cell and Utility Cockpit connect machinery and utilities, providing real-time data for transparency. Traceability ensures quality control, preventing defects from reaching the market. This commitment positions us as a leader in automotive technological innovation.

## Igniting a Culture of Racing

### Hero XDrags

This year, Hero MotoCorp ignited a culture of racing through the launch of two innovative intellectual properties (IPs) - Xtracks Time Trial Season 1 and Xdrags Cult.

#### Xtracks Time Trial Season 1:

This first-of-its-kind FMSCI-approved off-road race event was centered around the Xpulse 200 motorcycle. Featuring four categories for both amateur and professional riders, Xtracks Time Trial championed inclusivity and fair competition. The inaugural event attracted over 400 participants across 5 cities, culminating in a thrilling final with over 50 contestants vying for victory.



# 30+

XTrack events were organised in FY 2023-24

### XTracks

This first-of-its-kind FMSCI-approved off-road race event was centered around the Xpulse 200 motorcycle. Featuring four categories for both amateur and professional riders, Xtracks Time Trial championed inclusivity and fair competition. The inaugural event attracted over 400 participants across 5 cities, culminating in a thrilling final with over 50 contestants vying for victory.



### Xdrags Cult:

Xdrags Cult, a groundbreaking platform launched this year, ignited a passion for drag racing among enthusiasts. This innovative initiative showcased the power and agility of the Xtreme 160R 4V within the underground racing scene.

Beyond the adrenaline rush of competition, Xdrags Cult fostered a vibrant subculture by integrating artistic expressions like B-Boying, Beatboxing, Graffiti, and Rap. This unique fusion of speed and creativity resonated with participants and spectators alike, creating a platform where artistic talent and competitive spirit converged.

### Elevating Racing Prominence:

Further bolstering its commitment to off-road racing, Hero MotoCorp partnered with prestigious events like the Rally of Himalayas and the Ultimate Desert Challenge, enhancing the Xpulse 200's visibility within the competitive landscape.

### Engaging with Next Gen:

As the two-wheeler partner for leading colleges, we participated in over 8 festivals, attracting over 100,000 attendees and generating over 5,000 engagements. These events featured product zones, stunt shows, motorcycle displays, and test rides, along with integration of Xtracks and Xdrags, fostering a dynamic and engaging experience for students.



## #SHERIDES Empowering Women Riders:

In celebration of International Women's Day, we launched the ground-breaking #SHERIDES programme. This initiative kicked off with an inspiring all-women motorcycle rally, signifying a major step forward in empowering female employees through motorcycle riding. #SHERIDES goes beyond a single event; it's a comprehensive programme designed to equip women with the skills and confidence to ride safely and independently. This initiative underscores Hero MotoCorp's unwavering commitment to gender equality and women's empowerment within the motorcycle community.

# 100

Women riders on 2 rides

## Operational Highlights

To enhance efficiency across all levels of our operations, we are leveraging digitalisation, prioritising safety, adopting environmentally friendly processes, and fostering an inclusive and supportive work environment for our teams. Our ongoing investments aim to cultivate a culture of innovation and high performance within our Company.

### Promoting Sports

Sports have been an integral part of our journey. As a global two-wheeler powerhouse, we have deeply invested in supporting sports across disciplines and geographies. Our commitment to sports goes beyond sponsorship; it is about fostering a culture of excellence and passion among the youth.

We support multiple sports disciplines both in India and internationally, including cricket, football, hockey, table tennis, and golf. Hockey, being the national sport of India, holds a special place for us. With Sardar Singh, one of the top international players and stalwarts of Indian men's hockey, as a brand ambassador, we are working to popularise the game and support young talent. In football, a sport extremely popular in Europe, LATAM markets, and parts of Africa, Hero's association with Atlético de Madrid serves as a long-term gateway to Europe and helps build the LATAM markets further.

With international brand ambassadors like Tiger Woods in golf, Diego Simeone in football, and Virat Kohli in cricket, we have been propelling the brand forward to become truly global. Our association with the European Tour and the PGA Tour helps grow its network beyond business, providing opportunities in regions where we ultimately plan to establish our footprint, especially in Europe and the US.

Hero has been instrumental in popularising golf in India. Through the sponsorship of major golf tournaments and support for budding golfers like Diksha Dagar, Pranavi Urs, Tvesa Malik, and professional golfers like Shiv Kapur.

Diversity plays a key role in Hero. Sports, being one of the most diversified domains, provide a perfect platform to promote inclusivity and equal opportunities. Cricket, the most followed sport in India, highlights Hero's effort to support diversity. Hero's association with Smriti Mandhana and Jemimah Rodrigues from the India Women's Cricket team substantiates this commitment to diversity and inclusion. By investing in various sports, Hero supports athletes from different backgrounds and ensures that its vision of a vibrant and dynamic youth is realised.

Hero's vision extends beyond mere sponsorship; it is about making a tangible impact. Hero's ongoing investment in sports is a testament to its commitment to the nation's future and its belief in the power of sports to bring about a positive change.



## Parts, Accessories and Merchandise (PAM) Business

To expand our non-product revenue stream, we have been ramping up our Parts, Accessories, and Merchandise business portfolio, which includes Spare Parts, Engine Oil, Bike Care Products, Tyres, Batteries, Merchandise, and Accessories. This business aligns with our strategic aspirations while providing added value to our customers. Through pioneering micro distribution and doubling our retailer base inspired by the FMCG model, we have significantly improved accessibility and convenience for our customers. The result is that we clocked a revenue of ₹ 5,387 crore, reflecting a growth of 11.4% over FY 2022-23.

Our Global Parts Center (GPC), located in Neemrana, Rajasthan, offers a storage capacity of around 26,000 SKUs (Stock Keeping Units). We have fully optimised this facility to make the most of our existing capacity. Additionally, we have earmarked an investment of ₹ 600 crore in Andhra Pradesh over the next two years to establish a state-of-the-art Global Parts Center 2.0 in Tirupati. This strategic investment underscores our commitment to enhancing our operational capabilities and strengthening our presence in the region.

## Cost-saving Initiatives

Our teams work relentlessly to enhance productivity through various initiatives directed towards reducing work content, optimising variable manufacturing costs by improving tooling, consumables, energy efficiency, and yield. The cost-saving initiatives initiated across our plants during the year included:

### Dharuhera Plant

- In-house upgradation of old machinery and equipment such as welding robots etc.
- Elimination of NT units in Fine Boring machine

### Gurgaon Plant

- Complete knock down (CKD) cluster packaging development in corrugated boxes for Colombia exports
- Logistics cost reduction for transfer of engines to other plants

### Haridwar Plant

- Load optimisation of outbound logistic trucks
- Machines, fixtures and layout optimisation
- Capacity and multi-model flexibility enhancement, among others

### Neemrana Plant

- Thermo Setting Acrylate (TSA) Paint instead of Polyurethane (PU) paint in the premium models

### Global Parts Center

- Outbound logistics cost optimisation through right-sizing of trucks
- Packaging cost optimisation through packaging modification and specification optimisation

## Halol Plant

- Conducted store re-engineering by merging engine assembly and machine shop Direct on Line (DOL)
- Natural gas saving through magnetic field generation before burning

## Tirupati Plant

- Use of Electronically Commutated (EC) fans in place of conventional Centrifugal blowers in Air Handling Units (AHU) in air conditioning systems for energy-saving
- New processes like cell sorting and grading, surface treatment (Plasma Cleaning), Integrated Chemical dispensing and laser marking were incorporated into the new battery pack assembly line



## Branding and Marketing

**The values of energy, enthusiasm, and determination embraced by Hero enable them to deeply resonate with today's youth.** Our initiatives are crafted to align with our premiumisation strategy, delving into diverse activities to resonate with our target audiences. These activities encompassed advertisement campaigns, the launch of experience centres, and event sponsorships. We believe biking transcends gender, as evident in our women-specific biking events like the #SHERIDES. Our outreach extended through rallies and tailored events, amplifying the broad appeal of our engagements.

### Hero GIFT Campaign

The impactful Hero GIFT campaign during festive season this year achieved a highest reach for Hero's campaign. During the Cricket World Cup, we captured over 448 million eyeballs to drive quick awareness for our newly launched models. At 26%, our heavy digital media mix resulted in a 2.7x increase in digital enquiries, complemented by over 15.4 lakh square feet of OOH advertising, helping us drive awareness for new product launches. We saw a significant increase in website traffic with 1.9 million visitors (nearly 2x over last year) and complemented by "Always-On" lead nurturing module via a WhatsApp.

The adoption of new channels such as hyperlocal drives positively impacted inquiry generation, resulting in over 10,000 sales with a notably higher conversion rate. Additionally, our Hero One App has made a significant contribution to driving conversions. We have also capitalised on innovative digital

formats like IAR filters and personalisation techniques to effectively engage with a younger audience, showcasing our commitment to adaptability and innovation in marketing strategies.

- Driving the premium imagery for the brand at India's largest motorcycle festival, 'India Bike Week', with an engaging display of premium motorcycles and a one-of-a-kind 'XClan Rally' with over 100+ enthusiastic motorcyclists riding to the festival on Karizma and XPulse
- The successful conclusion of XTracks Time Trial Season 1 with a grand finale at Shiva Valley in Pune, featuring over 400 participants from five city rounds
- Launched the #SHERIDES programme on International Women's Day with an all-women rally
- The Hero Indian Open 2024, held in March, united golf pros, enthusiasts, and celebrities in a spirited showcase of skill and camaraderie
- Hero Family Day celebrations marked 40 years of our iconic journey and the centennial year of our Hero Forever, Dr. Brijmohan Lall Munjal
- First-time-ever brand integration with gaming platforms 'Playground' and 'BGMI Krafton' to connect with younger first-time buyers
- Continue building engagement with ~50 on-ground events (XDrags and XTracks) along with an experiential ride at Rann of Kutch for Maverick 440
- Modernised the brand's narrative with a progressive marriage season campaign 'Rishta Aisa, Dosti Jaisa' that led to 1 million+ website visitors



## Customer Experience Index

Over the past few years, we have been capturing customer buying experiences at our showrooms through an external partner. We continuously update survey parameters and methodology based on scope and business priorities. This survey, known as the Hero Happiness Score, integrates the NPS Score with Dealer MyScore for comprehensive insights into customer satisfaction. Further, we also conducted the Customer Purchase Experience Survey for our secondary channel partners.

*Our Enterprise-wide Quality philosophy is designed to uphold our undying commitment to excellence by ensuring robust quality management practices across our entire value chain.*

**90.4**  
Customer Experience Index

**66.8**  
Net Promoter Score



## Committed to Enterprise-wide Quality

Since its inception as a centralised vertical in 2020, our Quality function has expanded its scope to include Hero's entire value chain, from design and development to manufacturing and supply chain management to service and customer satisfaction. Our philosophy of Enterprise-wide Quality is now materialising in every aspect of our operations. Key Quality KPIs are part of all relevant stakeholders' performance metrics and strategic initiatives, ensuring Company-wide alignment on Quality as a strategic priority.

Our Enterprise-wide Quality philosophy is designed to uphold our undying commitment to excellence by ensuring robust quality management practices across our entire value chain. We have achieved this through rigorous design verification, validation, and meticulous product development practices, as well as by creating world-class manufacturing infrastructure, processes, and systems across our suppliers and manufacturing locations. Our state-of-the-art testing infrastructure for engines, chassis, EVs, NVHs and reliability testing, and NABL-accredited Quality Labs is a testament to our world-class testing and validation standards.

The Quality mandate aligns with our 4S mantra of Synergy, Speed, Scale and Simplicity. Innovative projects such as the digital quality incident management system, digital quality gates, auto-inspection system, Product 360, end-to-end digitisation of change management, Process Quality Control Sheet (PQCS)/control plans digital repository, and real-time monitoring of end-of-line testing at supply chain partners are being developed and executed.

We have enhanced our design quality frameworks through strategic initiatives, including a comprehensive Lessons Learnt Repository and robust Design Failure Mode Effective Analysis (DFMEA) and Process Failure Mode Effective Analysis (PFMEA) systems, incorporating all previous design inputs and key stakeholders. This proactive approach ensures efficient management of potential concerns and continuous improvement, reducing new model Engineering Change Note (ECN).

We support our supply chain partners by upgrading their quality management systems through technical and managerial expertise. Building on previous initiatives, we have conducted sustenance audits for process improvements, digitisation for automated monitoring of Critical to Quality parameters, 4M restoration projects, traceability to mitigate product recall risks, and sensitisation workshops for Tier 2 partners in collaboration with Tier 1 suppliers.

Our focus on enhancing supplier capabilities for premium offerings like the Harley-Davidson X440, Maverick 440, Karizma XMR, and Xoom 160 includes initiatives to elevate aesthetic quality through benchmarking and best practices. We are developing new aesthetic quality standards for critical components.

Our Supply Chain Partner Quality Manual outlines guidelines for effective functioning, with stringent checkpoints at various product development and production stages. Regular training and awareness sessions for shop floor employees and supply chain management ensure adherence. We launched the PULSE initiative with the Gurukul at our Dharuhera plant to develop Quality Champions across all partner locations.

Our Vendor Quality Rating (VQR) framework monitors and analyses critical quality parameters of supply chain partners, forming the basis for strategic initiatives aimed at achieving zero defects, zero delays, and zero waste. Projects include process benchmarking, model lines with zero defects, rejections, breakdowns, or safety issues, and digital monitoring of poka-yoke. Concurrent engineering practices optimise lead times in new product development, aligning with our vision of quality as the cornerstone of customer satisfaction.

At our in-house manufacturing facilities, we have further complemented our best-in-class practices and systems through the adoption of technology and artificial intelligence (AI) to:

- Upgrade our export packaging lines ensuring defect and damage-free packaging and last-mile delivery
- Achieve a Process Capability of 1.67 for our Critical to Quality (CTQ) parameters in machine shops
- Achieve significant QA rate improvement to prevent defect generation and market complaints

Innovative poka-yoke such as Direct current (DC) Battery Pulse tools for critical torque confirmation and interlocking with conveyors are an integral part of our defect prevention strategy across all our manufacturing locations.



As a proactive risk-mitigating measure, we have completed the traceability of all the critical safety and emission parts covered under the scope of the recall policy (whether manufactured in-house or at supplier facilities). This helps us flag any defect or concern before it reaches our channel partner or customer.

We encourage a culture of quality across our value chain, engaging stakeholders to achieve excellence. The 2023 World Quality Month theme, 'Realising Your Competitive Potential,' guided our endeavours towards this vision. Through various avenues, such as leadership communications and collaborations with suppliers, each interaction led us forward in our pursuit of quality.

Building upon the momentum established last year, we are strengthening our commitment to quality across Hero MotoCorp's entire value chain.



### **Hero NEXT**

The Hero NEXT initiative was launched in November 2021 to **spotlight operations** and propel them to higher levels of performance in critical business parameters and focus areas. It is **strategically designed** to promote innovation, sustainability, and competitiveness and nurture collaboration and teamwork in alignment with the core TPM principles.

The **first cycle** of the Hero NEXT initiative was rolled out in 2022 for both the tracks, i.e., the **Operations track** (including the first **Global Kaizen Conclave**, the **Plant and Pillar assessments**, and the **Sustainability assessments**) and, the **Supply Chain track** (with the evaluations focused on **Performance Awards**, **Leadership Awards** and, the **GPDP assessments** for the **Sustainability Awards**). Projects and evaluations were conducted throughout the fiscal year. The first cycle culminated with the **Global Conference at Udaipur in November 2022**, where the winning teams from our plants and supply chain were felicitated in the presence of our top leadership.

In the second **cycle** of Hero NEXT, the Operations teams presented **81 projects under 10 thematic categories** at the **Global Kaizen Conclave**, with these projects resulting in substantial cost savings and optimisation (₹ 45+ crore). **Diversity in the assessor panel** was ensured by including three experienced female assessors in **Plant and Pillar and Sustainability assessments**. The 2<sup>nd</sup> cycle saw 1,450+ employees participate across all our locations, and 300+ were recognised for their contribution. In line with Hero's philosophy of 'We Care', the first-ever Health and Wellness assessment was also conducted in this cycle, which culminated with the grand celebrations at the **Hero NEXT and Hero QUEST Global Conference 2023-24**.

### **Hero NEXT and Hero QUEST Global Conference 2023-24**

The second edition of the Hero **Hero NEXT and Hero QUEST Global Conference** celebrated excellence across our manufacturing facilities and extended value chain. Insightful conversations with the leadership and engaging intellectual activities were conducted to inspire our teams to strive for excellence and enterprise-wide quality. This platform aims to promote and inspire excellence, unleashing energy and enthusiasm in Operations and Quality to accelerate innovation and transformation. Acknowledging the resilience and go-getter mindset of our Heroes, our Executive Chairman, Dr. Pawan Munjal, acknowledged and appreciated their contribution towards our Company's market dominance in the last two decades and also shared the key focus areas for the coming years.

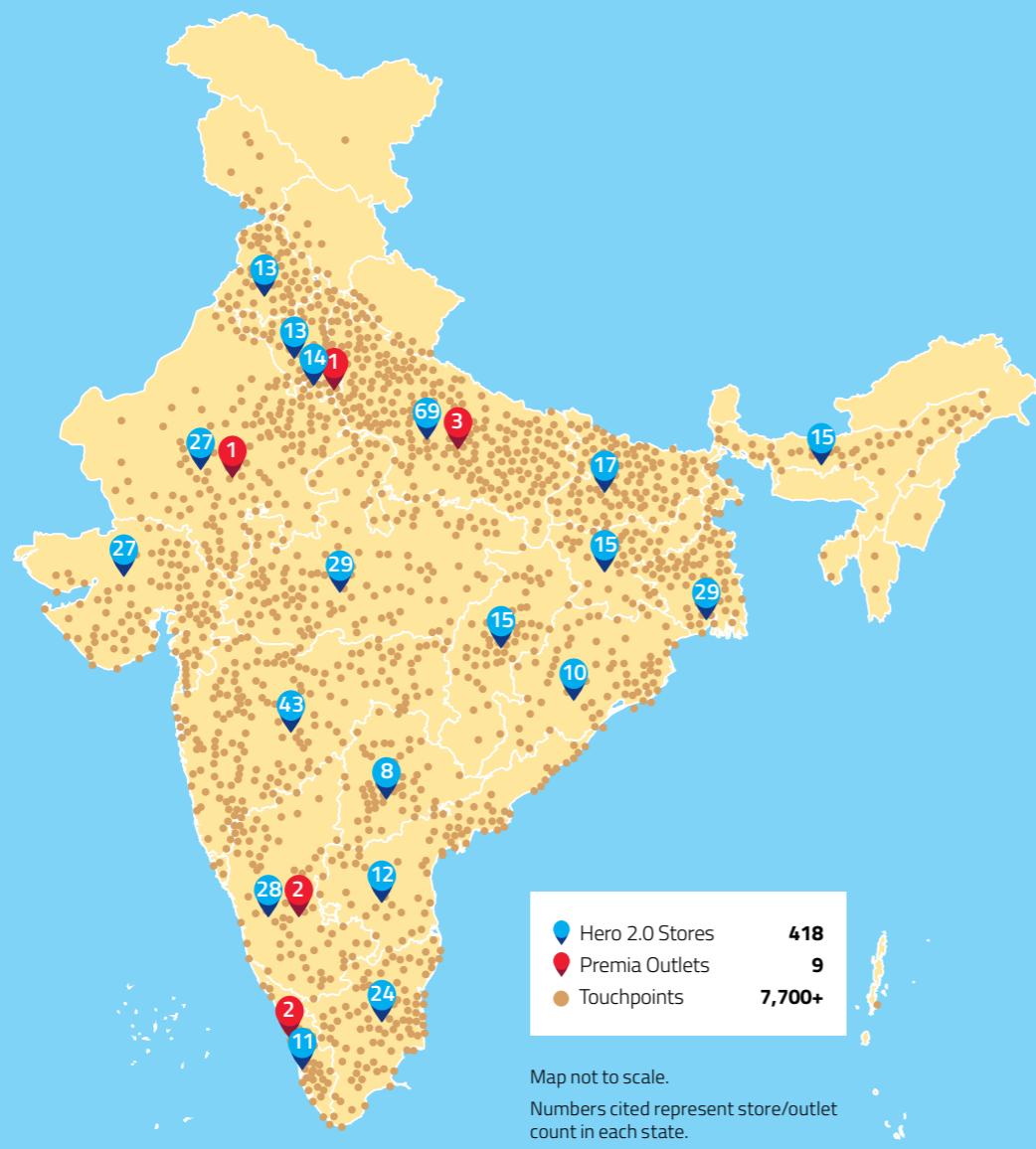


## Development of Channel Network

Our goal is to establish a channel that is future-ready by optimising and innovating channel formats to provide a seamless experience across different locations through standardised channels.

We have seen significant progress in our flagship project, Hero 2.0, with 418 activated dealerships showcasing a new visual identity. In its phygital form, the customer journey becomes more experiential and enabled, thereby enhancing the overall customer experience. Additionally, secondary network transformation initiatives are ensuring consistent customer experiences across all channels.

To ensure a robust review mechanism, new frameworks have been implemented to monitor and support channels regularly, effectively contributing to our business goals.



<b>States</b>	<b>Hero 2.0 Stores</b>	<b>Premia Outlets</b>
Andhra Pradesh	12	0
Assam & North East	15	0
Bihar	17	0
Chhattisgarh	15	0
Delhi NCR	14	1
Gujarat	27	0
Haryana	13	0
Jharkhand	15	0
Karnataka	28	2
Kerala	11	2
Madhya Pradesh	29	0
Maharashtra	43	0
Odisha	10	0
Punjab	13	0
Rajasthan	27	1
Tamil Nadu	24	0
Telangana	8	0
Uttar Pradesh	69	3
West Bengal	29	0
<b>Grand Total</b>	<b>418</b>	<b>9</b>

**7,700+**  
Touchpoints  
across India

**796+**  
Channel Partners  
Added during the Year

Note: As on March 31, 2024

## Driving premiumisation with Premia

Premia, our flagship project driving premiumisation, was launched in FY 2023-24. The pilot phase commenced in the second quarter of the year, with three pilot stores inaugurated in the third quarter, demonstrating a high-speed execution approach. By the end of the year, we achieved 75 appointments and nine activations. This rapid expansion was made possible through strong synergy among departments including Sales, Customer Experience, Marketing, Procurement, PAM, and our dealer channel partners. Hero Premia, the hub of Hero Premium Biking, is poised to become the fastest-scaling automobile retail channel in India. Our expansion strategy targets key urban centres and regions based on market potential, with plans to explore Premia-studio setups in Tier 2/3 towns to broaden our reach.

Aligned with our sustainability commitment, we have moved forward with the Green Partner Development Programme, focusing on creating green dealerships through initiatives like biodegradable products, cool roofs, solar energy adoption, dry washing, and water recycling.

To keep our channel partners updated with the latest in the industry, we initiated multiple learning programmes in partnership with leading business institutes and introduced focused initiatives like 'Succession Planning' and 'Channel Onboarding Programme' this year.

Furthermore, in collaboration with BML Munjal University, we launched the 'Women in Successful Entrepreneurship (WISE)' programme to empower our women dealer entrepreneurs.



Financial Performance		FY 2023-24	FY 2022-23
Particulars			
Motorcycles and Scooters Sold (No. of units in lakhs)		56	53
<b>Income (₹ crore)</b>			
- Revenue from Operations		37,456	33,806
- Other Income		893	565
<b>Total Income (₹ crore)</b>		<b>38,348</b>	<b>34,371</b>
<b>Expenses (₹ crore)</b>			
- Cost of Materials Consumed & Changes in Inventories		25,431	23,858
- Employee Benefit Expenses		2,402	2,190
- Other Expenses		5,097	4,448
<b>Total expenses (₹ crore)</b>		<b>32,930</b>	<b>30,496</b>
Profit Before Tax (₹ in crore)		5,258	3,875
Tax Expense (₹ in crore)		1,290	964
Profit After Tax (₹ in crore)		3,968	2,911
Other Comprehensive Income (₹ in crore)		(22)	(9)
<b>Total Comprehensive Income (₹ in crore)</b>		<b>3,946</b>	<b>2,901</b>
Earning per Equity Share on Profit After Tax (₹)		199	146

## Movements in Balance Sheet Figures

Key Financial Ratios				(%)
Particulars	FY 2023-24	FY 2022-23	Change	
Trade Receivables Turnover Ratio	17.34	16.75	3.55	
Inventory Turnover Ratio	17.67	18.66	(5.30)	
Interest Coverage Ratio	309.12	212.02	45.79	
Current Ratio	1.50	1.61	(6.84)	
Debt Equity Ratio	0.01	0.01	0.00	
Operating Profit Margin (%)	12.13	9.85	23.19	
Net Profit Margin (%)	10.35	8.47	22.19	
Return On Equity (%)	22.88	17.92	27.67	

### Commentary

**Trade receivables turnover ratio** – The debtor turnover ratio increased from 16.75 times in FY 2022-23 to 17.34 times in FY 2023-24 primarily due to higher revenues signifying improved efficiency in collecting outstanding debts.

**Inventory turnover ratio** – The inventory turnover ratio has witnessed a decrease from 18.66 times in FY 2022-23 to 17.67 times in FY 2023-24. This decrease mainly on account of increase higher average inventory levels.

**Interest coverage ratio** – The interest coverage ratio has increased by 45.8% primarily due to higher profits during the year. A higher interest coverage ratio indicates better financial health and the ability to meet interest obligations comfortably.

**Current ratio** – The current ratio has decreased marginally from 1.61 times to 1.50 times, on account of a larger increase in current liabilities. The current ratio is a measure of a company's ability to meet its short-term obligations using its current assets.

**Operating Profit margin (%)** – Operating profit margin for the year has increased from 9.85% to 12.13% on account of higher revenues, stable commodity cost and better returns on spends.

**Net Profit ratio /margin (%)** The net profit margin has experienced an increase from 8.47% to 10.35%, primarily attributable to healthy operating margins and higher other income.

**Return on net equity / net worth (%)** – The increase in profits has resulted in a notable improvement in the Return on Net Worth, which has increased from 17.92% to 22.88%. The improved Return on Net Worth indicates improved efficiency in utilising the Company's resources to generate profits.

## Human Resources

At Hero MotoCorp, we prioritise nurturing our human capital to foster a vibrant and inclusive workplace culture. Our focus is on talent development, ensuring continuous learning and growth opportunities for employees. We value our people as key drivers of success, invest in their development and overall satisfaction, encourage innovation and collaboration, and recognise and reward outstanding contributions. Our people initiatives align with our commitment to sustainability, the promotion of green practices, and responsible corporate citizenship. We are focused on driving employee diversity and have taken significant strides during the year to enhance diversity within our Company.

## Employee Engagement

Our initiatives during the financial year under review highlight our dedication to employee engagement and community involvement. From the HERO Premier League Season 6 at the Gurgaon plant to vibrant celebrations, including the Independence Day event in Dharuhera, emphasising unity and patriotism, and our participation in the Vedanta Pink City Half Marathon to promote fitness and community engagement, we inculcate a culture of teamwork and celebration. Additionally, engagement is also facilitated through various activities, such as Long Service Awards that honour employee dedication and commitment, underscoring Hero's appreciation for loyalty and hard work.

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## Corporate Social Responsibility

At Hero MotoCorp, we are dedicated to empowering communities and fostering sustainable development. We prioritise education, healthcare, environmental conservation, and community development initiatives that make a meaningful impact. Our community development efforts aim to create positive change for the planet and contribute to building stronger, healthier communities. Hero MotoCorp's commitment to CSR reflects our values and dedication to social responsibility.

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## Risk Management

In our pursuit of excellence, it is imperative to address both internal and external vulnerabilities through a comprehensive risk mitigation strategy. Effective risk management serves not only to safeguard against external accidents and minimise the impact of internal challenges, including product recalls, but also to ensure business continuity and preserve our brand reputation.

This commitment to risk management is integral to our business operations and is overseen diligently by our dedicated risk management committee (RMC), a committee of the Board of Directors. By proactively identifying and sharing updates and mitigation plans as well as emerging developments with the RMC, we reinforce our resilience through business continuity planning (BCP) and our ability to navigate challenges, thereby sustaining trust and confidence in our brand within the competitive marketplace.

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## Internal Controls

We have a robust internal controls framework deeply ingrained in our Company. The Audit and Assurance function plays a vital role in providing assurance to the Board regarding the adequacy and effectiveness of these controls. Additionally, it advises management on the ever-evolving risk landscape, helping anticipate and mitigate emerging risks.

Our internal audit plan is developed collaboratively with management, considering the needs of statutory auditors and focusing on critical risks aligned with the company's objectives. Key findings from internal audits are reviewed by the Audit Committee quarterly, which also monitors the progress of management actions resulting from these reviews.

We embrace technology to enhance internal audit procedures. Automation, along with tools such as data analytics, artificial intelligence, and machine learning, is being utilised to implement continuous monitoring, ensuring a proactive approach to risk management.



**Dear Members,**

Your Directors are pleased to present the forty first annual report, together with the Company's audited financial statements for the financial year ended March 31, 2024.

**FINANCIAL RESULTS – STANDALONE & CONSOLIDATED**

The standalone and consolidated financial highlights of your Company are as follows:

Particulars	(₹ in crore)			
	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Total Income	38,348.27	34,370.81	38,643.16	34,727.39
<b>Profit before Finance cost and Depreciation</b>	<b>6,148.26</b>	<b>4,551.39</b>	<b>6,204.17</b>	<b>4,662.78</b>
<b>Expenses</b>				
Finance cost	18.50	19.87	76.37	104.88
Depreciation and amortisation expenses	711.41	656.96	757.36	697.39
<b>Profit from ordinary activities before share of Profit/(Loss) of associates</b>	<b>5,418.35</b>	<b>3,874.56</b>	<b>5,370.44</b>	<b>3,860.51</b>
<b>Profit/(Loss) of associates</b>				
Share in net profit/(loss) of associates	-	-	(120.25)	3.11
Exceptional items – VRS expenses	159.99		159.99	
<b>Profit from ordinary activities before tax</b>	<b>5,258.36</b>	<b>3,874.56</b>	<b>5,090.20</b>	<b>3,863.62</b>
<b>Tax expense</b>				
Current tax	1,260.95	941.90	1,264.18	947.69
Deferred tax	29.45	22.08	83.86	116.03
<b>Net Profit from ordinary activities after tax</b>	<b>1,290.40</b>	<b>963.98</b>	<b>1,348.04</b>	<b>1,063.72</b>
<b>Other comprehensive income /expense) (net of tax)</b>	<b>3,967.96</b>	<b>2,910.58</b>	<b>3,742.16</b>	<b>2,799.90</b>
<b>Total comprehensive income for the year</b>	<b>(22.35)</b>	<b>(9.37)</b>	<b>(32.86)</b>	<b>(34.87)</b>
<b>Net Profit/(loss) attributable to</b>	<b>3,945.61</b>	<b>2,901.21</b>	<b>3,709.30</b>	<b>2,765.03</b>
a) Owners of the Company	3,967.96	2,910.58	3,744.83	2,809.96
b) Non-controlling interest	-	-	(2.67)	(10.06)
<b>Other comprehensive income attributable to</b>				
a) Owners of the Company	(22.35)	(9.37)	(32.76)	(21.95)
b) Non-controlling interest	-	-	(0.10)	(12.92)
<b>Total comprehensive income attributable to</b>				
a) Owners of the Company	3,945.61	2,901.21	3,712.07	2,788.01
b) Non-controlling interest			(2.77)	(22.98)
Balance of profit brought forward	13,934.48	13,031.60	13,862.79	13,060.05
<b>Dividend</b>				
- Interim	1,999.22	1,298.96	1,999.22	1,298.96
- Final	699.45	699.37	699.45	699.37
Corporate Dividend Tax				-
Adjustment on account of change in controlling interest	-	-	(4.20)	-
Other comprehensive income arising from re-measurement of defined benefit obligation (net of income tax)	-	-	(34.34)	(8.89)
<b>Balance carried to Balance Sheet</b>	<b>15,181.42</b>	<b>13,934.48</b>	<b>14,870.51</b>	<b>13,862.79</b>
<b>Earnings per equity share on Net Profit from ordinary activities after tax (face value ₹ 2/- each) (In Rupees)</b>				
- Basic	198.53	145.66	187.36	140.62
- Diluted	198.18	145.52	187.04	140.49

**FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS**

During FY 2023-24, your Company clocked sales of 56.21 lakh units over 53.29 lakh units in the previous FY. Revenue from operations was ₹ 37,455.72 crore as compared to ₹ 33,805.65 crore in FY 2022-23, registering an increase of 10.80%.

Profit before tax (PBT) in FY 2023-24 was ₹ 5,258.36 crore as compared to ₹ 3,874.56 crore in FY 2022-23, reflecting an increase of 35.72 %. Profit after tax (PAT) in FY 2023-24 was ₹ 3,967.96 crore as against ₹ 2,910.58 crore in FY 2022-23, an increase of 36.33% from the previous year.

Earnings before Interest, Depreciation and Taxes (EBITDA) stood at 14.03% in FY 2023-24, as compared to 11.79% in FY 2022-23.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with provisions of the Companies Act, 2013 ('the Act') and Indian Accounting Standards (IND AS)110 on Consolidated Financial Statements, read with (IND AS) 28 on Investments in Associates and Joint Ventures, the Audited Consolidated Financial Statements for the financial year ended March 31, 2024 along with Auditor's Report are provided in this annual report.

**UPDATE ON SIGNIFICANT MATTERS**

The IT Department had conducted a search under Section 132 of the Income Tax Act, 1961 on the Company. Consequently, re-assessment orders for AY 2013-14 to 2017-18 & AY 2019-20 were passed with a total rectified demand of ₹177.96 Crore. The Company has filed an appeal before CIT(A) against the order.

During the year, the Ministry of Corporate Affairs initiated an investigation and sought information w.r.t. the Company's beneficial ownership in a former vendor(s). The Company has provided the requested information, and there have been no further proceedings in this matter. According to the Company, neither the Company nor any of its directors have any beneficial interest in the former vendor(s).

During the year, officials of Enforcement Directorate had visited premises of the Company in relation to an alleged violations of Customs Act 1962. Certain information was sought from the Company which has been submitted. The aforementioned matter has been stayed by honourable Delhi High Court and is pending legal outcome.

The above matters have been referred in the "Emphasis of Matter" in the Audit Report and has also been mentioned in the note no 34 (b) of the standalone financial statements. The audit report (standalone and consolidated) remain unmodified.

**CHANGES IN CAPITAL STRUCTURE**

During the year under review, 82,023 equity shares of ₹ 2/- each were allotted on exercise of Employee stock options

and Restricted Stock Units (RSUs) by the employees of the Company. Consequently, the issued and paid-up share capital of the Company as on March 31, 2024 was ₹ 39,98,43,482 divided into 19,99,21,741 equity shares of ₹ 2/- each.

The Company has not issued any equity shares with differential rights, sweat equity shares or bonus shares. The Company has only one class of equity shares with face value of ₹ 2/- each, ranking pari-passu.

**DIVIDEND**

Your Directors are pleased to recommend for your approval a final dividend of ₹ 40/- per equity share (2,000%) of face value of ₹ 2/- each in addition to an overall Interim Dividend of ₹ 100/- per share (5,000%), which includes a special dividend of ₹ 25/- per share (125%) to commemorate the centennial year of Chairman Emeritus Dr. Brijmohan Lall Munjal, aggregating a total dividend payout of ₹ 140/- per equity share (7000%) for FY 2023-24. In the previous year, total dividend payout of ₹ 100/- per equity share (5,000%) of face value of ₹ 2/- each was made. Final dividend, if approved at the ensuing annual general meeting, shall be paid to the eligible members within the stipulated time period.

Dividend Distribution Policy of the Company as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is available at the following link: <https://www.hermotocorp.com/content/dam/hero-aem-website/investor-assets/disclosure-documents/DividendDistributionPolicy.pdf>

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management discussion and analysis report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business in India and abroad, risk management systems and other material developments during the year under review.

**CHANGE IN NATURE OF BUSINESS**

During FY 2023-24, there was no change in the nature of Company's business.

**CAPACITY EXPANSION, NEW PROJECTS & STRATEGIC ALLIANCES**

The FY24 was a fascinating year during which, your Company directed its resources on capitalising opportunities, strategic investments and working towards business resilience with focus on growth and further strengthening the product portfolio.

Due diligence on economic factors and commodity headwinds facilitated us to further evaluate our manufacturing capacity

and resource optimisation with a broader lens to optimise capacity utilisation.

As a proactive corporate, your Company released its sixth Annual Sustainability Report encompassing ESG (Environment, Social and Governance) aspects. Long-term strategy has been formulated with the objective of making your Company one of the leaders in ESG and target to establish a resilient business eco-system.

During the period under review, the Board of Directors at its meeting held on February 09, 2024 has approved an investment of upto ₹600 crore (approx.), for setting up a Global Parts Center (GPC) 2.0 with a storage capacity of upto 36,700 Stock Keeping Units (SKUs), at Tirupati, Andhra Pradesh.

## GLOBAL FORAYS

In the FY24, your Company has showcased remarkable strategic agility and resilience in navigating the intricate dynamics of global markets. This resilience was evident in FY24, where the Company has achieved higher export figures, recording 2,00,923 units, marking a robust growth of 16.3% over the previous fiscal year. This impressive growth can be attributed to the Company's astute market-fit product portfolio and unwavering commitment to customer-centricity.

The pivotal initiatives that propelled this growth are as follows:

**1. Focused Market Approach:** Despite facing challenging economic conditions, your Company maintained and augmented its market share in key markets such as Mexico, Turkey, Bolivia, and Tanzania. The major gainer was Turkey with 3.3% (MS 9.6%) market share gain in FY24 as against FY 23 (MS 6.3%). This focused approach ensured sustained growth amidst adversities.

**2. Product Portfolio Enhancement:** Your Company has bolstered its product portfolio with the launch of 4 new products, including three premium offerings (XMR 210, Hunk 160R 4V, Xpulse 200 4V), Xoom 110 Scooter along with the introduction of 8 refreshes (Hunk 150, Xpulse 200 Euro5, Xpulse 200T, Ignitor 125 Xtec, Pleasure 100, Hunk 160R 2V, Splendor+ Sports, Super Splendor). This strategy aimed at meeting diverse consumer preferences and further solidifying its market presence.

**3. Hero 2.0 NextGen Visual Identity:** Undertaking a visual identity changeover to Hero 2.0 NextGen ensured an enhanced and cohesive customer experience across various channels. This strategic move reinforced the Company's brand identity and resonance with consumers. A total of 150+ channels had undergone the Hero 2.0 changeover in FY24.

**4. Expansion in Key Markets:** Your Company's strategic initiatives to start operations in Philippines with commencing dispatches in Q4 FY24, restarting Nigeria with Tolaram Group and revitalising operations in Nepal through the partnership with CG Group underscored

its commitment to effective market penetration. These endeavors signifies the Company's proactive approach to leverage local expertise and networks for market expansion.

**5. Implementation of Exchange Platform:** The implementation of the Company's own Exchange platform in Bangladesh, with plans for a wider regional implementation, laid a robust foundation for sustained growth. This platform not only facilitates seamless exchange transactions but also enhances customer engagement and loyalty.

**6. Digitisation Initiatives:** The Company's Digitisation efforts, including website revamp, Lead Management System (LMS) setup and Dealer Management System (DMS) implementation, streamlined processes and enhanced operational efficiency. These digital initiatives have facilitated smoother interactions with customers and stakeholders, fostering a more agile and responsive organisational culture.

In South Asia, despite a 24% decline in dispatches to Bangladesh due to economic slowdown and forex shortfalls, your Company has made significant strides in parts retail and successfully resumed dispatches to Nepal in Q4. These efforts underscore the Company's resilience and adaptability in navigating evolving market landscapes.

In Africa, the Company has witnessed a remarkable surge of 71% in dispatches over FY23, with Turkey, the Democratic Republic of the Congo (DRC), and the Gulf Cooperation Council (GCC) emerging as major growth drivers. Despite industry downturns in Nigeria, your Company has made timely market entry in Q4 with 2005 units, which exemplified its agility in capitalising on emerging opportunities.

The exponential growth in Turkey by 357% and strong growth in DRC by 107% is testimony to the Company's effective market penetration strategies and robust brand presence in these regions.

In Latin America, the Company's exports registered commendable growth of 41% over FY23, fueled by exceptional performance in Mexico with a staggering 290% increase in dispatch in FY24 over previous year and a modest dispatch growth of 4.3% in Bolivia.

Furthermore, the Company's strategic brand association with Diego Simeone for Latin American markets has significantly bolstered its brand equity and visibility, further strengthening its competitive advantage in the region.

The Company's unwavering emphasis on the premium segment, coupled with its customer-centric innovation, has solidified its position as a frontrunner in the global market.

Looking ahead, the strategic focus is on key growth levers, including the expansion in premium segment portfolio, Hero 2.0 NextGen Visual Identity, Digitisation initiatives, and

the Company's own exchange platform, thereby setting a formidable foundation for sustained growth and success in the global marketplace.

The stellar performance in FY24 underscores its unwavering commitment to innovation, and with strategic agility has positioned the Company as a truly global brand.

## INNOVATION

The Hero Innovation Cell (HIC) stands as a testament to the Company's commitment and focus on nurturing and amplifying a culture of innovation within the organisation and its global network.

Established to break traditional boundaries and set new industry benchmarks, HIC plays a crucial role in aligning with India's vision for fostering innovation. HIC develops innovative ideas into scalable solutions, thriving on collaboration and co-creation with diverse partners including your Company's associates, dealers, suppliers, customers, global start-ups, academia, and the broader community.

In the past fiscal year, the HIC has driven impactful programs such as the Idea Contest, now in its ninth season, which is a cornerstone of our innovation framework. This platform has consistently sourced ground-breaking ideas from our associates, leading to innovations like the automatic headlight dipping system, smart safe ride solution and the hero smarthybrid series. These initiatives not only improve our product offerings but also contribute to safer and more sustainable mobility solutions.

The RAPID POC program, executed in collaboration with Plug and Play in Germany, is another key initiative. This prototype validation program partners with global innovators to co-create and test solutions tailored to our specific business challenges. Last year, we achieved three successful proofs of concept, enhancing our operational efficiencies and product capabilities.

The Company's engagement with the Smart India Hackathon (SIH) further underscores its commitment to innovation. As the world's largest open innovation model, organised by the Ministry of Education, Government of India, SIH 2023 witnessed an unprecedented surge in participation. Over 2,60,000 students collaborated on solving critical challenges across sectors like healthcare, agriculture, and cybersecurity. The Company's involvement not only supported the hackathon's goals but also enabled to mentor young talent, facilitating connections that extend beyond the event.

The Hero Campus Challenge (HCC) is another significant endeavor that invites students from global technical and business institutions to solve real-life business challenges. The ninth season, launched in March 2024, saw fierce competition with teams from institutions such as the National Institute of Technology - Raipur, Indian Institute of Management - Bangalore, and JBIMS Mumbai leading the way. These interactions provide students with a platform to demonstrate

their innovative capabilities while potentially securing future roles within the Company.

As we look towards FY 25, the HIC is set to continue its vital role in propelling the Company as a leader in innovation, both in India and on the global stage. Our commitment to develop a sustainable innovation ecosystem not only advances our strategic goals but also has a profound impact on the broader community, ensuring that the Company remains at the forefront of the automotive industry.

## CYBER SECURITY

As businesses continue to leverage digital technology to enhance operations, the risk of being exploited by cyber threat actors also increases. However, your Company is proactively addressing this challenge by maintaining a mature cyber security posture that focuses on prevention, detection, response and recovery framework and methodology.

Led by the designated Chief Information Security Officer (CISO), dedicated team of cyber security professionals diligently oversee various cyber security solutions, operations and preventive measures.

Secure by design methodology is adopted and every application/solution undergoes through an architecture review and evaluation and complete vulnerability assessments before being launched.

In order to foster a strong cyber security culture within the organisation and empower employees to be the first line of defense, various activities such as awareness trainings, monthly newsletters, email communications, and quizzes are utilised to educate employees on best cyber security practices.

Compliance with industry regulations is a top priority for your Company's cyber security team, and they work diligently to ensure that your organisation remains ISO 27001 compliant. By maintaining a proactive and comprehensive approach to cyber security, we are committed to safeguard organisation's assets and maintain the trust of our customers, employees & stakeholders.

## ETHICAL PRACTICES

Pledged to ethical and responsible conduct, Hero MotoCorp believes in acting in the best interest of the customers, public, employees, business partners and all other stakeholders. Successful business and reputation is built on prioritising the interest of stakeholders and establishing a strong foundation of trust. Your Company follows rigorous product safety and quality standards to fulfill its fundamental responsibility to build faith of the customers in the quality of products. Supplier selection and purchases are based on need, quality, service, price and other terms and conditions. Supplier relationships are conducted by way of appropriate written contracts and are based on high standards of ethical business behaviour. Duty to the Company requires its employees, to avoid and disclose

actual and apparent conflicts of interest. No employee shall appropriate corporate business opportunities for themselves and use the Company information or position for personal gains. Your Company is committed to transparency in disclosures and public communications except where the need of business security dictates otherwise. Hero MotoCorp is committed to make full, fair, accurate, timely and understandable disclosure on all material aspects of its business including periodic financial reports that are filed with or submitted to regulatory authorities.

## QUALITY

Our enterprise-wide quality philosophy is designed to uphold our undying commitment to excellence by ensuring robust quality management practices across our entire value chain. We have achieved this through rigorous design verification, validation and meticulous product development practices, and by creating world-class manufacturing infrastructure, processes, and systems across our suppliers and manufacturing locations. Our state-of-the-art testing infrastructure and NABL accredited quality labs are a testament to our world-class testing and validation standards. Additionally, we have continued with our digital transformation projects, utilising AI, IoT, and other technologies to empower our teams, promote transparency, swift decision making, and faster response times.

We have strengthened our design quality frameworks through strategically designed initiatives. A comprehensive lessons learnt repository, robust DFMEA & PFMEA encompassing all previous design inputs/concerns and key stakeholders across the value chain have been deployed to ensure proactive management of potential concerns and continuous improvement. This helps in enhancing efficiency and reduction in the new model ECN.

We are continuously supporting our supply chain partners in upgrading their quality systems by sharing technical know-how. Our supply chain partner quality manual lays down guidelines for effective functioning and establishes stringent checkpoints along the different stages of product development and mass production. For this, our Vendor Quality Rating (VQR) framework is a comprehensive metric that encapsulates all the critical quality parameters of our supply chain partners. This metric helps us critically monitor and analyse their performance on quality parameters, thereby serving as the source of various strategic initiatives for supply chain excellence, ensuring zero defects, zero delays and zero waste.

Our teams have continued the initiatives from previous years to further improve the quality management capabilities of our supply chain partners. We have conducted various activities, including sustenance audits for process improvements, Digitisation for automated monitoring of Critical to Quality parameters, 4M restoration projects, traceability to reduce risks associated with product recalls, and sensitisation

workshops for our Tier 2 supply chain partners in collaboration with our Tier 1 suppliers. These efforts have helped us enhance our supply chain management and ensure better quality products for our customers.

In addition to this, we regularly monitor customer feedback and concerns, having more than 20 different sources for capturing the voice of customers. Each feedback/concern is critically evaluated by a team of internal subject matter experts and a swift response is delivered to the customer to ensure highest level of satisfaction. These inputs are also captured in our internal databases for consideration while new product and process development.

We complement our objective to foster a culture of quality across the value chain by engaging all stakeholders in our pursuit of excellence. Our efforts include ongoing training and awareness sessions, dedicated sensitisation drives, and monthly quality town halls ("Q Colloquium") that cover critical topics. These focus on developing the right mindset among all stakeholders, while providing opportunities for young talent to showcase innovative ideas and critical thinking to a wider organisational audience. By building on last year's momentum with these initiatives and practices, we aim to strengthen our pursuit of fostering enterprise-wide quality across Hero's value chain.

## SAFETY AND WELL BEING OF EMPLOYEES

At Hero MotoCorp we have always care about the safety of all our stakeholders i.e. employees, visitors, vendors, contract employees, logistic drivers, and other persons who may be affected by its operations. The Company has put in the best efforts to provide a safe and conducive working environment and is committed to ensuring highest standards of safety in the workplace. We believe that safe work practices lead to better performance, motivated work force and higher productivity. The Company has updated its Occupational Health & Safety Policy with a focus to prevent any work related injury and ill health of employees, permanent & non-permanent workers, contractors, community and all interested parties by eliminating hazards and reducing risks. These policies and programmes have been designed to prevent physical (including occupational), mental, and psychosocial health issues and to improve employees' overall well-being. We have developed our programmes and initiatives, which comply with legal and statutory requirements and international standard ISO-45001, bodies including ILO and WHO so that we can implement best practices to promote wellness and safety at our workplace. We have set targets for establishing a zero-incident culture, which includes zero fatalities and zero LTIFR and LTIR rates. We are continuously working to improve our OHS management system through regular evaluation via internal and third-party audits and developing targeted action plans and resolutions against findings.

At Hero MotoCorp, we believe that employees are the most important pillar for organisational success. Talent

development plays a pivotal role and is one of the top-most priorities in this changing landscape.

Our prime focus is to enhance the opportunities and build capabilities for future ready workforce. We continued to invest in our employees to help them realise their full potential. All our talent development initiatives are comprehensive and tailored made, customised as per the business and individual need. We keep focusing on enhancing the leadership and managerial skills at all levels within Hero MotoCorp with our tiered leadership approach. This ensures in developing a strong talent pipeline and future successors. Our program combines educational modules, hands-on experience, and practical application to equip aspiring leaders with essential leadership qualities. In line with this is our capability development framework which has programs like NexGen leaders, Transcend Leaders Program, LeadNext and Hero ACE. We have partnered with top institutes, giving a strong platform to our employees to grow personally and professionally by sponsoring them for higher education like Hero MBA with BML Munjal University and BITS Pilani.

To boost confidence of women employees and encourage more women in leadership roles, your Company conducts a 'Women in Leadership' course in collaboration with BML Munjal University. The Women in Leadership program was started with the vision to diversify our leadership pipeline. It is a nine-month leadership journey and is designed keeping in mind the unique challenges faced by women in their path to leadership and professional lives. These leaders will enable the creation of a leadership pipeline, inclusive in nature, for the organisation. The program develops individuals on three levels: self, team, and organisational leadership.

By investing in people, our most critical resources, we aim to empower our workforce to reach their full potential and drive sustained innovation and performance across the organisation. We are committed to staying at the forefront of industry trends, fostering a culture of continuous learning and development, and positioning ourselves for sustained success and impact in the year ahead.

## DIVERSITY & INCLUSION

At Hero MotoCorp, Diversity, Equity and Inclusion is a way of life. Our vision, Be the Future of Mobility is built on these principles. The Company remains committed to promoting gender diversity, be it in the workforce or designing and developing products specifically for women customers.

Our goal is to ensure 30% women in the workforce. We are doing this by strengthening our efforts towards building a workplace that has all the right opportunities and support that women colleagues can tap into to grow in their careers.

We have made significant strides towards our goal in this FY24. Our recruitment efforts have focused on sourcing talent from diverse backgrounds, associating the top academic

institutions, and partnering with organisations that specialise in diversity recruitment.

### Greens Shoots

- 45% increase in the total number of women in workforce
- 56% increase in women representation on shopfloor
- 85% returning mothers continue to work with us
- 43% increase in Senior Management women
- 41% increase of Women in Science, Technology, Engineering & Mathematics

To steadfast our commitment to build an inclusive culture, we have implemented varied initiatives and programs:

- **HERoes Network**, one of its kind women network platforms, was launched across 8 locations along with an Open House session with CHRO and CIDO. This network enables and supports women to share experiences, mentor and nurture each other. Within HERoes Network we are hosting a series of mentoring conversations with leaders. We introduced the concept of Lean in Circles where groups of 12-13 women choose a topic that is relevant to their workplace experience and are assigned a mentor from the leadership team to work and learn from these experiences.
- **Building an inclusive workplace:** Our manufacturing facility supports women employees "Ergonomically" to reach specific heights of the conveyor belts by automated pulley, planks and other Kaizen techniques to provide equal opportunities.
- **We rolled out Equity-First Policies** following focused group discussions and feedback from women employees. These policies are the cornerstone of the inclusive and supportive environment we strive for – One where every woman at Hero MotoCorp can grow and thrive.
- **Safe company-sponsored transportation** for women employees including contractual employees.
- **Gender-neutral parental leave policies** and work-from-home policies post maternity leave.
- **Mandatory vacations** - this applies to every employee within Hero MotoCorp - we want to promote a culture of planned and compulsory downtimes to recharge and rejuvenate.
- **Support for returning mothers** whether it be creche facilities, a buddy-system that eases their return to work and helps them settle in; a policy to have a child and an attendant during business travel for 6 months after returning to work.
- We cover medical costs to avail IVF.
- Better infrastructure (like additional washrooms) for women employees.

Looking ahead, we are committed to building on our progress and implementing new strategies to further advance diversity, equity, and inclusion within our organisation for FY 25. A new DE&I framework was announced on International Women's Day, March 08, 2024 which will strengthen our commitment.

The focus remains to continue and build:

- Building the core by hiring, retention and development initiatives.
- Strengthen the ecosystem by providing inclusive trainings on gender sensitisation, unconscious bias, etc.
- Continuous engagement of leadership team in DEI efforts, ensuring that diversity and inclusion are embedded into our organisational values and strategic priorities.

## SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has 6 subsidiaries including step down subsidiaries and 2 associate companies and regularly monitors the performance of these companies.

The annual accounts of subsidiary companies are available on the website of the Company viz. [www.heromotocorp.com](http://www.heromotocorp.com) and shall also be kept open for inspection at the registered office of the Company. The Company shall also make available the annual accounts of these companies to any member of the Company who may be interested in obtaining the same. The consolidated financial statements presented by the Company include the financial results of its subsidiary companies.

In compliance with the provision of Section 129(3) of the Act, a separate statement containing the salient features of financial statements of subsidiaries and joint ventures of the Company in the prescribed Form AOC-1 is annexed to consolidated financial statement.

### Subsidiary Companies

#### Hero Tech Center Germany GmbH ('HTCG')

HTCG is a wholly owned subsidiary of your Company, incorporated in Germany to undertake research and development and such other ancillary activities for the manufacture, testing, validating, etc. of two-wheelers and components/parts thereof. It also undertakes, coordinates and facilitates two-wheeler rally participation and development activities. During FY 2023-24, HTCG has reported unadjusted revenue of ₹ 125.94 crore and a net profit of ₹ 5.89 crore.

#### HMCL Netherlands B.V. ('HNBV')

HNBV is a wholly owned subsidiary of your Company, incorporated in Amsterdam as a private company with limited liability under the laws of The Netherlands with the primary objective of promoting overseas investments. During FY 2023-24, HNBV has reported turnover of ₹ 3.68 crore and a net profit of ₹ 1.97 crore.

#### HMCL Colombia S.A.S. ('HMCLC')

HMCLC was incorporated in Colombia as a joint venture between HNBV and Woven Holdings LLC as a simplified stock corporation company. HNBV currently holds 68% equity in HMCLC and 32% equity is held by Woven Holdings LLC. The main business of HMCLC is to manufacture and sell two-wheelers in Colombia. It has a manufacturing facility with a production capacity of 80,000 units per annum. During FY 2023-24, the Company has reported unadjusted revenue of ₹ 413.34 crore and a net loss of ₹ 34.25 crore.

#### HMCL Niloy Bangladesh Limited ('HNBL')

HNBL was incorporated in Bangladesh as a joint venture between HNBV and Niloy Motors Limited, Bangladesh as a limited liability company. HNBV currently holds 55% equity in HNBL and 45% equity is held by Nitol Niloy Group, Bangladesh. The main business of HNBL is to manufacture and sell two-wheelers. It has a manufacturing facility with a production capacity of 1,50,000 per annum. During FY 2023-24, HNBL reported unadjusted revenue of ₹ 435.84 crore and a net profit of ₹ 14.35 crore.

#### HMCL Americas Inc. ('HMCLA')

HMCLA is a wholly owned subsidiary of your Company, incorporated as a Corporation pursuant to the General Corporation Law of the State of Delaware, United States of America with the primary objective to pursue various global businesses. During FY 2023-24, HMCLA has reported unadjusted revenue of ₹ 1.02 crore and a net profit of ₹ 0.87 crore.

#### HMC MM Auto Limited ('HMCMMA')

Your Company has a joint venture with Marelli Europe S.p.A, Italy, namely HMC MM Auto Limited in India, which is set up for the purpose of carrying out manufacturing, assembly, sale and distribution of two-wheeler fuel injection systems and parts. Your Company holds 66% of the equity share capital in HMCMMA. During FY 2023-24, HMCMMA has reported unadjusted revenue of ₹ 377.78 crore and a net profit of ₹ 3.33 crore.

### Associate Companies

#### Hero FinCorp Limited ('HFCL')

HFCL is an associate of your Company, incorporated in the year 1991. Your Company holds 41.19% in the equity share capital of HFCL. HFCL is a non-banking finance company engaged in providing financial services, including two-wheeler financing and providing credit to Company's vendors and suppliers. Over the years, it has added several new products and customers in its portfolio, like SME and commercial loans, loan against property, etc.

During FY 2023-24, HFCL's Profit attributable to the Company is ₹ 257.71 crore.

#### Ather Energy Private Limited ('AEL')

AEL is a private limited company, focused on developing, designing and selling premium electric two-wheelers. The shareholding of your Company in AEL is 43.94% which is equivalent to 40.89% on a fully diluted basis. During FY 2023-24, AEL's loss attributable to the Company is ₹ 389.77 crore.

A statement containing salient features of financial statements of subsidiary and associate companies forms part of the financials.

### Material Subsidiaries

The Board of Directors of your Company ('the Board') has approved a policy for determining material subsidiaries. At present, your Company does not have a material subsidiary. The Policy on material subsidiaries can be viewed on the Company's website, [www.heromotocorp.com](http://www.heromotocorp.com) at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/investor-assets/disclosure-documents/20191126105356-code-policy-400.pdf>

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Prof. Jagmohan Singh Raju was re-appointed as an Independent Director w.e.f November 15, 2023 for a term of five years. His term will end on November 14, 2028.

The Board upon the recommendation of the Nomination and Remuneration Committee has appointed Mr. Niranjan Gupta as CEO of the Company w.e.f. May 1, 2023, thereby separating the role of the Chairman and CEO. Consequent to the above, Dr. Pawan Munjal continued to be the Executive Chairman & Whole-time Director on the Board.

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting the status of Independent Directors of the Company.

Further, the Independent Directors have confirmed that they are not aware of the any circumstances or situations, which exist or may be anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgment and without any external influence and they are independent to the management.

In the opinion of the Board, the Independent Directors of the Company are persons of high repute, integrity and possesses the relevant expertise and experience in the respective fields. They fulfil the conditions specified in the Act, Rules made thereunder and Listing Regulations and are independent of the management.

In compliance with Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the details of all the Independent Directors have been registered with the databank maintained by the Indian Institute of Corporate Affairs (IICA). Further, all the Independent Directors have passed the online proficiency self-assessment test conducted by IICA except those who have been exempted in compliance with the provisions of this Act.

The Company has a robust succession planning process which is overseen by the Nomination and Remuneration Committee.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on June 25, 2024, subject to the approval of the members by way of special resolution, has approved the re-appointment of:

1. Mr. Vikram Sitaram Kasbekar as Whole-time Director (designated as Executive Director- Operations) for another period of 3 years commencing from August 8, 2024 upto August 7, 2027.
2. Ms. Tina Trikha as Non-Executive Independent Director, for a second term of 5 years, with effect from October 23, 2024 upto October 22, 2029.
3. Ms. Camille Miki Tang as Non-Executive Independent Director, for a second term of 3 years, with effect from November 19, 2024 upto November 18, 2027.
4. Mr. Rajnish Kumar as Non-Executive Independent Director, for a second term of 3 years, with effect from November 25, 2024 upto November 24, 2027.

In terms of the applicable provisions of the Act and the Articles of Association of the Company, Mr. Pradeep Dinodia, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Brief resume and other details of the above said Directors have been furnished in the Annexure A of the notice of Annual General Meeting.

None of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

### Key Managerial Personnel

During the year under review, the Board has appointed Mr. Vivek Anand as Chief Financial Officer of the Company with effect from March 1, 2024. Consequent to the above, Mr. Niranjan Gupta ceased to be the Cheif Financial Officer of the Company w.e.f. March 1, 2024. He continues to hold the position of CEO.

Dr. Pawan Munjal, Executive Chairman & Whole-time Director, Mr. Niranjan Gupta, Chief Executive Officer, Mr. Vivek Anand, Chief Financial Officer and Mr. Dhiraj Kapoor, Company Secretary and Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## BOARD MEETINGS

During FY 2023-24, six meetings of the Board of Directors were held. For details of these Board meetings, please refer to the section on Corporate Governance of this annual report.

## COMMITTEE MEETINGS

During FY 2023-24, various committee meetings were conducted by the Company. For details of these Committee meetings, please refer to the section on Corporate Governance of this annual report.

## ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2023-24. Led by the Nomination and Remuneration Committee, the evaluation was carried out using structured questionnaires covering, amongst others, composition of Board, conduct as per Company values & beliefs, contribution towards development of the strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership, etc.

Further, the Committees were evaluated in terms of receipt of appropriate material for agenda topics in advance with right information and insights to enable them to perform their duties effectively, review of committee charter, updation to the Board on key developments, major recommendations & action plans, stakeholder engagement, devoting sufficient time & attention on its key focus areas with open, impartial & meaningful participation and adequate deliberations before approving important transactions & decisions.

As part of the evaluation process, the performance of Non-Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

The actions emerging from the Board evaluation process were collated and presented before the Nomination and Remuneration Committee as well as the Board. The Directors were satisfied with the Board's engagement, experience,

diversity and expertise. The Board committees have also been functioning well and contributing effectively. The performance of individual directors was found satisfactory. Suggestions/ feedback concerning strategic, governance and operational matters were actioned upon by the team.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statement in terms of Section 134 of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

1. that in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards were followed, along with proper explanation relating to material departures;
2. that appropriate accounting policies were selected and applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs as at March 31, 2024 and of the profit and loss of your Company for the financial year ended March 31, 2024;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts for the financial year ended March 31, 2024 have been prepared on a going concern basis;
5. that the Directors have laid down Internal Financial Controls which were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
6. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## REMUNERATION AND BOARD DIVERSITY POLICY

Pursuant to provisions of the Act, the Nomination and Remuneration Committee (NRC) of your Board has formulated a Remuneration and Board Diversity Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, senior management and other employees of your Company and to ensure diversity at the Board level. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors of the Company.

The NRC takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration

packages and for administering the long-term incentive plans, such as Employees Stock Options (ESOPs), Restricted Stock Units (RSUs), etc. Further, the compensation package of the Directors, Key Managerial Personnel, senior management and other employees is designed based on the set of principles enumerated in the said policy.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, senior management and other employees is as per the Remuneration Policy of your Company.

The remuneration details of the Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, along with details of ratio of remuneration of each Director to the median remuneration of employees of the Company for the year under review are provided as **Annexure – I**.

The Remuneration and Board Diversity Policy of your Company can be viewed at the following link: <https://www.hermotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/policies/pdfs/Renumeration.pdf>

The salient features of the Remuneration and Board Diversity Policy are as under:

1. To determine remuneration of Directors, KMP, other senior management personnel and other employees, keeping in view all relevant factors including industry trends and practices.
2. At the Board meeting, only the Non-Executive and Independent Directors shall participate in approving the remuneration paid to the Executive Directors.
3. The remuneration structure for the Executive Directors would include basic salary, commission, perquisites & allowances, contribution to Provident Fund and other funds. If the Company has no profits or its profits are inadequate, they shall be entitled to minimum remuneration as prescribed under the Act.
4. The Non-Executive and/or Independent Directors will also be entitled to remuneration by way of commission aggregating upto 1% of net profits of the Company pursuant to the provisions of Section 197 and 198 of the Act, in addition to sitting fees.
5. The compensation for Key Managerial Personnel, senior management and other employees is based on the external competitiveness and internal parity through periodic benchmarking surveys. It includes basic salary, allowances, perquisites, loans and/or advances as per relevant HR policies, retirement benefits, performance linked pay out, benefits under welfare schemes, etc. besides long term incentives/ESOPs/RSUs/PRSUs or such other means as may be decided by the NRC.
6. Performance goals of senior management personnel shall be quantifiable and assessment of individual performance to be done accordingly. A significant part of

senior management compensation will be variable and based upon Company performance.

7. To ensure adequate diversity at Board level, all appointments to be made on the basis of merit and due regard shall be given to other diversity attributes also. The NRC shall recommend the appointment or continuation of members to achieve optimum combination at the Board and periodically assess the specific requirements in relation to Board diversity. For appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and prepare a description of role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have capabilities identified in such description.

## EMPLOYEES' INCENTIVE SCHEME

In terms of the erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014, and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time ('SEBI Regulations'), the NRC of your Board, inter-alia, administers and monitors the Employees' Incentive Scheme, 2014 of your Company.

Applicable disclosures as stipulated under the SEBI Regulations with regard to the Employees' Stock Option Scheme are available on the Company's website, www.hermotocorp.com and can be viewed at the following link: <https://www.hermotocorp.com/en-in/investors/download-reports/annual-report.html>. Further, there is no change in the scheme and the scheme is in compliance with the SEBI Regulations.

Your Company has received a certificate from M/s SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600), the Secretarial Auditors' of the Company that the Employees' Incentive Scheme, 2014 for grant of stock options has been implemented in accordance with the SEBI Regulations and the resolution passed by the members through postal ballot. The certificate would be placed/ available at the ensuing annual general meeting for inspection by the members.

## Voluntary Retirement Scheme

In keeping with the objective of building a robust organisation in a rapidly evolving dynamic environment while retaining employee welfare at its core, Company launched a voluntary retirement scheme (VRS) for its staff in April 2023. The VRS offered a generous package that included – among other benefits - a one-time lump-sum amount, variable pay, medical coverage, retention of company car, relocation assistance, career support, etc. The VRS was designed in line with the vision to make the organisation agile and 'future-ready'. During the year under review, your Company has provided ₹ 159.99 crore for employees who have accepted to be part of VRS.

## PARTICULARS OF EMPLOYEES

The statement of disclosure of Remuneration under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is appended as **Annexure - I** to the report. The information as per Rule 5(2) & 5(3) of the Rules forms part of this report. However, the report and are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

## CORPORATE GOVERNANCE

Your Company is committed to benchmarking itself with global standards of Corporate Governance. It has put in place an effective Corporate Governance system which ensures that provisions of the Act and Listing Regulations are duly complied with, not only in form but also in substance.

The Board has also evolved and adopted a Code of Conduct based on the principles of good Corporate Governance and best management practices that are followed globally. The Code is available on your Company's website, [www.heromotocorp.com](http://www.heromotocorp.com) and can be viewed at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/in/company-section/code-of-conduct/code-of-conduct-final.pdf>

In terms of Listing Regulations, a report on Corporate Governance along with the certificate from M/s SGS Associates & LLP, Company Secretaries (Firm Registration No. L2021DE011600) confirming compliance of the conditions of Corporate Governance is annexed hereto and forms part of this annual report as **Annexure - II** and **Annexure - III** respectively. Further, the certificate on Non-disqualification of Directors and compliance certificate is enclosed as **Annexure - IV** and **Annexure - V**, respectively.

## TRANSFER TO GENERAL RESERVE

During the year under review, no amount has been transferred to General Reserve of the Company.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has transferred unpaid/ unclaimed dividend, amounting to ₹ 8.24 crore for the FY 2015-16 (Interim & Final Dividend) and 31,440 shares to the Investor Education and Protection Fund (IEPF) Authority of the Government of India. The dividend pertaining to the shares transferred to demat account of the IEPF Authority amounting to ₹ 10.67 crore (after deduction of tax) was also transferred to the IEPF Authority. Accordingly, the total amount of dividend transferred by the Company to IEPF Authority during the FY24 was ₹ 18.91 crore. Further, the cumulative amount of unpaid

dividend lying in various unpaid dividend account(s) of the Company, as on March 31, 2024, is ₹ 25.69 crore.

## MATERIAL CHANGES AND COMMITMENTS

No material change and/or commitment affecting the financial position of your Company has occurred between the end of financial year and the date of this report.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During FY 2023-24, your Company has not given any loan or guarantee pursuant to provisions of Section 186 of the Act. Details of investments made in terms of Section 186 of the Act are as under:

	(₹ in crore)		
	Principal Amount (Shares)	Principal Amount (Bonds/ Debentures)	Total
Opening*	4,084.44	1,427.15	5,511.59
Addition	676.91	309.56	986.47
Reduction	-	73.49	73.49
<b>Closing Balance</b>	<b>4,761.35</b>	<b>1,663.21</b>	<b>6,424.57</b>

\* Reinstate on conversion of debt to equity.

## DEPOSITS

Your Company has neither accepted nor renewed any deposits during FY 2023-24 in terms of Chapter V of the Act.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During FY 2023-24, all contracts/arrangements/transactions entered into by your Company were in compliance with the applicable provisions of the Act and the Listing Regulations.

Further, during FY 2023-24, there were no materially significant related party transactions entered into by your Company with the Promoters/Promoter Group, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and are approved only by independent non-conflicted members. The approval of the Board for related party transactions has also been taken in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations, wherever required. During FY under review, your Company has obtained prior omnibus approval of the Audit Committee for related party transactions which were repetitive in nature and are in ordinary course of business and at arm's length. All related party transactions entered during the year were in ordinary course of business and at arm's length basis. During FY 2023-24, your Company has not entered into any contract/arrangement/transaction with related parties which could be considered 'material' in accordance with the provisions of Listing Regulations and the Company's Policy on

Materiality of Related Party Transactions. Thus, there are no transactions required to be reported in Form AOC-2.

Related party transactions were disclosed to the Audit Committee and the Board on regular basis as per the Act, Listing Regulation & IND AS-24. Details of related party transactions as per IND AS-24 may be referred to in Note 36 of the Standalone Financial Statements.

The policy on related party transactions is available on the Company's website, [www.heromotocorp.com](http://www.heromotocorp.com) and can be viewed at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Related%20Party.pdf>

## RISK MANAGEMENT FRAMEWORK

The Company's comprehensive risk management framework operates under the guidance of the Management Team at Hero MotoCorp which reports into the Risk Management Committee (RMC), a Committee of the Board of Directors.

The Company's risk management procedures take into consideration external as well as internal threats to devise strategies to mitigate a diverse set of strategic, operational, regulatory, technology, IT and cyber-security related risks. Risk identification, analysis, mitigation and monitoring is undertaken periodically by the Management Team and is overseen by the Risk Management Committee (RMC). Several management and leadership team members are actively involved to ensure maintenance of comprehensive and consistency of the overall process, especially for their relevant domain/functions, as is appropriate. Post the assessment, a detailed calendar for the mitigation of the identification of risks is prepared and updated to the RMC. Thereafter, on a periodic/quarterly basis the RMC is updated as per plan; and with regards relevant new updates/developments.

The Chief Risk Officer works with the Risk Steering Committee (SteerCo) who, on behalf of the Management Team, are responsible to update the RMC regarding the status of the risks and also updates the organisational risk register as per changes in the external and internal environment that impact the organisation.

Your Company has also worked on and tested a robust Business Continuity Plan (BCP) to deal with unforeseen and un-anticipated scenarios. The continuation of operations during COVID are a classic example of how the BCP at Hero MotoCorp continued to operate seamlessly. We have also worked on BCP scenarios based on various unknowns, to prepare business operations continuity and carried out scenario-analysis together with an independent consultant to test and improve our preparedness.

Some of the key risks your Company focused on and developed mitigation plans were as follows:

**Geopolitical uncertainties in key global markets:** The business sentiment continued to remain challenging with many global economies impacted especially in the Middle East

and in the Eurasian region. There is also the possibility of the extension of the risk of conflict in Asia. The logistics and supply chain industry took a hit.

However, your Company managed these demand side risks by concentrating on volumes from countries which were relatively unaffected. On the supply chain risks, your Company has built a strong local base which made sure that its operations were not impacted.

**Shifting consumer preferences towards electric mobility:** The 2W industry, especially in scooters has continued to grow in EV adoption partly promoted by subsidies, and partly by lower prices offered by various competitors. Both helped in greater adoption of electric mobility and shift in consumer preferences.

Your Company has plans to gain from this segmental shift as scooters are expected to be the first in EV adoption for 2W. The first in-house 2W EV product was launched in FY23 and we have expanded our dealer touch-points where EVs have been made available. As your Company ramps up to launch a more affordable EV 2W, it should address the business shift more meaningfully. The Company also has investments in other EV brands such as Ather Energy and is developing EV motorcycles with Zero Motorcycles, USA.

**Cost pressures in material sourcing:** As cost pressures continued to affect margins, your Company evaluated options to develop alternate and innovative strategies for part manufacturing. A significant amount of cost increase could be offset through savings from the LEAP and LEAD programs, which are programs to structurally reduce costs in manufacturing and supply chain.

**Cybersecurity and its impact on business operations:** Expanded usage of computing, automation et al and unparalleled connectivity with our vendors and customers including our dealers and end-customers is leading to cybersecurity gaining significance as a risk.

This is a matter we take in full earnest. The Digital Information & Technology team has a dedicated, empowered Cybersecurity team led by in-house experts who are supported by consultants with expertise in the field.

Your Company remains committed to protecting the interests of its customers, investors, shareholders, employees and each person or entity with whom it is associated.

The details of the Committee along with its charter are set out in the Corporate Governance Report forming part of this report.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY/ CODE OF CONDUCT

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated the Vigil Mechanism/Whistle Blower Policy which provides a robust framework for dealing with genuine concerns and grievances. Your Company has an ethics hotline managed by a third party which can be used

by employees, Directors, vendors, suppliers, dealers, etc. to report any violations to the Code of Conduct. Specifically, stakeholders can raise concerns regarding any discrimination, harassment, victimisation, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

All employees of your Company underwent a mandatory Code of Conduct training which covered the eight (8) pillars of your Company's Code of Conduct and included guidance on all governing principles such as Anti-bribery & Anti-corruption, conflict of interest, fair business practices, transparency and emphasis on equal opportunities while embracing a diverse and inclusive culture.

During the year under review, 20 complaints were received through various reporting channels and 1 complaint was carried forward from the previous year. Out of these, 20 complaints have been investigated and remaining 1 complaint is under investigation.

During FY 2023-24, no individual was denied access to the Audit Committee for reporting concerns, if any. Further, the Vigil Mechanism/Whistle Blower Policy prescribes adequate safeguard against the victimisation.

The Vigil Mechanism/Whistle Blower Policy of the Company is available on the Company's website, [www.heromotocorp.com](http://www.heromotocorp.com) and can be viewed at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/investor-assets/disclosure-documents/VigilMechanismPolicy.pdf>

## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Hero MotoCorp, as a responsible corporate citizen, has been consciously fulfilling its obligations, commitments and overall corporate responsibility within its local and global environments. The Company has been responsibly managing not only its business performance but also its environmental and social impact. While the Company's sustainability strategy revolves around five pillars – inclusive growth, eco efficiency, people, responsible value chain, and product stewardship, the corporate social responsibility (CSR) vision of the Company is to 'have a greener, safer and equitable world'. Within this mandate, the Company recognises the role of biodiversity in achieving sustainable economic growth and has therefore expanded and strengthened its initiatives for biodiversity protection and resource conservation. This also aligns with the Company's commitment to the Sustainable Development Goals (SDGs).

We understand that adopting and implementing sustainable business practices is the Company's 'responsibility', and equally importantly, that sustainability strategy and CSR activities are intertwined and complement as well as supplement each other. Therefore, at Hero MotoCorp, both these aspects

are governed together by a common decision-making team that focuses on initiatives with the shared vision of a larger, long-term and sustainable impact. The implementation and monitoring of the CSR policy is in compliance with the CSR objective & policy of the Company.

### Sustainability and Corporate Social Responsibility Committee

The Company's Sustainability and Corporate Social Responsibility (SCSR) Committee functions under the direct supervision of Dr. Pawan Munjal, Executive Chairman & Whole-time Director of the Company, and also the Chairman of the SCSR Committee. The composition of SCSR Committee is Dr. Pawan Munjal (Chairman), Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Ms. Tina Trikha as Members of the SCSR Committee.

### Policy

During FY 2023-24, no revision was made to the CSR policy of the Company. The CSR policy of the Company can be viewed at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/csr%20policy.pdf>

The salient features of the Company's CSR Policy are as under:

1. The philosophy of the Company is guided by the belief that the Company's performance must be measured by its triple (+one) bottom line contribution to building economic, social and environmental capital, thereby enhancing societal sustainability along with governance.
2. It believes that in the strategic context of business, enterprises possess—beyond mere financial resources—the transformational capacity to create game changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, the Company will continue to craft unique models to generate livelihoods and create a better society.
3. The broad guiding principles for selection of CSR activities include needs assessment, if required, and the requirement that programmes identified/adopted should be adaptive and flexible to meet the changing dynamics with focus on long-term sustained impact rather than one-time impact or requiring continuous intervention.
4. The implementation of the identified CSR activities shall be carried out either directly by the Company and/or through an implementing agency. The Company shall clearly define the objectives along with the desired timelines to effectively implement the activities within the given time frame and work towards active engagement of all employees to achieve maximum benefits. The modalities of execution shall be defined with every identified project.

5. There shall be a robust monitoring system to ensure that the identified CSR activities are carried out to reap optimal benefits for the beneficiaries. There shall be a periodic review by the Committee for the projects undertaken. The Committee may suggest modifications in the planned activities considering the existing scenario/circumstances.
6. The Committee will place for the Board's approval an annual action plan delineating the CSR Programmes to be carried out during the financial year and the succeeding years in the case of Ongoing Projects, along with the specified budgets thereof.

### FY 2023-24 update

During the year under review, your Company spent ₹ 73.89 crore on its CSR activities. The implementation and monitoring of the CSR is in compliance with the CSR objective & policy of the Company. The CSR initiatives undertaken by your Company, along with other details, form part of the annual report on CSR activities for FY 2023-24, which is annexed as **Annexure – VI**. The overview of CSR activities carried out in FY 2023-24 is provided in a separate section in this annual report.

## AUDIT COMMITTEE

The Audit Committee of your Company comprises of the following Non-Executive and/or Independent Directors:

1. Ms. Tina Trikha	Chairperson
2. Mr. Pradeep Dinodia	Member
3. Air Chief Marshal B.S. Dhanoa (Retd.)	Member

For the details of the Audit Committee and its terms of reference, etc., please refer to the section on Corporate Governance report of this annual report.

During the year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed in 2022 as the Statutory Auditors of the Company until the conclusion of the 44<sup>th</sup> Annual General Meeting of the Company. They have audited the financial statements of the Company for the year under review. The observations of Statutory Auditors in their Report, read with relevant Notes to Accounts are self-explanatory and, therefore, do not require further explanation. The Auditors' Report is unmodified and does not contain any qualification, reservation or adverse remark. Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

### Cost Auditors

The Board had appointed M/s R J Goel & Co., Cost Accountants (Firm Registration No. 000026), as Cost Auditors for conducting the audit of cost records of the Company for the Financial Year 2023-24. The Cost Auditors will submit their report for the FY 2023-24 on or before the due date. Further, there were no frauds reported by the Cost Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

The Board, on the recommendation of Audit Committee, has approved the appointment of M/s R J Goel & Co., Cost Accountants, as Cost Auditors for the financial year ending March 31, 2025.

In accordance with the provisions of Section 148 of the Act read with Companies (Audit & Auditors) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained by the Company. Further, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by members at the ensuing annual general meeting.

### Secretarial Auditors

M/s SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600) were appointed to conduct Secretarial Audit of your Company during FY 2023-24.

The Secretarial Audit Report for the said year is annexed herewith and forms part of this report as **Annexure – VII**. The Report does not contain any qualification, reservation or adverse remark. Further, there were no frauds reported by the Secretarial Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

The Board, on the recommendation of Audit Committee, has approved the appointment of M/s SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600) as Secretarial Auditor of your Company for the financial year 2024-25.

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Company has a robust and well embedded system of internal controls. Comprehensive policies, guidelines and procedures are laid down for all business processes. The internal control system has been designed to ensure that financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

Your Company has an extensive IFC Framework in place which includes design and testing of controls and remediation of identified deficiencies. Risk and Control Matrices (RCM) have been defined for all processes based on materiality. Each control has a detailed Control description, associated risk, assignment of control owner, frequency of operation,

applicability of Financial Assertions and fraud risk indicator. Test of design and operating effectiveness is conducted every year to assess the adequacy and operating effectiveness of controls.

During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed.

### PREVENTION OF INSIDER TRADING CODE

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), your Company has in place the Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons to align it with the industry practices and regulatory changes. The said Code lays down guidelines which provide for the procedure to be followed and disclosures while dealing with shares of the Company and while sharing Unpublished Price Sensitive Information. The Code includes the Company's obligation to maintain the structured digital database ('SDD'), obligation of designated persons, mechanism for prevention of insider trading and handling of UPSI. Further, the Company has complied with the standardised reporting of violations related to the code of conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also in place its Code of practices and procedures of fair disclosure of unpublished price sensitive information along with policy for determination of legitimate purposes, institutional mechanism for prevention of insider trading and policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. The Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the Designated persons and their immediate relatives having access to unpublished price sensitive information. A report covering trading by DPs under the PIT Regulations is placed before the Audit Committee on quarterly basis.

The Company periodically circulates informative e-mails along with the code and policies on Insider Trading, Do's and Don'ts, etc. to the employees to familiarise them with the provisions of the Code. The officials of the secretarial department conducts an induction program for all the employees joining the organisation and various other workshops/training sessions to educate and sensitise the employees/designated persons.

As part of the awareness programme, an extensive campaign was run across the organisation, in the form of desktop wallpapers and posters on the Company's employee application providing important information on the provisions of the Code. Also, standees and danglers were also placed at all conspicuous places across locations (in India) highlighting the important aspects of the Code of Prevention of Insider Trading and PIT Regulations.

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Keeping up the commitment to sustainability, your Company has prepared the Business Responsibility & Sustainability Report ('BRSR'). The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

In compliance with the provisions of the SEBI Circular dated July 12, 2023, Bureau Veritas (India) Private Limited has provided a reasonable assurance on the BRSR Core, which consists of the Key Performance Indicators (KPIs) under Environment, Social and Governance (ESG) attributes. The BRSR Core is a subset of BRSR Report. The BRSR Report along with the reasonable assurance statement forms part of the annual report as **Annexure – VIII**.

### LISTING

The equity shares of your Company are presently listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

### PERSONNEL

As on March 31, 2024, total number of employees on the records of your Company were 9,225 as against 9,215 in the previous year.

Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to cross new milestones on a continual basis.

### ANNUAL RETURN

In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available under the 'Investors' section of the Company's website, [www.heromotocorp.com](http://www.heromotocorp.com) and can be viewed at the following link: <https://www.heromotocorp.com/en-in/company/investors/shareholder-resources.html?key1=downloads>

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under Section 134(3)(m) of the Act read with Rules made thereunder is annexed to this report as **Annexure – IX**.

### STATUTORY DISCLOSURES

Your Directors state that there being no transactions with respect to following items during the year under review. Accordingly, no disclosure or reporting is required in respect of:

1. Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of your Company under any scheme, save and except ESOS referred to in this report.
4. Receipt of any remuneration or commission by the Whole-time Director of the Company from any of the subsidiary companies.
5. Receipt of any significant or material orders from the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future.
6. Buy-back of shares under Section 67(3) of the Act.
7. Any application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
8. Any settlement have been done with the banks or financial institutions.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Hero MotoCorp has in place a policy towards Prevention of Sexual Harassment at Workplace. This policy is in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013'. All employees, whether permanent, contractual, temporary and trainees or belonging to any other category as per the definition of POSH are covered under this Policy. An Internal Complaints Committee (ICC) had been constituted to redress complaints received regarding sexual harassment and the Company has complied with the provisions relating to the constitution of ICC under POSH Act.

Your Company aims at providing a safe workplace free from sexual harassment to its employees. It also has a 'Zero Tolerance' Policy towards POSH. To achieve this objective, effective communication is the key and thus the Company regularly organises awareness sessions at all locations to sensitise its employees and conducts frequent sessions in a professional manner.

During FY 2023-24, 469 POSH Webinar Sessions were organised and in addition POSH Sessions were planned through the e-module mode. These POSH sessions were well

attended by the employees from across the organisation. All new workmen and women associates joining undergo a mandatory session on POSH.

As per the said Policy, an Internal Complaint Committee (ICC) is also in place towards redressal of complaints received regarding sexual harassment. Following is the summary of complaints received and disposed off during the year under review:

No. of complaints received: 8

No. of complaints disposed off: 5

No. of complaints withdrawn: 0

No. of complaints pending: 3

### DISCLOSURE UNDER THE HUMAN IMMUNODEFICIENCY VIRUS AND ACQUIRED IMMUNE DEFICIENCY SYNDROME (PREVENTION AND CONTROL) ACT, 2017

During the year under review, no complaints were received by the Complaints Officer under the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017.

### FACILITATION TO SHAREHOLDERS

Your Company has always endeavored to keep its shareholders informed of all relevant, sufficient and reliable information on a timely and regular basis pertaining to the business, its processes and regulatory affairs to enable them to take informed decision. As a voluntary initiative, the Company emails the quarterly and annual financial results to all the shareholders whose email addresses are registered with the Company/RTA to keep them updated with the financial position and performance of the Company. Further, the Company has issued a Shareholders' Reference covering rights of shareholders, grievance redressal framework, timelines for various procedures, processes followed by the Company, etc. to empower them through facts and information. The website of the Company has a dedicated section which serves as a knowledge bank for shareholders to keep them sufficiently informed of the statutory changes as well as other pertinent information. All the queries of the shareholders are responded within the prescribed timelines and the Company ensures timely and accurate disclosure on all material matters. Your Company has always encouraged effective shareholder participation in key corporate governance decisions and exercise of voting rights by the shareholders.

### CENTRALISED COMPLIANCE MANAGEMENT

The Company has an automated Compliance Framework that monitors and updates all applicable laws and compliance obligations on a regular basis. Automated alerts are sent to compliance owners to ensure that they are complying with regulations within the set timeframe. This proactive measure

helps keep everyone on track and avoid any penalties or other legal issues that could arise from non-compliance. The compliance owners certify the compliance status which is reviewed by compliance approvers. A certificate of compliance of all applicable laws and regulations along with exceptions report and mitigation plan, if any, is placed before the Board of Directors on a quarterly basis.

## AWARDS AND RECOGNITION

During the year, the Company received multiple awards and recognition. Some of them are listed below:

1. CII National Award for Excellence in Water Management 2023 to Hero MotoCorp's Gurugram facility.
2. Hero MotoCorp was awarded Fast Runners in Gender Equity at TOI-Ask Insights' The Global Diversity Equity Inclusion Summit & Awards 6.0.
3. CII National Award for Excellence in Energy Management awarded to Hero MotoCorp's Dharuhera plant on September 2023.
4. CII National Award for Environmental Best Practices awarded to Hero MotoCorp's Gurugram plant in July 2023.
5. CII GreenCo Champion Award awarded to Hero MotoCorp in July 2023.
6. Haryana Safety Health and Welfare Award- awarded to Hero MotoCorp's Gurugram plant on January 2024.
7. Car & Bike Awards 2024- Manufacturer of the year.
8. Hero Karizma XMR won the following awards:
  - a) Acko Drive - #TOTM 2024, for the 2024 Best Digital & Social Media Marketing Campaign (Bike) - Rebirth of the legend - (1<sup>st</sup> Runner up).
  - b) TopGear Awards 2024- for Two-Wheeler of the year up to 250CC.
9. Hero Xtreme 160R 4V won the following awards:
  - a) TopGear Awards 2024 for the Two-Wheeler of the year up to 160CC.
  - b) Motoring World Awards 2024- for the Commuter of The Year.
  - c) Motor Vikatan Awards 2024- for the Best Facelift 2024.
10. Hero Xoom won the following awards:

- a) MotorBeam 2024 Awards, for the scooter of the year.
  - b) Acer Faster Awards 2024, for the Scooter of the year.
  - c) ABP Live Auto Awards 2.0 2024 for the Scooter of the year.
  - d) Autocar Awards 2024 for the Scooter of the year.
11. Harley-Davidson X440 won the following awards:
- a) Car & Bike Awards for the Premium Motorcycle of the Year.
  - b) BBC TopGear Awards for the 2023 Roadster of The Year (Under 500cc).
  - c) Jagran hiTech Awards for the Modern Classic/Retro Bike of The Year.
  - d) Acko Drive - #TOTM for the 2024 Best Digital & Social Marketing Campaign (Bike) - ( 2<sup>nd</sup> Runner up).
  - e) MotorBeam 2024 Awards for the Bike of the Year.

## ACKNOWLEDGEMENTS

The Board of Directors would like to express their sincere thanks to the shareholders and investors of the Company for the trust reposed in the Company over the past several years. Your Directors would also like to thank the central government, state governments, financial institutions, banks, customers, employees, dealers, vendors and ancillary undertakings for their co-operation and assistance. The Board would like to reiterate its commitment to continue to build the organisation into a truly world-class enterprise in all aspects.

### For and on behalf of the Board

**Dr. Pawan Munjal**  
Executive Chairman  
DIN: 00004223

Date: June 25, 2024  
Place: London

**Detail pertaining to remuneration as required under Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

## Annexure I

1. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;

Name of Directors/KMP and Designation	Remuneration of Director/KMP for Financial Year 2023-24 (₹ crore)	% increase in Remuneration in Financial year 2023-24	Ratio of the remuneration of Directors to the median remuneration of employee's of the Company
<b>Executive Directors</b>			
Dr. Pawan Munjal-Executive Chairman#	109.41	9.90	822
Mr. Vikram Kasbekar	12.11	48.95	91
<b>Non-Executive Directors*</b>			
Mr. Pradeep Dinodia	1.87	34.53	14
Mr. Suman Kant Munjal	0.24	(25.00)	2
Ms. Vasuda Dinodia	0.36	12.50	3
<b>Non-Executive and Independent Directors*</b>			
Prof. Jagmohan Singh Raju	1.13	25.56	8
Ms. Tina Trikha	1.33	35.71	10
ACM B.S. Dhanoa (Retd.)	1.55	49.04	12
Ms. Camile Tang	0.48	26.32	4
Mr. Rajnish Kumar	0.48	26.32	4
<b>KMP</b>			
Mr.Niranjan Kumar Gupta-Chief Executive Officer**	10.84	37.39	81
Mr. Vivek Anand - Chief Financial Officer***	2.84	-	21
Mr.Dhiraj Kapoor-Company Secretary & Compliance Officer	1.24	(8.15)	9

# Dr. Pawan Munjal, Executive Chairman, has volunteered to reduce his salary within the limits approved by the Shareholders. He had proposed that his fixed salary be reduced by 20% effective January 01, 2024 itself, and his annual commission for FY 2023-24 also be reduced by 20%. These have been approved by the Nomination and Remuneration Committee and the Board.

\* Includes sitting fees and commission

\*\* Elevated as Chief Executive Officer w.e.f. May 1, 2023 and ceased to be the Chief Financial Officer w.e.f. March 1, 2024

\*\*\* Appointed as Chief financial Officer w.e.f March 01, 2024

2. The median remuneration of employees of the Company during the financial year was ₹ 13.31 lakh.
3. Median salary of employees in current year has increased by 8.65% in comparison to the previous year.
4. The number of permanent employees on the rolls of Company as on March 31, 2024 was 9,225 (previous year 9,215) including workers defined under the Factories Act, 1948.
5. Average percentage increase made in the salary of employees other than the managerial personnel in financial year 2023-24 was 11.92%.
6. The compensation for the Key Managerial Personnel, Senior Management and Employees (Staff) of the Company is guided by the external competitiveness and internal parity through annual benchmarking surveys. Internally, performance ratings of all employees (Staff) are always spread across a normal distribution curve. The rating obtained by an employee is used as an input to determine his variable and merit pay increases. Variable and merit pay increases are calculated using a combination of individual performance and Company performance.

There are no exceptional circumstances for increase in managerial remuneration. Compensation is determined based on identified skill sets critical to success of the Company. It is determined as per management's review of market demand and supply.

Workmen were paid wages in accordance to the settlement with the union of the workers. Where there is no union, workmen wages were paid in line with the best industry practices and applicable law.

7. It is hereby affirmed that remuneration to Key Managerial Personnel and Employees of the Company are in line with the Remuneration Policy of the Company.

## Annexure II

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Hero MotoCorp Limited ("Company"/"Hero"), the emphasis is always on ensuring good conduct and governance by following transparency, fairness, integrity, equity and accountability in all dealings with customers, vendors, employees, regulatory bodies, investors and community at large. Our corporate governance is a reflection of us – our value system, work culture and thought process.

Hero always understand its responsibility toward its shareholders and all stakeholders. Hero has ensured that the governance framework is driven by the objective of enhancing long-term shareholder value without compromising on ethical standards, Sustainability and Corporate Social Responsibility. The Company also places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding its plants, transparency in decision-making process, fair and ethical dealings with all and accountability to all the stakeholders. The Company believes that corporate governance is not limited to merely creating checks and balances and it goes beyond the practices enshrined in the laws and encompasses the basic business ethics and values that need to be adhered.

Effective corporate governance requires a clear and thorough understanding of the distinct roles of the Board, its Committees and the Senior Management Team. Through well-defined policies and processes and in a manner, which is dignified, distinctive & responsible, the Company conducts its business and discharges its responsibilities towards its stakeholders. Corporate Governance is essential for the growth, profitability, stability and sustainability of any business.

The Company strives at doing the "right things" in the "right manner" in the interest of multiple stakeholders, which would attract sound financial status, brand value, sustainability and reliability.

### GOVERNANCE STRUCTURE

Hero's robust governance philosophy is executed through a three-tier governance structure with clearly defined roles and responsibilities for every constituent of the governance system.

The Board of Directors – Hero has a balanced mix of eminent Executive, Non-Executive and independent Directors on the Board. The Board exercises strategic oversight over business operations, ensures compliance with the legal framework,

integrity of financial accounting and reporting systems and ensures that a good corporate culture and strong ethical environment is followed across the organisation, which consequently leads to long term success of the Company.

**Committees of Directors** – The Committees of the Board such as Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Sustainability & Corporate Social Responsibility Committee (SCSR), etc. are focused on financial reporting, audit and internal controls, legal & compliance issues, appointment and remuneration of Directors and senior management employees, implementation and monitoring of SCSR activities and the risk management framework.

**Executive Management** – The entire business including the support functions are managed with clearly demarcated responsibilities and authorities at different levels. The Chief Executive Officer ('CEO') is responsible for achieving the Company's vision and mission, business strategies, significant policy decisions and providing strategic guidance. The CEO is supported by the leadership team, which comprises of functional heads.

The Company has taken various initiatives in practices of Good Corporate Governance. Following are some key highlights of Company's Corporate Governance:

- Separation of posts of the Chairperson and the Chief Executive Officer.
- Board is comprised of balanced mix of appropriate skills, expertise, experience and knowledge which brings fairness in decision making and provides appropriate guidance.
- 80% of total strength of Board comprises of Non-Executive Directors.
- 30% of total strength of Board comprises of Woman Directors.

### BOARD OF DIRECTORS

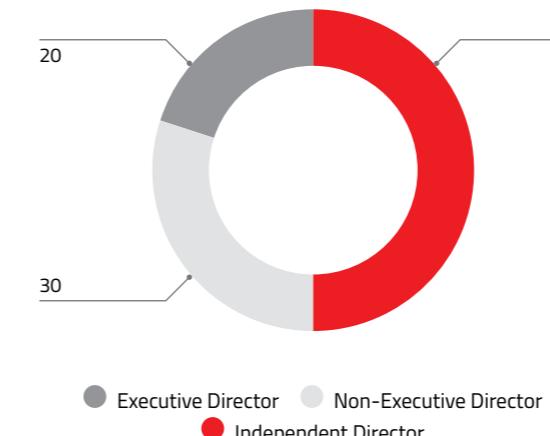
At Hero, we believe that a diversified, active and well-informed Board is necessary to ensure highest standards of corporate governance. The statutory and other significant and material information is placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy. In the context of Company's business and the industry in which the Company operates, the Board members have the appropriate skills/area of expertise/competencies.

### Board Composition

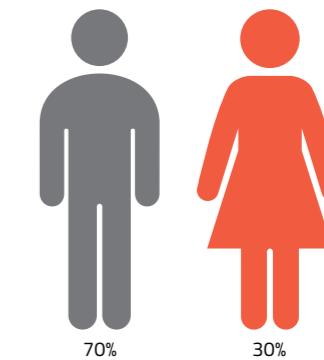
The Board of Directors ('Board') has an optimum combination of Executive and Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The Company profess the importance of diversity at Board and at all levels within the organisation. The size and composition of the Board meet the requirements of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on March 31, 2024, the Company's Board comprised of ten Directors, with two Executive Directors, one of them being the Chairman, three Non-Executive Directors (including one women Non-Executive Director) five Non-Executive Independent Directors, including 2 Women Non-Executive and Independent Directors, i.e. 80% of total strength of Board comprises Non-Executive Directors.

### Categorywise – % of Total No. of Directors



### Board Diversity



acting as a Chairperson of more than 5 Committees in all public limited companies in which he/she is appointed as director.

All Independent Directors have confirmed in accordance with Listing Regulations and Section 149(6) of the Companies Act, 2013 and the rules framed thereunder that they meet the independence criteria. The Independent Directors have further stated that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgement and without any external influence. Based on the disclosure received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions of Independence as specified in the Companies Act, 2013 and Listing Regulations.

The name and categories of Directors, DIN, the number of Directorships, Committee positions held by them in the companies and the list of Listed Entities where he/she is a Director along with the category of their Directorships and other details like area of expertise, etc., as on March 31, 2024, are given hereafter.

## CORPORATE GOVERNANCE REPORT

**Dr. Pawan Munjal**Executive Chairman  
(DIN: 00004223)

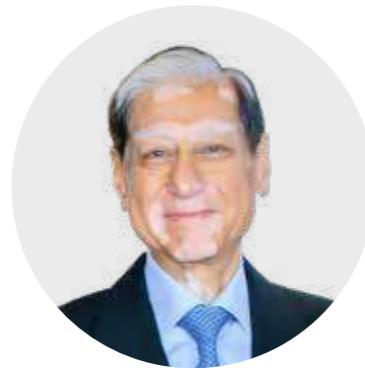
Nationality	Indian
Age	69
Initial date of Appointment	October 01, 1986
<b>Shareholding</b>	
▪ Self	43,364
▪ As Karta of HUF	32,500
▪ Dr. Pawan Munjal, Mrs. Renu Munjal and Mr. Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058
▪ On behalf of Pawan Munjal Family trust	2,01,100
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Executive Chairman
<b>Other Directorships</b>	
▪ Unlisted Public Companies	2
▪ Other Companies*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: NIL

**Skills/Area of Expertise/Competencies**

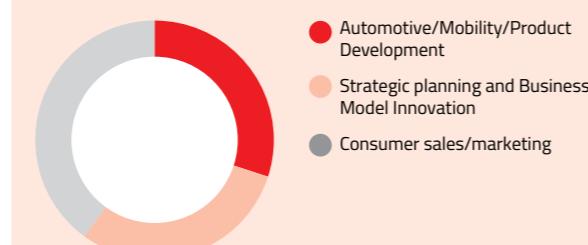
Note – While the Director may possess other skills, only most relevant competencies of the Director have been reported.

\* Includes Private Limited Companies, Foreign Companies and Companies Registered under Section 8 of the Act.

\*\* As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee of all public limited companies, including that of your Company.

**Mr. Suman Kant Munjal**Non-Executive Non-Independent Director  
(DIN: 00002803)

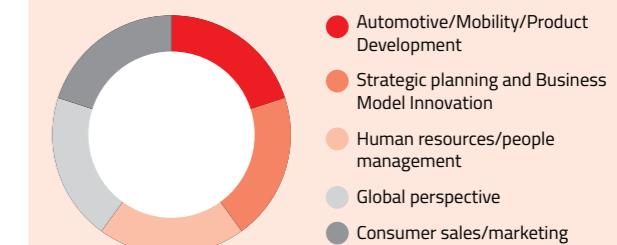
Nationality	Indian
Age	71
Initial date of Appointment	July 29, 2010
<b>Shareholding</b>	
▪ Self	91,250
▪ As Karta of HUF	10,833
▪ Dr. Pawan Munjal, Mrs. Renu Munjal and Mr. Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Non Independent Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	2
▪ Other Companies*	11
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 1

**Skills/Area of Expertise/Competencies****Mr. Pradeep Dinodia**Non-Executive Non Independent Director  
(DIN: 00027995)

Nationality	Indian
Age	70
Initial date of Appointment	March 31, 2001
<b>Shareholding</b>	
160 shares (Shares are held either by himself or jointly with relative(s))	
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Non Independent Director
DCM Shriram Limited	Non-Executive Independent Director
Shriram Pistons and Rings Limited	Chairman & Non-Executive Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	1
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 5 Member: 8

**Skills/Area of Expertise/Competencies****Ms. Vasudha Dinodia**Non-Executive Non Independent Director  
(DIN: 00327151)

Nationality	Indian
Age	42
Initial date of Appointment	November 25, 2021
<b>Shareholding</b>	
32,500 shares	
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Non Independent Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	NIL
▪ Other Companies*	2
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: NIL

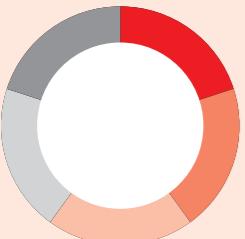
**Skills/Area of Expertise/Competencies**

## CORPORATE GOVERNANCE REPORT



**Prof. Jagmohan Singh Raju**  
Non-Executive Independent Director  
(DIN: 08273039)

Nationality	USA
Age	69
Initial date of Appointment	November 15, 2018
<b>Shareholding</b>	NIL
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Independent Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	NIL
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 1

**Skills/Area of Expertise/Competencies**

- Strategic planning and Business Model Innovation
- Corp. Governance, Regulatory & Public Policy/ESG
- Global perspective
- Consumer sales/marketing
- Human resources/people management



**Ms. Tina Trikha**  
Non-Executive Independent Director  
(DIN: 02778940)

Nationality	Indian
Age	48
Initial date of Appointment	October 23, 2019
<b>Shareholding</b>	NIL
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Independent Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	NIL
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 2

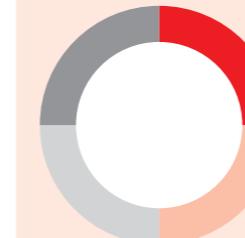
**Skills/Area of Expertise/Competencies**

- Strategic planning and Business Model Innovation
- Human resources/people management
- Corp. Governance, Regulatory & Public Policy/ESG
- Accounting & financial expertise
- Global perspective



**Air Chief Marshal B S Dhanoa (Retd.)**  
Non-Executive Independent Director  
(DIN: 08851613)

Nationality	Indian
Age	66
Initial date of Appointment	October 01, 2020
<b>Shareholding</b>	NIL
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Independent Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	1
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 3

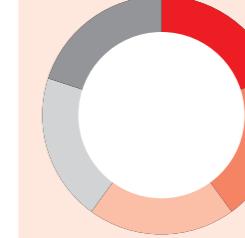
**Skills/Area of Expertise/Competencies**

- Technology/R&D
- Strategic planning and Business Model Innovation
- Human resources/people management
- Accounting & financial expertise



**Mr. Rajnish Kumar**  
Non-Executive Independent Director  
(DIN: 05328267)

Nationality	Indian
Age	66
Initial date of Appointment	November 25, 2021
<b>Shareholding</b>	NIL
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Independent Director
Larsen & Toubro Limited	Non-Executive Independent Director
Ambuja Cements Limited	Non-Executive Independent Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	1
▪ Other Companies*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 1

**Skills/Area of Expertise/Competencies**

- Strategic planning and Business Model Innovation
- Human resources/people management
- Corp. Governance, Regulatory & Public Policy/ESG
- Accounting & financial expertise
- Consumer sales/marketing

Note – While the Director may possess other skills, only most relevant competencies of the Director have been reported.

\* Includes Private Limited Companies, Foreign Companies and Companies Registered under Section 8 of the Act.

\*\* As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee of all public limited companies, including that of your Company.

Note – While the Director may possess other skills, only most relevant competencies of the Director have been reported.

\* Includes Private Limited Companies, Foreign Companies and Companies Registered under Section 8 of the Act.

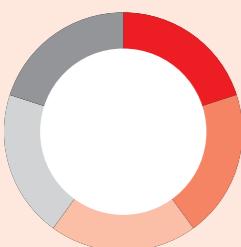
\*\* As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee of all public limited companies, including that of your Company.

## CORPORATE GOVERNANCE REPORT



**Ms. Camille Miki Tang**  
Non-Executive Independent Director  
(DIN: 09404649)

Nationality	USA
Age	68
Initial date of Appointment	November 19, 2021
<b>Shareholding</b>	NIL
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Non-Executive Independent Director
<b>Other Directorships</b>	
▪ Unlisted Public Companies	NIL
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: NIL

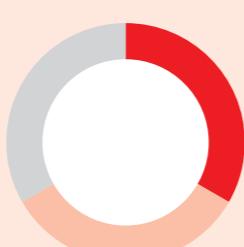
**Skills/Area of Expertise/Competencies**

- Automotive/Mobility/Product Development
- Technology/R&D
- Strategic planning and Business Model Innovation
- Global perspective
- Consumer sales/marketing



**Mr. Vikram Sitaram Kasbekar**  
Executive Director (Operations)  
(DIN: 00985182)

Nationality	Indian
Age	69
Initial date of Appointment	August 08, 2016
<b>Shareholding</b>	29,474 shares
<b>Board Memberships - Indian Equity Listed entity</b>	
Hero MotoCorp Limited	Executive Director (Operations)
<b>Other Directorships</b>	
▪ Unlisted Public Companies	1
▪ Other Companies*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 1

**Skills/Area of Expertise/Competencies**

- Automotive/Mobility/Product Development
- Strategic planning and Business Model Innovation
- Technology/R&D

Note – While the Director may possess other skills, only most relevant competencies of the Director have been reported.

\* Includes Private Limited Companies, Foreign Companies and Companies Registered under Section 8 of the Act.

\*\* As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee of all public limited companies, including that of your Company.

**SELECTION AND APPOINTMENT OF NEW DIRECTORS**

The screening and selection process is carried out by the Nomination and Remuneration Committee (NRC)

The NRC presents its recommendation of eligible candidate to the Board

The Board considers and approve appointment of Director subject to the Shareholders' approval

The proposal is placed before the Shareholders for approval

**INDEPENDENT DIRECTORS**

Eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered for appointment as Independent Directors. They are expected to be Independent from management and to act as trustees of shareholders, this implies that they should actively participate in Board/Committee meetings, seek answers to questions, evaluate proposals from the perspective of small shareholders, review current information flow and suggest necessary changes wherever required. The Nomination and Remuneration Committee ('NRC'), inter alia, considers various metrics and adheres to defined processes for selection of Independent Directors. The Board considers the NRC's recommendation and takes appropriate decisions in appointment of the Independent Directors. None of the Independent Directors holds more directorships than the permissible limits under the Companies Act, 2013 and Listing Regulations.

During the year under review, none of the Independent Directors of the Company have resigned before the expiry of their tenure.

**ROLE OF THE BOARD OF DIRECTORS**

The Board has a fiduciary responsibility to protect and enhance shareholder value through providing strategic direction to the Company. The Board exercises its responsibility with care, skill and diligence. The Directors are committed to the highest standards of corporate governance and ensured that sufficient time was spent on matters involving governance and of strategic importance. The Board critically evaluates Company's strategic direction, management policies and their effectiveness. Agenda for the Board includes strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

The Board meets periodically to review financial reports from the Chief Financial Officer ('CFO'), compliance reports from the Company Secretary and business reports from other executive management teams, besides possible risks and risk mitigation measures. These detailed meetings and one-to-one interactions set the agenda and provide the strategic roadmap for the Company. The Board has also established various Committees to discharge its responsibilities in an efficient and effective manner. The CEO provides overall direction and guidance to the Company and is assisted by the leadership team.

**BOARD SUPPORT AND ROLE OF COMPANY SECRETARY IN GOVERNANCE PROCESS**

The role of Company Secretary broadly encompasses around ensuring compliance, acting as an advisor to the Board of Directors and sustaining the high standards of Corporate Governance.

The Company Secretary plays a pivotal role in ensuring that the Board procedures are followed and regularly reviewed, investors' queries are handled promptly and reports to the Board about compliance with the applicable statutory requirements and laws. The Company Secretary also convenes meetings and attends Board, Committee and General Meetings of the Company and ensures collation, review and distribution of all papers/documents required for effective decision making.

Apart from ensuring compliance with applicable statutory and regulatory requirements, the Company Secretary also acts as an institutionalised interface between the Board, management and external stakeholders.

With a view to leverage technology and reducing paper consumption, the Company provides the agenda papers for Board/Committee meetings through a web-based application. Directors of the Company receive agenda papers in electronic form through this application. This application meets high Standards of security and integrity required for storage and transmission of Board/Committee papers in electronic form.

The process for the Board and Committee meetings provides an effective post meeting follow-up, review and reporting of decisions taken by the Board and Committee members at their respective meetings. Important decisions taken at Board and Committee meetings are communicated promptly to the concerned departments/HoDs. Action taken reports (ATRs) on decisions taken or recommendations made by the Board/Committee members at the previous meeting(s) are presented at the next meeting.

**SENIOR MANAGEMENT**

The Senior Management of your Company have made disclosures to the Board confirming that there is no material, financial and commercial transactions where they have personal interest and which could have potential conflict of interest with the Company at large.

**The Senior Management of the Company as on March 31, 2024 includes the following:**

S. No.	Name	Designation
1	Mr. Nirjanan Gupta <sup>1</sup>	Chief Executive Officer (CEO)
2	Mr. Vivek Anand <sup>2</sup>	Chief Financial Officer (CFO)
3	Mr. Sanjay Bhan	Chief Business Officer-Global Business Unit
4	Mr. Mike Clarke <sup>3</sup>	Chief Operating Officer (COO)
5	Ms. Rachna Kumar <sup>4</sup>	Chief Human Resource Officer (CHRO)
6	Ms. Reema Jain	Chief Information and Digital Officer
7	Dr. Arun Jaura <sup>5</sup>	Chief Technology Officer
8	Mr. Bharatendu Kabi <sup>6</sup>	Head – Corporate Communications & CSR
9	Mr. Ram Kuppuswamy	Chief Procurement Officer
10	Mr. Ranjivjiit Singh	Chief Business Officer – India Business Unit
11	Mr. Swadesh Srivastava	Chief Business Officer - Emerging Mobility Business Unit
12	Mr. Rakesh Vasisht	Head – Corporate Services & Executive Sponsor – Scooters
13	Mr. Vikram Sitaram Kasbekar	Executive Director
14	Mr. Dhiraj Kapoor	Company Secretary & Compliance Officer

<sup>1</sup> Elevated as CEO w.e.f. May 1, 2023 and ceased to be the CFO w.e.f. March 01, 2024.

<sup>2</sup> Appointed as CFO w.e.f. March 1, 2024.

<sup>3</sup> Ceased to be the CHRO w.e.f. January 1, 2024.

<sup>4</sup> Appointed as CHRO w.e.f. January 2, 2024.

<sup>5</sup> Ceased to be the Chief Technology Officer w.e.f. April 30, 2024.

<sup>6</sup> He shall cease to be the Head-Corporate Communication & CSR w.e.f. July 31, 2024.

**BOARD MEETINGS**

During FY 2023-24, the Board met 6 times viz. on May 4, 2023, August 10, 2023, September 4, 2023, November 1, 2023, December 14, 2023 and February 9, 2024.

Directors' attendance at Board Meetings and the Annual General Meeting (AGM) of the Company held during the year ended March 31, 2024 is mentioned below.

**Directors' attendance record during FY 2023-24 at Board and previous Annual General Meeting**

Names of Directors	Number of Board Meetings		Attendance at Previous AGM
	Held	Attended	
<b>Executive Directors</b>			
Dr. Pawan Munjal	6	6	Yes
Mr. Vikram S. Kasbekar	6	6	Yes
<b>Non-Executive Directors</b>			
Mr. Pradeep Dinodia	6	6	Yes
Mr. Suman Kant Munjal	6	4	Yes
Ms. Vasudha Dinodia	6	6	Yes
<b>Non-Executive and Independent Directors</b>			
Air Chief Marshal BS Dhanoa (Retd.)	6	6	Yes
Ms. Camille Tang	6	6	Yes
Prof. Jagmohan Singh Raju	6	6	Yes
Mr. Rajnish Kumar	6	6	Yes
Ms. Tina Trikha	6	6	Yes

**FAMILIARISATION PROGRAMME FOR BOARD MEMBERS**

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by the various business & functional heads at Board meetings and through interactive programs. Such meetings/programs include briefings on the culture, values, business model, domestic and global business of the Company, the roles and responsibilities of Directors and senior executives. Besides these, the Directors are regularly updated about Company's new projects, R&D initiatives, changes in regulatory environment and strategic direction.

The Board members are also provided relevant documents, reports and internal policies to familiarisation with the Company's procedures and practices, from time to time.

The details of Company's familiarisation programs for Directors are posted on the Company's website [www.heromotocorp.com](http://www.heromotocorp.com) and can be viewed at the following link - <https://www.heromotocorp.com/en-in/company/investors/investor-relations/familiarisation-of-independent-directors.html>

**CODE OF CONDUCT FOR THE BOARD MEMBERS AND EMPLOYEES**

The Company has laid down a comprehensive Code of Conduct ('Code') for the Board, senior management personnel and employees of the Company.

The Company's code was formulated in the year 2010 on the basis of 8 broad principles viz. Fiduciary, Property, Reliability, Transparency, Dignity, Fairness, Citizenship and Responsiveness. The Company during the year 2020 has updated the Code keeping in mind the contemporary norms, modern day complexities and business requirements.

The updated Code now features some of the following:

- Wider coverage to include all section of employees including senior management.
- Relevant provisions and clauses on anti-bribery and anti-corruption.
- Mandatory disclosure of all personal relationships for employees.
- Detailed "conflict of interest" section.
- Emphasis on being an equal opportunity employer and to embrace diverse and inclusive culture.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2023-24. An annual declaration signed by the CEO to this effect forms part of this Report as **Annexure – V**.

The Code is available on the website of the Company at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/in/company-section/code-of-conduct/code-of-conduct-final.pdf>.

**BOARD/COMMITTEE MEETINGS & PROCEDURES****Frequency of meetings and information supplied**

A well-defined system of convening at least 4 pre-scheduled Board meetings annually is currently in place in the Company. However, additional Board meetings are convened, from time to time, as per specific requirements by giving appropriate notice. The Company has convened its Board meetings and other committee meetings through video conferencing (VC)

pursuant to the circulars issued by Ministry of Corporate Affairs from time to time. Wherever it is not possible to convene a Board and other committee meeting, resolutions are passed by circulation in order to meet the business exigencies.

The Board is given presentations covering various aspects of business, major subsidiaries, global and domestic business environment, safety and environment related matters, strategy and risk management.

In addition to regular business items, the following information is regularly placed before the Board:

- Annual operating plans and budgets and any updates;
- Strategy/industry update & new business opportunities;
- Business & operations updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems, if any and their proposed solutions. Any significant development in human resources/industrial relations front, like signing of wage agreement, implementation of voluntary retirement scheme, etc.;
- Sale of investments, subsidiaries, assets if any, which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance, if any, of any regulatory, statutory or listing requirements and shareholders' services such as non- payment of dividend, delay in share transfer, etc.

## Information supplied for Board/Committee meetings

The agenda and corresponding notes to agenda for all Board and Committee meetings are circulated to Directors in advance in a defined format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not practical to attach any document to the agenda, it is tabled/presented before the meeting. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated under the Companies Act, 2013 ('Act'), Secretarial Standard on meetings of the Board issued by the Institute of Company Secretaries of India and the Listing Regulations.

## COMMITTEES OF THE BOARD

Board Committees as on March 31, 2024, includes the following:-

### Constitution of the Committees

Audit Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee
Ms. Tina Trikha Mr. Pradeep Dinodia Air Chief Marshal BS Dhanoa (Retd.)	Mr. Pradeep Dinodia Prof. Jagmohan Singh Raju Mr. Vikram S. Kasbekar	Prof. Jagmohan Singh Raju Mr. Pradeep Dinodia Air Chief Marshal BS Dhanoa (Retd.)
Risk Management Committee	Sustainability and Corporate Social Responsibility Committee	
Mr. Pradeep Dinodia Air Chief Marshal BS Dhanoa (Retd.) Mr. Vikram S. Kasbekar	Dr. Pawan Munjal Mr. Pradeep Dinodia Ms. Tina Trikha Prof. Jagmohan Singh Raju	
<span style="color: red;">■</span> Chairperson <span style="color: grey;">■</span> Member		

## AUDIT COMMITTEE

Your Company has a duly constituted Audit Committee and its composition as well as charter are in line with the requirements of the Act and Listing Regulations. As on March 31, 2024, Audit Committee comprises three Directors viz. Ms. Tina Trikha, Mr. Pradeep Dinodia and Air Chief Marshal BS Dhanoa (Retd.) all learned and eminent personalities in their respective fields. At present, Ms. Tina Trikha is the Chairperson of the Committee.

## Minutes of Board/Committee meetings

Minutes of proceedings of each Board and Committee meeting are recorded and draft minutes are circulated to Board/ Committee members for their confirmation within 15 days from the date of meeting. The inputs, if any, of the Board & Committee members are duly incorporated in the minutes after which these are entered in the minute book within 30 days from the date of meeting.

## MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met thrice during FY 2023-24, i.e. on May 4, 2023, August 10, 2023 and February 9, 2024.

## The Audit Committee has the following terms of reference:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditors' independence and performance and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Operate the vigil mechanism in the Company.
- Apart from above, following are the terms of reference in accordance with the Listing Regulations:
  - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Qualifications in the draft audit report.
  - Reviewing with the management, the quarterly financial statements and limited review report before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% including existing loans/advances/investments; of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## CORPORATE GOVERNANCE REPORT

The Audit Committee also mandatorily, inter alia reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee;

5. To review, statement of deviation(s), if any, in terms of SEBI Listing Regulations.

Upon invitation, the CEO, CFO, internal auditors, statutory auditors of the Company attend meetings of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

During FY 2023-24, nine meetings of the Audit Committee were held on May 3, 2023, July 7, 2023, August 10, 2023, September 4, 2023, September 13, 2023, November 1, 2023, December 14, 2023, February 9, 2024 and March 6, 2024 in due compliance with the provisions of the Act and Listing Regulations.

The composition of the Audit Committee and attendance details of members are given below.

#### Details of Audit Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2023-24	No. of meetings attended
Ms. Tina Trikha	Chairperson	9	9
Mr. Pradeep Dinodia	Member	9	9
Air Chief Marshal B S Dhanoa (Retd.)	Member	9	9

#### Role and reporting of Internal Auditors

Internal Audit operates on behalf of the Board and Audit Committee of the Company. The scope, responsibility and authority of the Internal Audit division is derived from the Internal Audit Charter. The Head of Internal Audit functionally reports to the Chair of the Audit Committee and attends meetings of the Audit Committee on a regular basis. Internal audit findings are reported directly to the Audit Committee.

The role of Internal Audit is to provide an objective and independent review of the design and operation of risk management, control and governance processes operated across the Company. Internal Audit also adds value by providing advice to management on improvements they can make to these processes.

and activities following principles that are aligned with International Internal Auditing Standards.

Internal Audit reviews design of and compliance with laid down policies and procedures, helps mitigate significant risks identified at a functional, business unit or organisational level, provides support on improvement initiatives and conducts ad hoc reviews in relation to risk and controls when required.

The annual internal audit plan encompasses all functions, risks, compliance requirements and assurance map. The internal audit plan is approved by the Audit Committee at the beginning of every year.

## NOMINATION AND REMUNERATION COMMITTEE ('NRC')

The Company has a duly constituted NRC which, inter-alia, identifies and recommends persons who are qualified to become directors or appointed as part of senior management and reviews and recommends payment of annual salaries to the Executive Directors of the Company besides finalising their service agreements and other employment terms and conditions. The NRC takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages and also administers employee stock option scheme.

The nomenclature, constitution and terms of reference of the Committee are in consonance with the provisions of Section 178 of the Act and Regulation 19(4), read with Para D of Schedule II of the Listing Regulations.

The Head of Internal Audit is responsible for developing the Internal Audit framework and ways of working to support the consistent delivery and reporting of Internal Audit results

The Nomination and Remuneration Committee has the following terms of reference in accordance with Listing Regulations:

- to formulate and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, criteria for determining qualifications, positive attributes and independence of a Director;
- to formulate criteria for evaluation of performance of Independent Directors and the Board;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- for every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.

- to carry out evaluation of every Director's performance;
- to devise a policy on Board diversity;
- to administer and superintend the ESOP including but not limited to the formulation of detailed terms and conditions of the ESOS/RSU;
- to allot shares and issue share certificates against the options exercised in terms of Employees Incentive Scheme of the Company as approved by shareholders from time-to-time;
- to recommend to the Board, all remuneration, in whatever form, payable to senior management.

- to specify the manner for effective evaluation of performance of Board, its Committee and Individual Directors to be carried out either by the Board, by NRC or by an independent external agency and review its implementation and compliance.

As on March 31, 2024, the NRC comprises three Directors viz. Prof. Jagmohan Singh Raju, Mr. Pradeep Dinodia and Air Chief Marshal BS Dhanoa (Retd.) as members. At present, Prof. Jagmohan Singh Raju is the Chairman of the Nomination and Remuneration Committee. The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

During FY 2023-24, six meetings of the NRC were held on May 3, 2023, June 26, 2023, August 9, 2023, October 31, 2023, December 14, 2023 and February 8, 2024.

The Composition of NRC and attendance details of members are mentioned below.

#### Details of Nomination and Remuneration Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2023-24	No. of meetings attended
Prof. Jagmohan Singh Raju	Chairman	6	5
Mr. Pradeep Dinodia	Member	6	6
Air Chief Marshal B S Dhanoa (Retd.)	Member	6	6

#### Remuneration and Board Diversity Policy

The Company's Remuneration Policy represents the approach of the Company to the remuneration of Directors and senior management. The Company's policy on Board Diversity sets out the approach to have a diversity on the Board of the Company in terms of gender, age, cultural, educational & geographical background, ethnicity, professional experience, skills and knowledge.

The compensation of Directors, Key Managerial Personnel, senior management and other employees is based on the following principles:

- Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders;

- Minimising complexity and ensuring transparency;
- Link to long term strategy as well as annual business performance of the Company;
- Promoting a culture of meritocracy and linked to key performance and business drivers; and
- Reflective of line expertise and market competitiveness so as to attract the best talent.

The policy is available on Company's website at the following link: <https://www.hermotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Renumeration.pdf>

**Remuneration paid to Executive Directors**

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the general meeting and such other authorities, as the case may be. The terms and conditions of the employment of Executive Directors are governed by the shareholders' approval taken in that regard, wherein all the details are provided in the explanatory statement. The remuneration is arrived at after considering various factors such as qualification, experience,

expertise, prevailing remuneration in the industry and the financial position of the Company.

The remuneration paid to Executive Directors is commensurate with their respective roles and responsibilities. Remuneration paid to Executive Directors, subject to limits prescribed under Part II, Section I of Schedule V to the Companies Act, 2013, generally consists of fixed salary, perquisites, allowances and retiral benefits, performance linked bonus by whatever name called, grant of employees stock option as decided by the NRC and such other benefits in accordance with market practices.

The details of remuneration paid to Executive Directors are mentioned below:

**Remuneration to Executive Directors**

Names of Directors	Basic Salary u/s 17(1) of Income Tax Act	Perquisites, Allowances & Retirals	Profits in lieu of salary under Section 17(3) of the Income Tax Act	₹ in crore)			
				Stock option	Commission	Others (PF & Gratuity)	Total
Dr. Pawan Munjal*	25.26	40.05	-	-	39.85	4.25	109.41
Mr. Vikram Sitaram Kasbekar	3.26	5.66	-	2.65	-	0.54	12.11

\* Dr. Pawan Munjal, Executive Chairman, has volunteered to reduce his salary within the limits approved by the Shareholders. He had proposed that his fixed salary be reduced by 20% effective January 01, 2024 itself, and his annual commission for FY 2023-24 also be reduced by 20%. These have been approved by the Nomination and Remuneration Committee and the Board.

Note: No severance fee is payable to Executive Directors and there is no notice period for the Executive Directors.

**Remuneration paid to Non-Executive Directors**

The Non-Executive Directors of the Company are paid sitting fees of ₹ 1 lakh for attending each meeting of the Board, Committees thereof and any other meetings of the Directors. The Non-Executive and Independent Directors are also entitled to remuneration by way of commission aggregating up to 1% of net profits of the Company pursuant to the provisions of Sections 197 and 198 of the Act in addition to the sitting fees. While deciding the remuneration, various factors such

as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. are taken into consideration.

Non-Executive Directors do not have any other pecuniary relationship with the Company except as stated above. The details of remuneration paid to Non-Executive Directors are mentioned below:

**Remuneration to Non-Executive Directors**

Names of Directors	Sitting fees	Commission	Total	₹ in crore)		
				1	2	3
Air Chief Marshal BS Dhanoa (Retd.)	0.28	1.27	1.55			
Ms. Camille Tang	0.09	0.39	0.48			
Prof. Jagmohan Singh Raju	0.22	0.91	1.13			
Mr. Pradeep Dinodia	0.33	1.54	1.87			
Mr. Rajnish Kumar	0.09	0.39	0.48			
Mr. Suman Kant Munjal	0.04	0.20	0.24			
Ms. Tina Trikha	0.22	1.11	1.33			
Ms. Vasudha Dinodia	0.06	0.30	0.36			

Note: No stock options have been granted to any Non-Executive or Independent Directors.

During FY 2023-24, the Company did not advance any loans to any of its Directors. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company, other than the details provided above and the sitting fees and commission drawn by the Non-Executive and Independent Directors.

**PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

A formal evaluation of performance of the Board, its Committees, the Chairman and individual Directors was carried out in FY 2023-24, details of which are provided in the Board's Report.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE ('SRC')**

This Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialisation and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20(4) read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as applicable. The detailed terms of reference of the Stakeholders' Relationship Committee are available on the Investor section of the Company's website at

<https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html>.

During the year, four meeting of the Stakeholders' Relationship Committee were held on May 3, 2023, August 10, 2023, October 31, 2023 and February 8, 2024. As on March 31, 2024, the SRC comprises three Directors viz. Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Mr. Vikram S. Kasbekar. At present, Mr. Pradeep Dinodia is the Chairman of the Stakeholders' Relationship Committee. Mr. Dhiraj Kapoor is the Company Secretary & Compliance Officer and he acts as the secretary of the Stakeholders Relationship Committee. The details of the Stakeholders' Relationship Committee are mentioned below:

**Details of Stakeholders' Relationship Committee Members and Number of Meetings Attended**

Names of Committee Members	Position held	No. of meetings held during FY 2023-24	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	4	4
Prof. Jagmohan Singh Raju	Member	4	4
Mr. Vikram S. Kasbekar	Member	4	4

**Investors' Grievance Redressal**

The details of investor grievances received and resolved to the satisfaction of shareholders during the FY 2023-24 are detailed below:

S. No.	Particulars	No. of Complaints
1	Pending at the beginning of the year	46
2	Received during the year	2,252
3	Resolved during the year	2,266
4	Pending at the end of the year	32

- Eco-efficiency
- People
- Responsible Value Chain
- Product Stewardship

The detailed terms of reference of the Committee are available on the Investor section of the Company's website at <https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html>

Further, the Corporate Social Responsibility policy is disclosed on the Company's website, link for which is <https://www.heromotocorp.com/content/dam/hero-aem-website/in-en-in/company-section/reports-and-polices/pdfs/csr%20policy.pdf>

As on March 31, 2024, the SCSR committee comprises four Directors viz. Dr. Pawan Munjal as Chairman, Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Ms. Tina Trikha as members.

During the year, four meetings of the Committee were held on May 3, 2023, August 9, 2023, October 31, 2023 and February 8, 2024. The Company Secretary acts as the Secretary of the SCSR Committee. The details of the SCSR Committee are mentioned below:

**Details of Sustainability and Corporate Social Responsibility Committee Members and Number of Meetings Attended**

Names of Committee Members	Position held	No. of meetings held during FY 2023-24	No. of meetings attended
Dr. Pawan Munjal	Chairman	4	4
Mr. Pradeep Dinodia	Member	4	4
Prof. Jagmohan Singh Raju	Member	4	4
Ms. Tina Trikha	Member	4	4

## RISK MANAGEMENT COMMITTEE ('RMC')

The Company has a duly constituted RMC which assists the Board in its oversight of the Company's management of key risks, as well as the guidelines, policies and procedures monitoring and integrating such risks within overall business risk management framework.

The role and terms of reference of the Committee cover the areas of formulating a risk management policy along with monitoring and overseeing the implementation of the policy. Considering changing industry dynamics and evolving complexity, the Company to ensure periodical review of the policy, at least once in two years. Also, ensuring appropriate processes and systems to monitor and evaluate risk associated with the Business along with implementation of mitigation plan. The role also covers reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer. The detailed terms of reference of the RMC are available on the Investor section of the Company's website at <https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html>

The Risk Management Policy of the Company, inter alia, includes reporting of identified risk, their assessment, mitigation plan, risk appetite to the RMC and other stakeholders. Further, it also covers the key areas/risk which forms part of risk register, viz. strategic, operational, financial, regulatory, technology, sustainability, etc. The Risk Management Policy of the Company is available on the Company's website, [www.heromotocorp.com](http://www.heromotocorp.com) and can be viewed at <https://www.heromotocorp.com/content/dam/hero-aem-website/in-en-in/company-section/reports-and-polices/policies/pdfs/Risk%20Management%20Policy.pdf>.

As on March 31, 2024, the RMC comprises three Directors viz. Mr. Pradeep Dinodia as Chairman, Air Chief Marshal BS Dhanoa (Retd.) and Mr. Vikram S. Kasbekar as members.

During the year under review, four meetings of the Risk Management Committee were held on May 3, 2023, August 9, 2023, October 31, 2023 and February 8, 2024. The Company Secretary acts as the Secretary of the Risk Management Committee. The details of the Risk Management Committee are mentioned below:

### Details of Risk Management Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2023-24	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	4	4
Air Chief Marshal B S Dhanoa (Retd.)	Member	4	4
Mr. Vikram S. Kasbekar	Member	4	4

## COMMITTEE OF DIRECTORS

The Company has a Committee of Directors which presently comprises Dr. Pawan Munjal as Chairman, Mr. Vikram S. Kasbekar and Mr. Pradeep Dinodia as its members. The Company Secretary acts as the Secretary of the Committee. The resolutions were passed by circulation by the Committee on a need basis. During the financial year under review, circular resolutions were passed on 13 occasions viz. April 6, 2023, April 28, 2023, May 19, 2023, June 19, 2023, July 7, 2023, July 25, 2023, June 9, 2023, June 30, 2023, July 21, 2023, August 16, 2023, August 18, 2023, September 14, 2023, October 13, 2023, September 12, 2023, October 10, 2023, October 30, 2023, November 3, 2023, December 14, 2023, January 29, 2024 and December 11, 2023, January 24, 2024 and February 27, 2024.

## CONFIRMATION ON THE RECOMMENDATIONS OF COMMITTEES OF THE BOARD

The Board of Directors had accepted all the recommendations as and when received from its Committees on different matters.

## CREDIT RATINGS

The details of the credit ratings assigned by various rating agencies, are provided below:

### Details of Credit Ratings for FY 2023-24

Sl. No.	Instrument Description	Rating agencies	Rating Assigned
1.	Bank Loan Facilities – Long-Term	CRISIL Limited/ICRA Limited	AAA Stable
2.	Bank Loan Facilities – Short-Term	CRISIL Limited/ICRA Limited	A1+
3.	Commercial Papers	CRISIL Limited	A1+
4.	Non-Convertible Debentures/Fixed Deposit	CRISIL Limited/ICRA Limited	AAA Stable

Note: No change/revision in the aforesaid credit ratings from the rating agencies was received during the financial year. The Company has not issued any Commercial Papers, Non-Convertible Debentures or taken any Fixed Deposit during the year.

## DISCLOSURES

### Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), your Company has in place a Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company and while sharing Unpublished Price Sensitive Information. The Code includes the Company's obligation to maintain the structured digital database ('SDD'), obligation of designated persons, mechanism for prevention of insider trading and handling of UPSI. Further, the Company has complied with the standardised reporting of violations related to code of conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Your Company also has a Code of practices and procedures of fair disclosures of unpublished price sensitive information including a policy for determination of legitimate purposes along with the Institutional Mechanism for prevention of insider trading and Policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

Further, the Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the Designated persons and their immediate relatives having access to unpublished price sensitive information. A report covering trading by DPs under the PIT Regulations is placed before the Audit Committee on quarterly basis.

To increase awareness on the prevention of insider trading in the organisation and to help the Designated Persons to identify and fulfill their obligations, the Company periodically circulates the informative e-mails along with the code and policies on Prevention of Insider Trading, Do's and Don'ts, etc. The officials of the secretarial department conducts induction program for all the employees joining the organisation and other training sessions to educate and sensitise the employees/designated persons. In addition to the above, the Company has also organised Prevention of Insider Trading (PIT) Awareness Month in March 2024, which included a series of quiz, the release of informative posters, an interactive Audio Visual session, the sharing of information videos, and other activities.

### Related Party Transactions

In terms of Section 188(1) of the Act, all related party transactions entered into by the Company during FY 2023-24 were carried out with prior approval of the Audit Committee

and the approval of the Board, wherever required. All transactions were on arm's length basis and ordinary course of business, were also disclosed to the Board.

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other related parties, which may have a potential conflict with the interest of the Company at large.

The policy on dealing with related party transactions is disclosed on the Company's website, link for which is <https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Related%20Party.pdf>

### Disclosure of policy on material subsidiaries

At present, your Company does not have a Material Subsidiary. The policy for determining material subsidiaries is available on the Company's website, [www.heromotocorp.com](http://www.heromotocorp.com) at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Policy%20on%20material.pdf>.

### Accounting Treatment in preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards as notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

### Compliances by the Company

No penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

Securities of the Company have not been suspended for trading at any point of time during the year and the Company has duly complied with Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clause (b) to (i) and para C, D and E of Schedule V of the Listing Regulations.

Quarterly reports on compliance with Corporate Governance as per Regulation 27 of the Listing Regulations were duly filed with the stock exchanges within the stipulated time and same are also available on website of the Company at <https://www.heromotocorp.com/en-in/company/investors/investor-relations/filings-and-reports.html>.

The Company has complied with all the requirements of Corporate Governance Report as specified under the Listing Regulations.

**Legal Compliance Management Tool**

The Company has in place a comprehensive and robust legal compliance management online tool for tracking, managing, and reporting on compliances with all laws and regulations applicable to the Company.

The Management on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company.

**Vigil Mechanism/Whistle Blower Policy**

In compliance with the SEBI Regulations, the Company has a policy/mechanism on dealing with whistle blowers, which is approved by the Audit Committee of the Company. The Audit Committee reviews the same as and when required. During the year, no individual was denied access to the Audit Committee for reporting concerns, if any. The said policy/mechanism is disclosed on the Company's website, link for which is <https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Whistle%20Bowler.pdf>.

**Status of Unclaimed Equity Shares lying in the suspense account**

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	3	1700
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	-	-
Number of shareholders to whom shares were transferred from suspense account during the year.	-	-
Number of shareholders whose shares were transferred to the demat account of Investors Education and Protection Fund (IEPF) Authority	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	3	1700

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has in place a policy on Prevention of Sexual Harassment at the workplace. For further details in this regard, please refer to the Board's Report forming part of this annual report.

The Company has put in place a whistle blower policy to support the Code of Conduct. The details about the vigil mechanism form part of the Board's report.

**Commodity price risk or foreign exchange risk and hedging activities**

Your Company has an exposure of commodity price risk and foreign exchange risk denominated in USD for exports and predominantly in USD, EUR and JPY in respect of its imports. The Company uses various instruments as approved under the central bank regulations to hedge these exposures. Details of the hedged and unhedged positions are available in the Notes to standalone financial statements in the annual report.

**Disclosures with respect to demat suspense account/unclaimed suspense account**

As per Schedule V of Listing Regulations, the status of the unclaimed equity shares lying in the demat suspense account are mentioned below. The voting & beneficial rights on these shares are frozen till the rightful owner of such shares claims the shares.

**Details of fees paid to statutory auditors**

S. No.	Name of Entity	Relationship with Hero MotoCorp Ltd.	Details of Services	Amount (₹ in crore)
1	Hero MotoCorp Limited		Audit Fees	2.50
2	Hero MotoCorp Limited		Tax Audit Fees	0.05
3	Hero MotoCorp Limited		Out of Pocket Expenses	0.15
4	Hero MotoCorp Limited		Certifications	0.16
5	HMC MM Auto Limited	Subsidiary	Audit Fees	0.18
6	HMC MM Auto Limited	Subsidiary	Tax Audit Fees	0.02
7	HMC MM Auto Limited	Subsidiary	Out of Pocket Expenses	0.02
8	HMCL Niloy Bangladesh limited	Subsidiary	Audit Fees	0.11
9	HMCL Colombia S.A.S	Subsidiary	Audit Fees	0.71
10	Hero tech Centre Germany GmbH	Subsidiary	Audit Fees	1.15
11	HMCL Netherlands B.V.	Subsidiary	Audit Fees	0.41
<b>Total</b>				<b>5.46</b>

**Disclosure of loans and advances in the nature of loans to firms/companies in which Directors are interested.** Not Applicable**CEO & CFO CERTIFICATION**

The Chief Executive Officer and the Chief Financial Officer of the Company furnish a certificate on quarterly and annual basis on financial statements of the Company in terms of Regulation 33(2)(a) and Regulation 17(8), respectively of the Listing Regulations. In terms of Regulation 17(8) of Listing Regulations, the certificate duly signed by the CEO & the CFO of the Company was placed before the Board at its meeting held on May 08, 2024 and is annexed to this report as Annexure – V.

**RE-APPOINTMENT OF DIRECTORS**

In terms of the applicable provisions of the Act and the Articles of Association of the Company, Mr. Pradeep Dinodia, Director of the Company retires by rotation at the ensuing annual general meeting.

During the year under review, your Company has re-appointed Prof. Jagmohan Singh Raju as an Independent Director of the Company for a term of five (5) years effective from November 15, 2023, which was approved by the shareholders in their 40<sup>th</sup> Annual General Meeting held on August 9, 2023.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on June 25, 2024, subject to the approval of the members by way of special resolution, has approved the re-appointment of:

- Mr. Vikram Sitaram Kasbekar as Whole-time Director (designated as Executive Director- Operations) for another period of three (3) years commencing from August 8, 2024 upto August 7, 2027.

- Ms. Tina Trikha as Non-Executive Independent Director, for a second term of five(5) years, with effect from October 23, 2024 upto October 22, 2029.
- Ms. Camille Miki Tang as Non-Executive Independent Director, for a second term of three (3) years, with effect from November 19, 2024 upto November 18, 2027.
- Mr. Rajnish Kumar as Non-Executive Independent Director, for a second term of three (3) years, with effect from November 25, 2024 upto November 24, 2027.

**COMPLIANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****Mandatory Requirements**

The Company is fully compliant with the applicable mandatory requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Discretionary requirements**

The Company has adopted discretionary requirements specified in Part E of Schedule II of Listing Regulations.

**The Board**

The Company has an Executive Chairman.

**Shareholders Rights**

As a part of good corporate governance practice, the Company sends its quarterly financial results to shareholders whose email addresses are registered with the depository participants through email after they are approved by the Board and disseminated to the stock exchanges. The results are also disseminated on the website of the Company viz. [www.heromotocorp.com](http://www.heromotocorp.com) and published in widely circulated newspapers.

### Audit Qualifications

There are no audit qualifications in the financial statements of FY 2023-24. The Company continues to adopt best practices in order to ensure unqualified financial statements.

### Separate posts of Chairman and CEO

The Company has separate posts of Chairman and CEO of the Company. Whilst Dr. Pawan Munjal is the Executive Chairman, Mr. Niranjan Gupta is the Chief Executive Officer of the Company.

### Role and reporting of Internal Audit

The Head of Internal Audit functionally reports to the Chair of the Audit Committee and attends meetings of the Audit Committee on a regular basis. Internal audit findings are reported directly to the Audit Committee. Further details have been provided in a separate section of this report.

### MEANS OF COMMUNICATION

#### Company website

Pursuant to Regulation 46 of the Listing Regulations, the Company's website [www.heromotocorp.com](http://www.heromotocorp.com) contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed dividends and various policies of the Company.

With the objective of enhancing the shareholders' services and guiding the shareholders in an effective manner, the Company has made available a Shareholders' referencer, which contains rights & duties of shareholders, grievance redressal framework, etc., and Frequently Asked Questions (FAQs) towards queries related to shares and dividend on the investor section of the Company's website. Procedures and formats related to shares and dividend related requests have also been made available for the shareholders for easy access.

### NSE ELECTRONIC APPLICATION PROCESSING SYSTEM ('NEAPS')

NEAPS is a web-based application designed by the National Stock Exchange of India Ltd. (NSE) for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases and corporate actions are filed electronically on NEAPS.

### BSE CORPORATE COMPLIANCE & LISTING CENTRE ('LISTING CENTRE')

The Listing Centre of BSE Ltd., is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report,

media releases, among others are filed electronically on the Listing Centre.

### FINANCIAL RESULTS

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly unaudited as well as annual audited financial results to both the stock exchanges i.e. BSE & NSE.

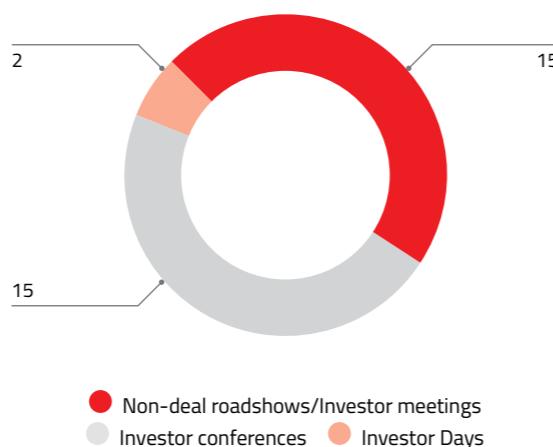
The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Indian Express and Jansatta. The results are also made available on the investor section of Company's website at <https://www.heromotocorp.com/en-in/company/investors/annual-report.html?key1=quarterly-results>. The said results are also sent through an email to the shareholders, whose e-mail addresses are registered with the Company.

### NEWS RELEASES AND PRESENTATIONS

Official news and media releases are sent to stock exchanges on which the shares of the Company are listed and are also uploaded on the Company's website at [www.heromotocorp.com](http://www.heromotocorp.com).

### INVESTOR MEETINGS & CONFERENCES

The Company conducts quarterly investor calls after declaration of the financial results, which are accessible to all stakeholders. It also held investor day(s), attended conferences and non-deal roadshows / meetings, within which it had multiple meetings, interacting with investors and analysts, through physical/virtual mode. Below are the disclosed events, as intimated to the stock exchanges and updated on the Company's website:



### PRESENTATIONS MADE TO INSTITUTIONAL INVESTORS/ANALYSTS

Presentations on the performance of the Company are placed on the Company's website at [www.heromotocorp.com](http://www.heromotocorp.com) for the benefit of the institutional investors, analysts and

other shareholders immediately after communicating to the stock exchanges.

### ANNUAL REPORT

The annual report containing, inter alia, the audited financial statements (standalone & consolidated), Board's Report, Auditors' Report, the Management Discussion and Analysis (MDA) report, the Business Responsibility and Sustainability Report and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website at [www.heromotocorp.com](http://www.heromotocorp.com).

### COMMUNICATION TO INVESTORS

#### Unclaimed shares/dividend

Periodical reminders for unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. These details are also uploaded on website of the Company at [www.heromotocorp.com](http://www.heromotocorp.com)

#### Dispute Resolution Mechanism at Stock Exchanges

In compliance with the SEBI Circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, (Subsumed as a part of the SEBI master circular updated as on December 28, 2023) regarding intimation to shareholders about the common Online Dispute Resolution ("ODR") mechanism to facilitate online resolution of all kinds of disputes arising in the Indian securities market, the Company on October 17, 2023 had sent communication via Email to all the shareholders. Also, the relevant information was published in leading newspapers. The said communication and newspaper advertisements are also made available on the investor section of Company's website at <https://www.heromotocorp.com/en-in/company/investors/investor-relations/filings-and-reports.html?key1=announcements-and-disclosures>. Details of the said circular are also updated on the website of the Company at <https://www.heromotocorp.com/en-in/company/investors/shareholder-resources.html#companyShareholdersResources>.

#### Furnishing of PAN, Nomination and KYC details:

In compliance with the SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, regarding intimation to shareholders to furnish PAN, KYC details and registration of nomination in the folio of the holders of physical securities, the Company on April 26, 2023

#### Circulars/notifications issued by SEBI in the interest of shareholders

Members are requested to note that the following circulars/notifications were issued by the SEBI during the FY 2023-24 to enhance ease of dealing in securities markets and with a view to make the processes and procedures more efficient and investor friendly.

had sent communication via Email to furnish PAN, KYC and nomination details.

Further in compliance of the SEBI circular dated September 26, 2023, regarding extension of last date for KYC updation from September 30, 2023 to December 31, 2023, the Company on October 16, 2023 had sent communication via Email.

Thereafter, the Company had sent an E-mail to shareholders on November 29, 2023 in compliance with SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, informing about the modification in KYC updation norms. Also, the relevant information was published in leading newspapers. Through this exercise, the Shareholders were also informed that SEBI has done away with the requirement of freeing of non-compliant KYC folios & their referral to the relevant administering authority under the Prevention of Money Laundering Act, 2002.

The said communications and newspaper advertisements are also made available on the investor section of Company's website at <https://www.heromotocorp.com/en-in/company/investors/investor-relations/filings-and-reports.html?key1=announcements-and-disclosures>.

According to SEBI master circular dated May 17, 2023 and subsequent circulars dated September 26, 2023 and November 17, 2023, shareholders are requested to note that SEBI has required the physical security holders to register/update PAN, nomination, contact details, bank details and specimen signatures. Holders of Folios wherein any one of the required details/document mentioned herein are not updated on or after December 31, 2023, can lodge investor grievances or avail investor service requests from the RTA only after furnishing the complete documents/details as aforesaid. Further effective April 01, 2024, shareholders will be eligible to receive the dividend in electronic mode only.

#### Updation of bank account and other details for dividend payment and TDS

The Company voluntarily sent a communication to all those shareholders whose email addresses were registered with the Company regarding tax on dividend requesting them to update their bank account details and other detailed process.

As a good corporate practice, the Company has started to send Dividend warrants to all shareholders through registered post irrespective of the amount.

## CORPORATE GOVERNANCE REPORT

S. No.	Date & Reference No.	Brief Particulars	Link
1	June 08, 2023 SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72	Online processing of investor service requests and complaints by RTAs	<a href="https://www.sebi.gov.in/legal/circulars/jun-2023/online-processing-of-investor-service-requests-and-complaints-by-rtas_72363.html">https://www.sebi.gov.in/legal/circulars/jun-2023/online-processing-of-investor-service-requests-and-complaints-by-rtas_72363.html</a>
2	July 31, 2023 SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131	Online Resolution of Disputes in the Indian Securities Market	<a href="https://www.sebi.gov.in/legal/circulars/jul-2023/online-resolution-of-disputes-in-the-indian-securities-market_74794.html">https://www.sebi.gov.in/legal/circulars/jul-2023/online-resolution-of-disputes-in-the-indian-securities-market_74794.html</a>
3	August 04, 2023 SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135	Corrigendum cum Amendment to Circular dated July 31, 2023 on Online Resolution of Disputes in the Indian Securities Market	<a href="https://www.sebi.gov.in/legal/circulars/aug-2023/corrigendum-cum-amendment-to-circular-dated-july-31-2023-on-online-resolution-of-disputes-in-the-indian-securities-market_74976.html">https://www.sebi.gov.in/legal/circulars/aug-2023/corrigendum-cum-amendment-to-circular-dated-july-31-2023-on-online-resolution-of-disputes-in-the-indian-securities-market_74976.html</a>
4	August 11, 2023 SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145	Master Circular for Online Resolution of Disputes in the Indian Securities Market	<a href="https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities-market_75220.html">https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities-market_75220.html</a>
5	September 20, 2023 SEBI/HO/OIAE/IGRD/CIR/P/2023/156	Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform	<a href="https://www.sebi.gov.in/legal/circulars/sep-2023/redressal-of-investor-grievances-through-the-sebi-complaint-redressal-scores-platform-and-linking-it-to-online-dispute-resolution-platform_77159.html">https://www.sebi.gov.in/legal/circulars/sep-2023/redressal-of-investor-grievances-through-the-sebi-complaint-redressal-scores-platform-and-linking-it-to-online-dispute-resolution-platform_77159.html</a>
6	September 26, 2023 SEBI/HO/MIRSD/POD-1/P/CIR/2023/158	Extension of timelines for: (i) nomination in eligible demat accounts; and (ii) submission of PAN, Nomination and KYC details by physical security holders; and voluntary nomination for trading accounts	<a href="https://www.sebi.gov.in/legal/circulars/sep-2023/extension-of-timelines-i-for-nomination-in-eligible-demutual-accounts-and-ii-for-submission-of-pan-nomination-and-kyc-details-by-physical-security-holders-and-voluntary-nomination-for-trading-accounts_77320.html">https://www.sebi.gov.in/legal/circulars/sep-2023/extension-of-timelines-i-for-nomination-in-eligible-demutual-accounts-and-ii-for-submission-of-pan-nomination-and-kyc-details-by-physical-security-holders-and-voluntary-nomination-for-trading-accounts_77320.html</a>
7	October 03, 2023 SEBI/HO/OIAE/OIAE_IAD1/P/CIR/2023/0000000163	Centralised mechanism for reporting the demise of an investor through KRAs	<a href="https://www.sebi.gov.in/legal/circulars/oct-2023/centralized-mechanism-for-reporting-the-demise-of-an-investor-through-kras_77534.html">https://www.sebi.gov.in/legal/circulars/oct-2023/centralized-mechanism-for-reporting-the-demise-of-an-investor-through-kras_77534.html</a>
8	October 07, 2023 SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167	Relaxation from sending proxy forms and dispatching hard copy of the statement containing salient features of financial statements, Board's report, Auditor's report, etc. to those shareholders who have not registered their email addresses, till September 30, 2024	<a href="https://www.sebi.gov.in/legal/circulars/oct-2023/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-reg-77781.html">https://www.sebi.gov.in/legal/circulars/oct-2023/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-reg-77781.html</a>
9	November 17, 2023 SEBI/HO/MIRSD/POD-1/P/CIR/2023/181	Simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination	<a href="https://www.sebi.gov.in/legal/circulars/nov-2023/simplified-norms-for-processing-investor-s-service-requests-by-rtas-and-norms-for-furnishing-pan-kyc-details-and-nomination_79167.html">https://www.sebi.gov.in/legal/circulars/nov-2023/simplified-norms-for-processing-investor-s-service-requests-by-rtas-and-norms-for-furnishing-pan-kyc-details-and-nomination_79167.html</a>
10	December 01, 2023 SEBI/HO/OIAE/IGRD/CIR/P/2023/183	Extension of timeline for implementation of provisions of circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 on Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform	<a href="https://www.sebi.gov.in/legal/circulars/dec-2023/extension-of-timeline-for-implementation-of-provisions-of-circular-sebi-ho-oiae-igrd-cir-p-2023-156-dated-september-20-2023-on-redressal-of-investor-grievances-through-the-sebi-complaint-redressal-s-79499.html">https://www.sebi.gov.in/legal/circulars/dec-2023/extension-of-timeline-for-implementation-of-provisions-of-circular-sebi-ho-oiae-igrd-cir-p-2023-156-dated-september-20-2023-on-redressal-of-investor-grievances-through-the-sebi-complaint-redressal-s-79499.html</a>
11	December 27, 2023 SEBI/HO/MIRSD/POD-1/P/CIR/2023/193	Extension of timelines for providing 'choice of nomination' in eligible demat accounts and mutual fund folios	<a href="https://www.sebi.gov.in/legal/circulars/dec-2023/extension-of-timelines-for-providing-choice-of-nomination-in-eligible-demutual-accounts-and-mutual-fund-folios_80221.html">https://www.sebi.gov.in/legal/circulars/dec-2023/extension-of-timelines-for-providing-choice-of-nomination-in-eligible-demutual-accounts-and-mutual-fund-folios_80221.html</a>
12	December 28, 2023 SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195	Master Circular for Online Resolution of Disputes in the Indian Securities Market	<a href="https://www.sebi.gov.in/legal/master-circulars/dec-2023/master-circular-for-online-resolution-of-disputes-in-the-indian-securities-market_80236.html">https://www.sebi.gov.in/legal/master-circulars/dec-2023/master-circular-for-online-resolution-of-disputes-in-the-indian-securities-market_80236.html</a>
13	April 01, 2024 PR No.06/2024	SCORES 2.0 New Technology to strengthen SEBI Complaint Redressal System for Investors	<a href="https://www.sebi.gov.in/media-and-notifications/press-releases/apr-2024/scores-2-0-new-technology-to-strengthen-sebi-complaint-redressal-system-for-investors_82618.html">https://www.sebi.gov.in/media-and-notifications/press-releases/apr-2024/scores-2-0-new-technology-to-strengthen-sebi-complaint-redressal-system-for-investors_82618.html</a>
14	June 10, 2024 SEBI/HO/MIRSD/POD-1/P/CIR/2024/81	(a) Ease of Doing Investments-Non-submission of 'Choice of Nomination' (i) Doing away with freezing of Demat Accounts and Mutual Fund Folios for existing investors; (ii) To remove freeze on payment of corporate benefits and service of physical folios; (b) Only 3 fields to be provided mandatorily for updating Nomination Details"	<a href="https://www.sebi.gov.in/legal/circulars/jun-2024/a-ease-of-doing-investments-non-submission-of-choice-of-nomination-_84053.html">https://www.sebi.gov.in/legal/circulars/jun-2024/a-ease-of-doing-investments-non-submission-of-choice-of-nomination-_84053.html</a>

Note: Please note that the above-mentioned list is not exhaustive and members may refer to SEBI's website for further & more details.

## GREEN INITIATIVE

Functionality has been provided on Company's website for shareholders/investors to raise their queries, questions, if any, directly with the shareholders'/investor relations' teams.

## GENERAL BODY MEETINGS

Details of Annual General Meeting (AGM) held during the previous 3 (three) years where any special resolutions was passed are mentioned below:

## Details of Annual General Meetings held:

Year	Day and Date	Location	Time	Summary of special resolution(s) passed
2022-23	Wednesday, August 9, 2023	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")*	11:30 A.M.	Special resolution pertaining to Re-appointment of Prof. Jagmohan Singh Raju as an Independent Director of the Company for a second term of five (5) consecutive years, with effect from November 15, 2023 to November 14, 2028 was passed at the meeting.
2021-22	Tuesday, August 9, 2022		11:30 A.M.	No special resolution was passed at the meeting
2020-21	Wednesday, August 4, 2021		04:30 P.M.	Special resolution pertaining to Re-appointment of Dr. Pawan Munjal as a Whole-time Director of the Company for a period with effect from October 01, 2021 to September 30, 2026 was passed at the meeting.

\* Pursuant to the relaxations provided by Ministry of Corporate Affairs vide its General Circular no. 20/2020 dated May 5, 2020 and subsequent circular in this regard, last being General Circular No. 09/2023 dated September 25, 2023 and SEBI Circular dated May 12, 2020 and January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 to transact the businesses set out in the Notice of the AGM through VC/OAVM.

**Details of EGM held:** No EGM was held during the previous 3 (three) years.

## POSTAL BALLOT

During the year ended March 31, 2024, no resolution was passed by way of a postal ballot. Hence, disclosure under this section is not applicable.

## Whether any special resolution is proposed to be passed through postal ballot

None of the business proposed to be transacted at the ensuing annual general meeting require passing of special resolution through postal ballot.

## GENERAL SHAREHOLDER'S INFORMATION

## Annual General Meeting

Date : August 12, 2024

Day : Monday

Time : 11:30 a.m.

Venue: The Company will conduct the meeting through VC/OAVM, relevant details of which have been provided in the notice of AGM

**Financial Calendar:** Financial year: April 1, 2023 to March 31, 2024

For FY 2023-24	Results were announced on
First quarter ended June 30, 2023	Thursday, August 10, 2023
Second quarter and half year ended September 30, 2023	Wednesday, November 1, 2023
Third quarter and nine months ended December 31, 2023	Friday, February 9, 2024
Fourth quarter and year ended March 31, 2024	Wednesday, May 8, 2024

For FY 2024-25	Results are likely to be announced by (tentative and subject to change)
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## CORPORATE GOVERNANCE REPORT

First quarter ended June 30, 2024	Second week of August, 2024
Second quarter and half year ended September 30, 2024	Second week of November, 2024
Third quarter and nine months ended December 31, 2024	Second week of February, 2025
Fourth quarter and year ended March 31, 2025	Second week of May, 2025

**Book closure**

The dates of book closure shall be from Friday, August 02, 2024 to Monday, August 12, 2024 (both days inclusive).

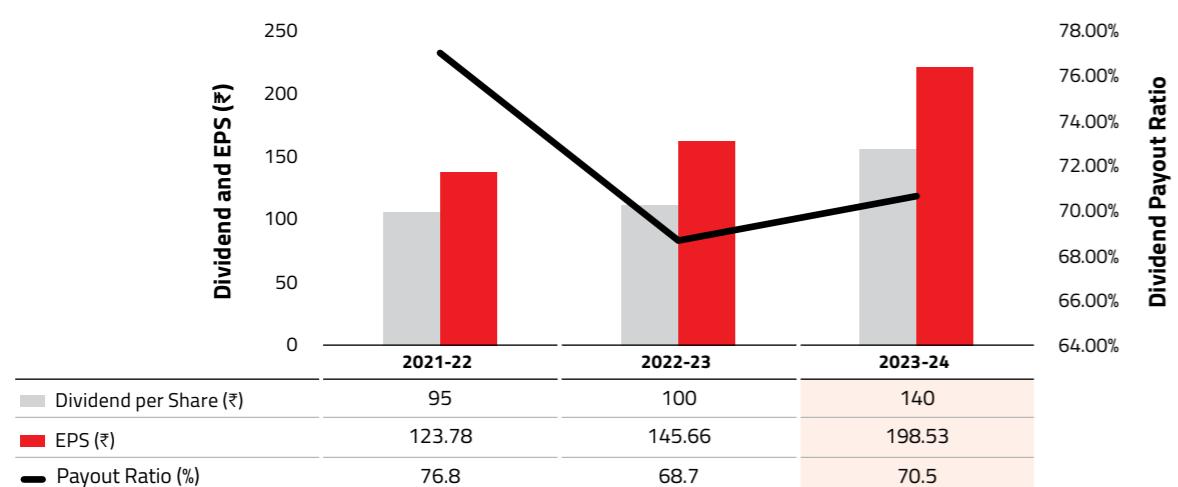
**Dividend payment**

The Board has declared an interim dividend @ 5,000% i.e. ₹ 100/- per share (including a special dividend @ 1,250% i.e. ₹ 25 per share to commemorate the centennial year of Chairman Emeritus Dr. Brijmohan Lall Munjal) in the month of February 2024. The dividend was paid to those shareholders whose names appeared on the register of members as on February 21, 2024 and payment was made on February 28, 2024.

The Board has recommended a final dividend ₹ 40/- per equity share (2,000%) of face value of ₹ 2/- each for FY 2023- 24. The dividend recommended by the Directors for the year ended March 31, 2024, if declared at the ensuing annual

general meeting, will be paid by September 11, 2024 to those members, whose names appear in the register of members/depository records as on August 2, 2024. This translates to a Dividend Payout Ratio of 70.5% of the EPS for the financial year ended March 31, 2024.

In general, your Company's dividend distribution policy, among other things, balances the objectives of rewarding shareholders and retaining capital for future projects and expansion. It has a consistent track record of dividend distribution, with the Dividend Payout Ratio ranging between ~68 percent and ~77 percent in last 3 years, which the Board endeavors to maintain. The Dividend Distribution Policy is available on the website of the Company at the following link: <https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Dividend%20Distribution%20policy.pdf>

**Dividend Payout Ratio****Listing on stock exchange**

The securities of the Company are listed on the following exchanges:

1. BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001
2. National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Plot No. C-1, Block G,  
Bandra Kurla Complex, Bandra (East), Mumbai 400 051

**Stock Codes**

The Company's stock codes on the above stock exchanges are:

**Scrip Code**

**BSE:** 500182

**NSE:** HEROMOTOCO

The ISIN of the Company is INE158A01026

**Annual Listing Fees**

Annual listing fees for FY 2024-25 has been paid to both, BSE and NSE within the stipulated time.

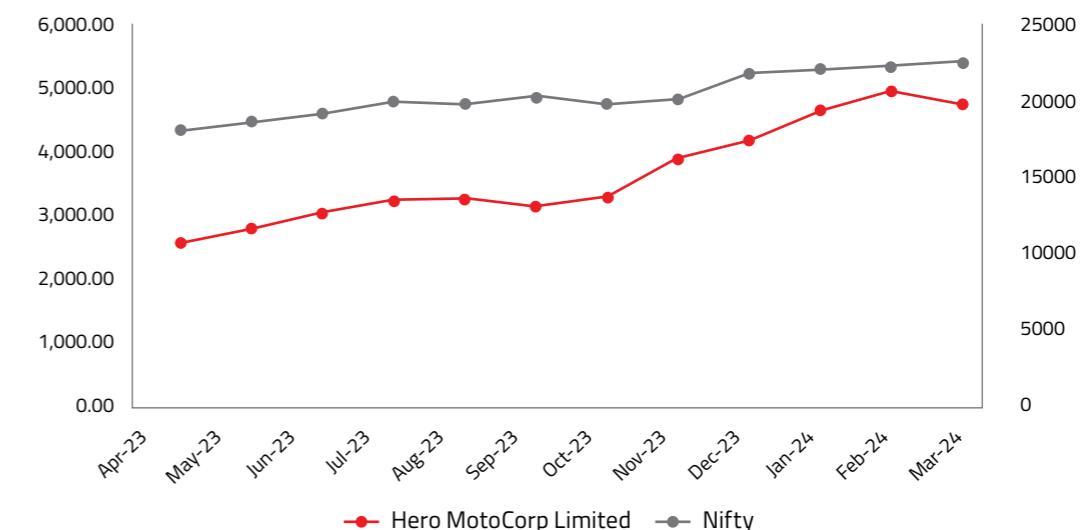
**Stock Market Data****Share Price Data for FY 2023-24**

(Equity shares of ₹ 2 each paid up value)

**National Stock Exchange of India Limited, Mumbai (NSE)**

Month	Total Volume (No. of Shares)	High Price (₹)	Date	Volume on that day	Low Price (₹)	Date	Volume on that day
Apr-23	85,55,327	2,567.00	28-Apr-23	7,21,370	2,372.05	03-Apr-23	7,87,785
May-23	1,43,63,331	2,795.00	30-May-23	3,99,817	2,466.00	02-May-23	9,97,629
Jun-23	1,64,95,680	3,026.00	08-Jun-23	11,50,017	2,745.05	20-Jun-23	8,72,568
Jul-23	1,95,26,816	3,230.00	31-Jul-23	9,33,273	2,862.40	03-Jul-23	8,18,522
Aug-23	1,81,84,882	3,244.00	01-Aug-23	30,43,469	2,890.00	25-Aug-23	4,29,528
Sep-23	89,30,951	3,132.85	20-Sep-23	5,75,906	2,908.00	01-Sep-23	3,31,811
Oct-23	1,04,76,471	3,275.00	19-Oct-23	11,29,769	2,923.95	09-Oct-23	9,76,306
Nov-23	1,77,18,489	3,884.50	30-Nov-23	29,09,100	3,041.50	02-Nov-23	12,68,028
Dec-23	1,59,39,842	4,193.40	29-Dec-23	3,83,687	3,683.00	11-Dec-23	4,51,738
Jan-24	1,55,30,353	4,662.00	30-Jan-24	7,09,726	3,929.85	04-Jan-24	6,30,734
Feb-24	1,67,48,549	4,949.05	12-Feb-24	13,21,957	4,349.05	28-Feb-24	5,69,688
Mar-24	1,12,69,433	4,750.00	28-Mar-24	10,86,607	4,445.20	21-Mar-24	6,33,619

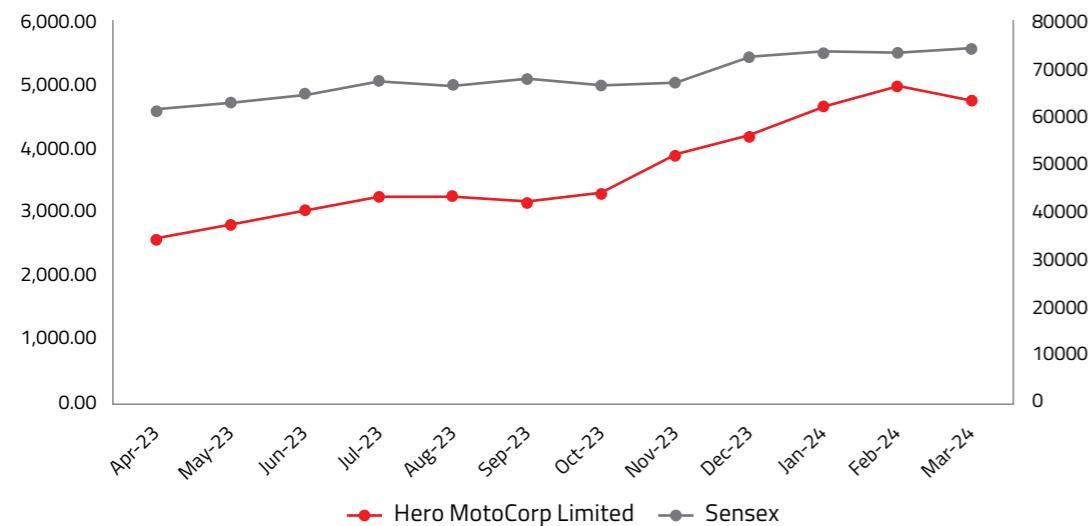
## Hero MotoCorp's Share Price Movement vis-a-vis Nifty

**BSE Limited, Mumbai (BSE)**

Month	Total Volume (No. of Shares)	High Price (₹)	Date	Volume on that day	Low Price (₹)	Date	Volume on that day
Apr-23	1,92,057	2,566.00	28-Apr-23	22,155	2,373.50	03-Apr-23	15,873
May-23	6,44,359	2,794.95	30-May-23	6,333	2,470.60	02-May-23	64,599
Jun-23	5,38,048	3,025.50	08-Jun-23	30,410	2,740.05	01-Jun-23	28,722
Jul-23	5,50,340	3,230.60	31-Jul-23	24,685	2,863.90	03-Jul-23	15,439
Aug-23	6,25,892	3,242.85	01-Aug-23	76,916	2,889.40	25-Aug-23	34,410
Sep-23	2,07,092	3,132.95	20-Sep-23	7,492	2,907.85	01-Sep-23	5,623
Oct-23	3,66,568	3,275.00	19-Oct-23	98,305	2,925.00	09-Oct-23	23,232
Nov-23	9,12,441	3,882.05	30-Nov-23	1,06,920	3,026.00	02-Nov-23	34,014
Dec-23	7,01,066	4,194.85	29-Dec-23	16,646	3,684.00	11-Dec-23	32,713
Jan-24	5,25,383	4,662.70	30-Jan-24	12,197	3,930.30	04-Jan-24	25,973
Feb-24	3,59,287	4,979.95	12-Feb-24	29598	4,350.20	28-Feb-24	9,972
Mar-24	1,88,804	4,752.00	28-Mar-24	16346	4,210.00	14-Mar-24	14,657

## Hero MotoCorp's Share Price Movement vis-a-vis sensex

## CORPORATE GOVERNANCE REPORT



## Distribution of shareholding by size

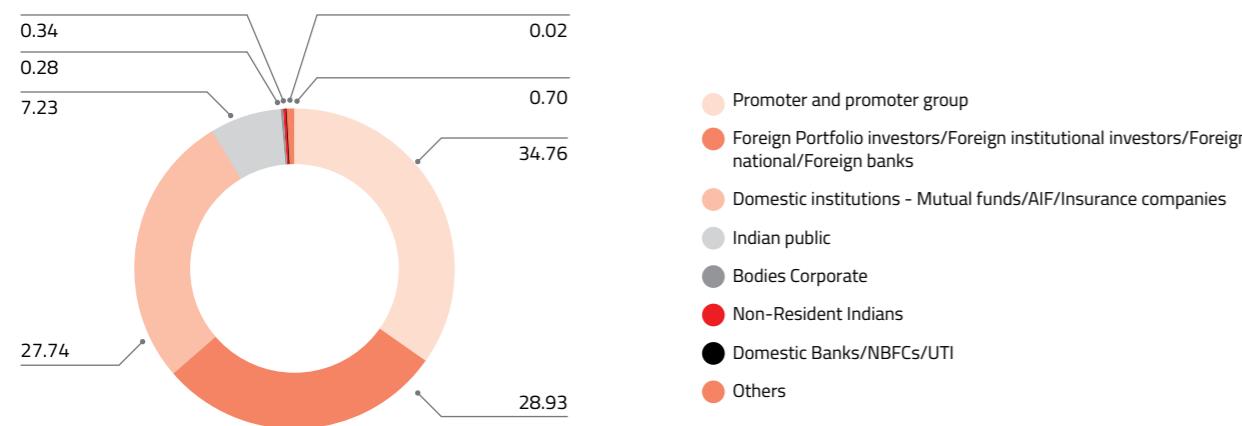
The lists the distribution of shareholding by number of shares held and shareholding pattern in percentage pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2024.

## Distribution of Shareholding

No. of shares held (₹ 2 paid-up)	Shareholders*		Shares of ₹ 2 paid up	
	Numbers	%	Number	%
1-5000	2,98,803	99.50	1,27,64,458	6.38
5001- 10000	423	0.14	14,92,890	0.75
10001- 20000	291	0.10	20,96,560	1.05
20001- 30000	112	0.04	13,60,817	0.68
30001- 40000	92	0.03	15,79,414	0.79
40001- 50000	65	0.02	14,48,688	0.72
50001- 100000	179	0.06	64,88,112	3.25
100001 & Above	330	0.11	17,26,90,802	86.38
<b>Total</b>	<b>3,00,295</b>	<b>100.00</b>	<b>19,99,21,741</b>	<b>100.00</b>

\* Shareholders grouped based on PAN

## Categorywise shareholding as on March 31, 2024 (%)



## Category wise shareholding as on March 31, 2024

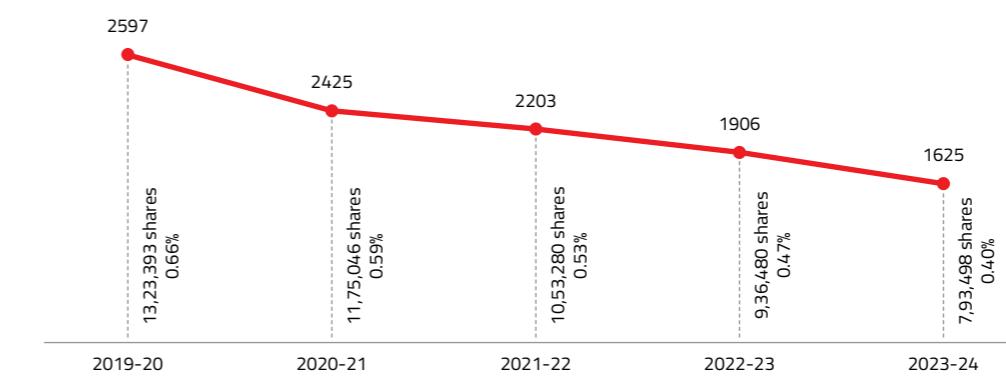
## Top ten public shareholders of the Company as on March 31, 2024:

Sl. No.	Name of the Shareholders	Number of equity shares held	Percentage of holding
1	Life Insurance Corporation of India	1,69,63,373.00	8.49
2	ICICI Prudential Bluechip Fund	72,10,866.00	3.61
3	Kotak Flexicap Fund	56,44,624.00	2.82
4	WGI Emerging Markets Fund, LLC	48,33,986.00	2.42
5	Government Pension Fund Global	45,00,895.00	2.25
6	SBI Nifty 50 ETF	38,83,205.00	1.94
7	Nippon Life India Trustee Ltd-A/C Nippon India Focused Equity Fund	26,31,059.00	1.32
8	UTI - Nifty Exchange Traded Fund	23,48,591.00	1.17
9	NPS Trust- A/C HDFC Pension Management Company Ltd	23,36,226.00	1.17
10	ICICI Prudential Life Insurance Company Limited	20,07,445.00	1.00

## Category of shareholding as on March 31, 2024

Category	No. of holders	% to total holders	Total shares	% to equity
Physical	1,625	0.54	7,93,498	0.40
NSDL	1,14,492	38.13	19,35,54,407	96.81
CDSL	1,84,178	61.33	55,73,836	2.79
<b>Total</b>	<b>3,00,295</b>	<b>100.00</b>	<b>19,99,21,741</b>	<b>100.00</b>

Due to the continuous efforts made by the Company to convert the shareholders holding shares in physical mode of the Company into the dematerialised form, your Company has witnessed a remarkable decline in no. of shareholders holding



physical shares in last 5 years. No. of shareholders in physical form decreased by ~40.04% (13,23,393 in FY 2023-24 vs. 7,93,498 in FY 2019-20), as on March 31, 2024.

## Corporate benefits

Dividend declared for the last 7 (seven) years on ₹2 paid up share

Financial Year	Type	Dividend declared	Dividend per share	Due date for transfer to IEPF
2017-18	Interim	₹ 55	2,750%	March 13, 2025
	Final	₹ 40	2,000%	August 30, 2025
2018-19	Interim	₹ 55	2,750%	March 5, 2026
	Final	₹ 32	1,600%	August 30, 2026
2019-20	Interim	₹ 65	3,250%	March 12, 2027
	Final	₹ 25	1,250%	September 17, 2027
2020-21	Interim	₹ 70	3,500%	March 10, 2028
	Final	₹ 35	1,750%	September 07, 2028
2021-22	Interim	₹ 60	3,000%	March 15, 2029
	Final	₹ 35	1,750%	September 14, 2029
2022-23	Interim	₹ 65	3,250%	March 10, 2030
	Final	₹ 35	1,750%	September 12, 2030
2023-24	Interim	₹ 100	5,000%	March 11, 2031
	Final (recommended)	₹ 40	2,000%	September 10, 2031 (Tentative)

### **Transfer of unclaimed shares to Investor Education and Protection Fund**

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the 'Rules') notified by the Ministry of Corporate Affairs effective September 7, 2016, as amended, all shares (eligible FY 2015-16 (Final) & FY 2016-17 (Interim)) in respect of which dividend has remained unclaimed by the shareholders for seven consecutive years or more were transferred in the demat account of the Investor Education and Protection Fund (IEPF) Authority.

The Company sends notices to the concerned shareholders whose dividend and shares are liable to be transferred to IEPF Authority/Suspense Account under the said Rules for taking appropriate action and full details of such shareholders and shares due for transfer to IEPF Authority/Suspense Account have also been uploaded on Company's website at the link <https://www.heromotocorp.com/en-in/company/investors/investor-relations.html>

An option to claim from IEPF Authority, all unpaid/unclaimed dividends or other amounts and the unclaimed shares transferred to IEPF, is available to members. Members may make their claim by following the due procedure for refund as prescribed under the said Rules. Details of refund process are also available on the website of the Company at <https://www.heromotocorp.com/en-in/company/investors/investor-relations.html>.

Details of dividends remaining unpaid/unclaimed have been duly uploaded on the website of the Company at [www.heromotocorp.com](http://www.heromotocorp.com) and at the website of IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in).

### **Investor Education and Protection Fund claim Guidelines**

With effect from September 7, 2016, Investors/depositors whose unpaid dividends and shares have been transferred to IEPF under Companies Act, 2013, can claim the amounts and shares from the IEPF Authority as per the procedures/guidelines stated below:

- a. Create a login on the website of MCA (<https://www.mca.gov.in/mcafoportal/login.do>).
- b. Login to the MCA website with your login credentials.
- c. Select Form IEPF-5 under MCA Services.
- d. Fill the online form with required details and submit. Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 or FAQs from the website of IEPF Authority may also be referred for further clarification.
- e. Take a printout of the duly filled and submitted Form IEPF-5 and the copy of the acknowledgement generated.

f. Following documents to be arranged after submission of online form:

- I. Indemnity Bond (original) with claimant signature to be executed.
- Note:** In case of refund of dividend amount of 10,000 or more and/or market value of shares, non-judicial stamp paper of appropriate value as prescribed under Stamp Act according to state is required. For claim of only amount of ₹10,000 or less, indemnity bond can be executed on a plain paper.
- II. Original share certificate (in case of securities held in physical form) or copy of transaction statement in case of securities held in demat form.
- III. Self-attested copy of PAN and Aadhaar Card.
- IV. Proof of entitlement/original share certificate/dividend warrant (if any).
- V. Original cancelled cheque leaf.
- VI. Copy of Passport, OCI and PIO card in case of foreigners and NRIs.
- VII. Client Master List duly self-attested by the claimant.
- VIII. In case any joint holder is deceased, notarised copy of death certificate is to be attached. In case of NRI, self-attested copy of Overseas Indian Card (OIC) issued by MHA or Copy of Passport or PIO card, apostille as per Hague Convention is to be provided.

g. Submit all the above and self-attested copy of e-form along with the other documents as mentioned in the Form IEPF-5, if any, to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked "Claim for refund from IEPF Authority".

The Company had received applications from various claimants during the year. The claims of only those claimants are considered to whom the entitlement letters are issued either by the Company or KFin Technologies Limited.

The Company has appointed Mr. Dhiraj Kapoor as Nodal Officer of the Company for the purpose of coordinating with IEPF Authority and ensuring verification of claims.

### **Dematerialisation of shares and liquidity**

The shares of the Company are traded in compulsory demat segment. As on March 31, 2024, 99.60% of the total share capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As to liquidity, equity shares of the Company are part of the BSE -100, BSE- 200, BSE- 500, Sectoral Indices, NIFTY-50, NIFTY-100 and NIFTY-500. Further, the equity shares of the Company are frequently traded at NSE and BSE.

### **Outstanding GDRs/ADRs/warrants or any convertible instruments conversion date and likely impact on equity**

Not applicable.

### **Disclosure of commodity price risk or foreign exchange risk and hedging activities in terms of Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

1. Risk management policy of the Company with respect to commodities including through hedging:

Hero MotoCorp Limited has an approved risk management policy. The key objectives of the policy are:

- Identification and categorisation of potential risks
- Assessment and mitigation of risks
- To monitor and assure continuous growth and to sustain market leadership in the mobility industry, domestically and globally.

Commodity price risk refers to the financial risk associated with fluctuations in the prices of commodities, which can impact an entity's financial performance and profitability. As a resource-intensive manufacturing operation, the Company is exposed to various market risks, including the effects of changes in commodity prices and exchange rates

The Company primarily procures components from its vendors for most of its business requirements. These vendors, in turn, purchase the necessary commodities and process them. As a result, the Company's direct purchase of commodities is marginal. However, changes in commodity prices still impact the procurement cost of components and parts. The key commodities used in the manufacture of two-wheeler are base metals (steel, aluminum) and crude oil-derived plastics/resins. Sharp fluctuations in commodity prices can create business challenges that can affect production costs, product pricing, and earnings.

The risk management policy is designed to manage the impact of commodity price fluctuations across its value chain to effectively manage its financial performance and profitability. Multiple levers are deployed to mitigate these risks and the selection of a lever depends on the cost benefit analysis and the extent of exposure including its assessment of ability to pass adverse fluctuation to the customer by way of price increases. The Company works on an ongoing basis on cost optimisation, weight reduction and process improvement exercises. The Company also considers localisation of imports/global sourcing to ensure lowest cost option in sourcing of parts/raw material.

2. Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:

a Total exposure of the Company to commodities in INR;

b Exposure of the Company to various commodities.

Based on the assessment by the Company and after factoring the ability to optimise costs and pass on prices to customers, no individual commodity is likely to materially impact the financial performance/profitability.

As of the reporting date i.e. March 31, 2024 the Company did not have any open contracts/derivative and consequential gains or losses arising therefrom. Hence, commodity level information is not being provided hereunder:

c Commodity risks faced by the Company during the year and how they have been managed:

Most of the ferrous and non-ferrous metal traded in a narrow range during the year. Crude did fluctuate, inching up in the first half of the year and thereafter settled at lower levels.

The Company has proactively monitored and managed these exposures as an integral part of its overall risk management program, which recognizes the unpredictability of markets and seeks to reduce potentially adverse effects on its business. Apart from various levers mentioned, it has periodically taken necessary price increases to offset the adverse impact of commodity and currency on its financial performance/ profitability.

### **Details of public funding obtained in the previous three years**

The Company has not obtained any public funding in the previous three years.

### **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised funds through preferential allotment or qualified institutions placement during the year.

### **Registrar & Share Transfer Agent ('RTA')**

All work related to share registry, both in physical form and electronic form, is handled by the Company's RTA, KFin Technologies Limited. The communication address of the RTA is given hereunder:

KFin Technologies Limited (Unit: Hero MotoCorp Ltd.)  
Selenium, Tower-B, Plot No. 31 & 32,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032  
Toll Free No: 1-800-3094-001  
E-mail: einward.ris@kfintech.com  
Website: [www.kfintech.com](http://www.kfintech.com)

**Share Transfer System**

All share transfers and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar & Share Transfer Agent.

Share Transfer Committee is authorised to approve transfer and transmission of shares in the physical segment. Such transfers generally take place on fortnightly basis. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. However, pursuant to the proviso of Regulation 40(1) of the Listing Regulations, the requests for effecting transfer of securities in physical mode shall not be processed by the Company unless the securities are held in the dematerialised form with a depository. The Company obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the stock exchanges. There was no instance of suspension of trading in Company's shares during FY 2023-24.

**Reconciliation of Share Capital Audit**

Audits were carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued/paid up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

**Disclosure of certain types of agreement(s)**

Pursuant to Regulation 30A read with clause 5A of Para A of Part A of Schedule III of the Listing Regulations and Circular no. SEBI/HO/CFD/CFDPoD-1/P/CIR/2023/123 dated July 13, 2023, the Company has disclosed the details of the family settlement agreement entered previously by the promoters of the Company with both the stock exchanges where the shares of the Company are listed. The details of the aforesaid disclosure in terms of Regulations 30A of the Listing Regulations is also placed at the Company's website at the following link: <https://www.heromotocorp.com/en-in/company/investors/investor-relations/filings-and-reports.html?key1=announcements-and-disclosures>

**Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on meetings of the Board of Directors and General Meetings. The Company has complied with all the applicable provisions of the Secretarial Standards.

**COMPANY'S REGISTERED ADDRESS**

The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj – Phase-II, New Delhi-110 070.  
CIN: L35911DL1984PLC017354  
Tel: +91-11-4604 4220  
Fax: +91-11-4604 4399  
Website: [www.heromotocorp.com](http://www.heromotocorp.com)

**PLANT LOCATIONS AND R&D CENTRE****Gurugram Plant**

37 km Stone, Delhi-Jaipur Highway,  
Sector 33, Gurugram-122 001  
Haryana, India  
Tel: 0124-289 4200, 237 2123  
Fax: 0124-237 3141/42

**Dharuhera Plant**

69 km Stone, Delhi-Jaipur Highway,  
Dharuhera, Dist. Rewari-123 110  
Haryana, India  
Tel: 01274-264 000  
Fax: 01274-267 018

**Haridwar Plant**

Plot No. 3, Sector 10,  
I.I.E., SIDCUL, Roshanabad,  
Haridwar-249 403, Uttarakhand, India  
Tel: 01334-238 500, 239 514-16  
Fax: 01334-239 512/13

**Neemrana Plant**

SP 101-103, 108 & 109,  
RIICO Industrial Area, Phase – II,  
Delhi – Jaipur Highway, Neemrana,  
District Alwar, Rajasthan – 301 705, India  
Tel: 01494-2673000

**Global Parts Center**

SP 104-107,  
RIICO Industrial Area, Phase – II,  
Delhi – Jaipur Highway, Neemrana,  
District Alwar, Rajasthan – 301 705, India

**Halol Plant**

Plot No. 102, Halol (Exp.) Industrial Estate,  
Vadodara Godhra Highway  
Taluka – Kalol, Tehsil-Halol,  
Dist. Panchmahal, Gujarat 389 350, India  
Tel: 02675-229114

**Tirupati Plant**

Sy No.1, Industrial Park  
Madanapalem Village, Satyavedu-Cherivi Road  
Satyavedu Mandal, Tirupati District  
Andhra Pradesh – 517588

**R&D Centre**

Centre of Innovation & Technology  
SPL-1, RIICO Industrial Area,  
Kukas, Phase-II, NH-11C,  
Jaipur, Rajasthan-302 028, India  
Tel: 0142-643000

**Colombia Plant**

HMCL Colombia S.A.S  
KM 24, via Cali – Santander De Quilichao  
Zona Franca Permanente Conjunto,  
Industrial Parque Sur, Villa Rica, Cauca,  
Lote 6A, Colombia  
Tel: +572-3120662

**Colombia Branch Office**

HMCL Surusal Colombia  
Calle 13 No 100-35 of 117,  
Colombia-Call

**Bangladesh Plant**

HMCL Niloy Bangladesh Ltd.  
Padmabilla, Shakharigati,  
Kotwali, Jessore, Bangladesh  
Tel: +8809601505541

**Hero Tech Centre Germany GmbH**

Kronstaudener Weg 1,  
D-83071 Stephanskirchen,  
Germany

**COMPLIANCE CERTIFICATE OF THE SECRETARIAL AUDITORS**

Certificates from M/s SGS Associates LLP (Firm Registration No. L2021DE011600), was issued confirming:

- Compliance with conditions of Corporate Governance as stipulated under Listing Regulations which is attached to this report as Annexure – III.
- None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority which is also attached to this report as Annexure – IV.

**Retail Shareholder Correspondence may be addressed to:**

KFin Technologies Limited (Unit: Hero MotoCorp Ltd.)  
Selenium Tower-B, Plot No. 31 & 32,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032, Telangana  
Toll Free No.: 1-800-3094-001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

OR

Mr. Dhiraj Kapoor  
Company Secretary, Compliance Officer & Nodal Officer  
The Grand Plaza, Plot No. 2, Nelson Mandela Road,  
Vasant Kunj - Phase II, New Delhi-110 070  
E-mail: [secretarialho@heromotocorp.com](mailto:secretarialho@heromotocorp.com)

**For Institutional Investors' matters:**

Mr. Umang Deep Singh Khurana,  
Head-Investor Relations  
The Grand Plaza, Plot No. 2, Nelson Mandela Road,  
Vasant Kunj - Phase II, New Delhi-110 070  
E-mail: [umang.khurana@heromotocorp.com](mailto:umang.khurana@heromotocorp.com)  
[investor.relations@heromotocorp.com](mailto:investor.relations@heromotocorp.com)

**Queries relating to the Financial Statements of the Company may be addressed to:**

Mr. Vivek Anand, Chief Financial Officer  
The Grand Plaza, Plot No. 2, Nelson Mandela Road,  
Vasant Kunj - Phase II, New Delhi-110 070  
E-mail: [cfo@heromotocorp.com](mailto:cfo@heromotocorp.com)

**Queries/complaints relating to products, services or dealers, etc. may be addressed to:**

Customer Care  
Hero MotoCorp Ltd.  
The Grand Plaza, Plot No. 2, Nelson Mandela Road,  
Vasant Kunj - Phase II, New Delhi-110 070  
E-mail: [customercare@heromotocorp.com](mailto:customercare@heromotocorp.com)

## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

## Annexure III

May 08, 2024

To,

The Members

**Hero MotoCorp Limited**

CIN: L35911DL1984PLC017354

The Grand Plaza, Plot No.2, Nelson Mandela Road,  
Vasant Kunj Phase-II, New Delhi-110070

We have examined the compliance with the conditions of Corporate Governance by Hero MotoCorp Limited ("the Company"), for the financial year ended March 31, 2024, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this certification. Based on our examination of the relevant records and according to the information and explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations during the financial year ended on March 31, 2024.

For **SGS ASSOCIATES LLP**

Company Secretaries

Firm Reg. L2021DE011600

**[DAMODAR PRASAD GUPTA]**

Practicing Company Secretary

Managing Partner, SGS Associates LLP

Membership No. FCS 2411

Certificate of Practice No. 1509

ICSI UDIN NO. F002411F000329111

ICSI PR NO. 5321/2023

Date: 8<sup>th</sup> May 2024

Place: New Delhi

## Annexure III

May 08, 2024

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Clause (10) (i) of Para C of Schedule V to the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

## Annexure IV

To,

The Members of

**Hero MotoCorp Limited**The Grand Plaza, Plot No. 2, Nelson Mandela Road,  
Vasant Kunj, Phase-II, New Delhi -110070

We have examined the relevant disclosures received from the Directors and the registers, records, forms and returns maintained by Hero MotoCorp Limited having CIN L35911DL1984PLC017354 and having its registered office at The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi, India, 110070 (hereinafter referred to as 'the Company') and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that as on March 31, 2024, *none* of the Directors of the Company as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:-

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Dr. Pawan Munjal	00004223	01/04/1986
2.	Mr. Vikram Sitaram Kasbekar	00985182	08/08/2016
3.	Mr. Suman Kant Munjal	00002803	29/07/2010
4.	Mr. Pradeep Dinodia	00027995	31/03/2001
5.	Ms. Vasudha Dinodia	00327151	25/11/2021
6.	Prof. Jagmohan Singh Raju	08273039	15/11/2018
7.	Ms. Tina Trikha	02778940	23/10/2019
8.	ACM Birender Singh Dhanoa (Retd.)	08851613	01/10/2020
9.	Ms. Camille Miki Tang	09404649	19/11/2021
10.	Mr. Rajnish Kumar	05328267	25/11/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SGS ASSOCIATES LLP**

Company Secretaries

Firm Reg. L2021DE011600

**[DAMODAR PRASAD GUPTA]**

Practicing Company Secretary

Managing Partner, SGS Associates LLP

Membership No. FCS 2411

Certificate of Practice No. 1509

ICSI UDIN NO. F002411F000329100

ICSI PR NO. 5321/2023

Date: 8<sup>th</sup> May 2024

Place: New Delhi

## COMPLIANCE CERTIFICATE

## Annexure V

The Board of Directors

**Hero MotoCorp Limited**

The Grand Plaza, Plot No.2,

Nelson Mandela Road, Vasant Kunj - Phase -II,

New Delhi - 110070

**Sub: Certificate in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
Compliance Certificate**

- A. This is to certify that we have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violates the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Niranjan Kumar Gupta**  
Chief Executive Officer

**Vivek Anand**  
Chief Financial Officer

### Declaration by Chief Executive Officer

[Regulation 34(3), read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Niranjan Kumar Gupta, Chief Executive Officer of Hero MotoCorp Limited hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2023-24.

For **Hero MotoCorp Limited**

**Niranjan Gupta**  
Chief Executive Officer

Place: Gurugram

Date: April 19, 2024

### Information on the Company's website, regarding key policies, codes and charters, adopted by the Company:

Name of Policy or Code	Web-Link
Related Party Transactions Policy	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Related%20Party.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Related%20Party.pdf</a>
Environment Policy	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Environmental-Policy.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Environmental-Policy.pdf</a>
Occupational Health and Safety Policy	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Occupational_Health_and_Safety_Policy.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Occupational_Health_and_Safety_Policy.pdf</a>
Policy for Prohibition, Prevention and Redressal of Sexual Harassment At Workplace	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Policy%20for%20prohibition.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Policy%20for%20prohibition.pdf</a>
Corporate Social Responsibility Policy	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/csr%20policy.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/csr%20policy.pdf</a>
Remuneration & Board Diversity Policy	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Renumeration.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Renumeration.pdf</a>
Whistle Blower Policy/Vigil Mechanism	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Whistle%20Bowler.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Whistle%20Bowler.pdf</a>
Policy for Determination of Materiality for Disclosure of Events or Information	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Policy%20for%20Determination.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Policy%20for%20Determination.pdf</a>
Preservation of Documents & Archival	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Preservation%20of%20Documents.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Preservation%20of%20Documents.pdf</a>
Dividend Distribution Policy	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Dividend%20Distribution%20policy.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Dividend%20Distribution%20policy.pdf</a>
Policy on Material Subsidiaries	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Policy%20on%20material.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Policy%20on%20material.pdf</a>
Code of Conduct	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/company-section/code-of-conduct/code-of-conduct-final.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/company-section/code-of-conduct/code-of-conduct-final.pdf</a>
Code of Practices & Procedures of Fair Disclosure of UPSI	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/key-policies/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/key-policies/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf</a>
Risk Management Policy	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Risk%20Management%20Policy.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/pdfs/Risk%20Management%20Policy.pdf</a>
Terms & Conditions of Appointment of IDs	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/disclosures/requirements/Terms-and-Conditions-of-appointment-of-IDs.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/disclosures/requirements/Terms-and-Conditions-of-appointment-of-IDs.pdf</a>
Board Committees	<a href="https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html">https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html</a>
Unpaid Dividend Account Details	<a href="https://www.heromotocorp.com/en-in/investors/unclaimed-dividend-and-shares.html">https://www.heromotocorp.com/en-in/investors/unclaimed-dividend-and-shares.html</a>
Shareholders' referencer	<a href="https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf">https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf</a>

**1. Brief outline on CSR Policy of the Company**

The Board of Directors (the "Board") of Hero MotoCorp Limited ("HMCL") have adopted the CSR policy which has following key points:

- To direct HMCL's CSR Programmes, inter alia, towards achieving one or more of the following – enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports;
- To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are pre-requisites for social and economic development;
- To engage in affirmative action/interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society;
- To pursue CSR Programmes primarily in areas that fall within the vicinity of the Company's operations to enable close supervision and ensure maximum development impact;

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation	Number of meeting(s) of CSR Committee held during FY 2023-24	Number of meeting(s) of CSR Committee attended during FY 2023-24
1	Dr. Pawan Munjal	Chairman	4	4
2	Mr. Pradeep Dinodia	Member	4	4
3	Prof. Jagmohan Singh Raju	Member	4	4
4	Ms. Tina Trikha	Member	4	4

**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.**

- The composition of the CSR committee is available on our website at <https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html>
- The CSR Policy of the Company is available on our website at <https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-policies/policies/pdfs/csr%20policy.pdf>
- The details of CSR projects are available on our website at <https://www.heromotocorp.com/en-in/company/investors/annual-report.html?key1=annual-report&key2=2023-24>

**4. Provide the executive summary along with web-links of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

Details of impact assessment and outcomes are provided in Annexure VI(A) and the impact assessment of CSR projects is available at <https://www.heromotocorp.com/en-in/company/investors/annual-report.html?key1=annual-report&key2=2023-24>.

- Average Net Profit of the Company as per sub-section (5) of Section 135: ₹ 3,634.93 crore
- Two percent of average net profit of the Company as per Sub-section (5) of Section 135: ₹ 72.70 crore
- Surplus arising out of the CSR project or programmes or activities of the previous financial years: NIL
- Amount required to be set-off for the financial year, if any: NIL

**Annexure VI**

- Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 72.70 crore

- Amount spent on CSR projects (both ongoing project and other than ongoing project): ₹ 70,17,41,174/-
- Amount spent on administrative overheads: ₹ 3,32,29,287/-
- Amount spent on impact assessment, if applicable: ₹ 39,43,539/-
- Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 73,89,14,000/-
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (₹ in crore)		per second proviso to Section 135(5)		
	Amount.	Date of transfer.	Name of Fund	Amount.	Date of transfer.
73.89 crore (Annexure- VI(B))	NIL	N.A.	N.A.	NIL	N.A.

- Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (₹ in crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	72.70 crore
(ii)	Total amount spent for the Financial Year	73.89 crore
(iii)	Excess amount spent for the financial year[(ii)-(i)]	1.19 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.19 crore

**7. Detail of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Sub-section (6) of Section 135 (in ₹)	Balance amount in unspent CSR Account under Sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to Sub-section (5) of Section 135, if any.	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				NIL			

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year**

No

If yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and the location of the property]	PIN code of the property asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner	CSR registration number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)			
						Not Applicable		

(All the fields should be captured as appearing in the revenue record, flat no. house no., municipal office/municipal corporation/gram panchayat are to be specified and also area of the immovable property as well boundaries)

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).**

Not Applicable

**Dr. Pawan Munjal**  
(Executive Chairman, Chairman SCSR Committee)

## Annexure VI(A)

**Project Name: Protection and Nurturing of Biodiversity****Assessment Period:** FY 2021-22**Project Brief**

The project has two major components encompassing the objective of environmental conservation.

- Adoption of Aravalli Biodiversity Park (ABDP):** This focused on refurbishment of the ecological area with the removal of invasive plant species, plantation of native & endangered species, and clearing pathways for walkthroughs. The objectives were achieved by upgradation of public infrastructure and additional resource hiring in ABDP.
- Mobility Support:** This focused on supporting the community with Two-wheeler bikes and vehicles to the forest department employees of Uttarakhand and Haryana. Two wheeler bikes were distributed among field teams to provide accessibility and mobility support for reaching far-flung areas of the forest.

**Project Aligned with**

**Green India Mission, National Bio-diversity Mission (NBM), Integrated Development of Wildlife Habitats (IDWH), National Afforestation Programme (NAP).**

**Project Outcomes****Adoption of Aravalli Biodiversity Park (ABDP)**

- 85% believed frequency of their visits have risen because of the improved upkeep in ABDP Infrastructure.
- 65% agree to an increase in knowledge about the native species in their regularly visited park, indicating an gradual increase in interest towards conservation.
- Successful in addressing structural challenges of guard rooms (90%), deck for scenic views (90%), benches for visitors (65%), drinking water for visitors (15%), repaired boundary wall (25%).
- Overall, 56% agree to a significant improvement in ABDP infrastructure.
- 63% respondents agree that all the work done as a part of the intervention is a first step to long lasting impact on the biodiversity of ABDP.

**Mobility Support**

- Vehicles were provided to Haryana Forest department for patrolling, monitoring and rapid response.
- Bikes were provided to Uttarakhand Forest Department for patrolling, monitoring and rapid response.

**Project Impact****Adoption of Aravalli Biodiversity Park (ABDP)**

- Enhanced community engagement and awareness regarding restoration, ecosystem health, and resilience, contributing to long-term sustainability.
- Improved visitor experience.
- Better conservation and propagation of native, rare, and endangered species.
- Increased ease of access for forest guards.
- Increased mobility especially for activities like patrolling, monitoring and rapid response.

**Mobility Support**

- Support useful in increasing access to unreach natural habitats, thereby promoting conservation.

**Awareness on Biodiversity**

With an aim to increase awareness about protection of biodiversity, HMCL created a visual awareness aid video highlighting their initiatives in key thematic areas such as – Education, Water Conservation, Energy Conservation and Tree Plantation. The video aimed to spread awareness about the protection of biodiversity during Hero MotoCorp Inductions. The sessions in schools along with this video were targeting children who are the future generation of the country.

**Project Name: Water Conservation****Assesment period:** FY 2021-22**Project Brief**

Hero MotoCorp, under its Corporate Social Responsibility (CSR), initiated Water Conservation focused intervention in the arid rural landscapes of Halol, Gujarat. The Company built tried-and tested water harvesting structures that have emerged as a critical solution to combat water scarcity. These structures encompass a range of cost-effective and sustainable methods designed to capture, store, and manage rainwater, ensuring a year-round water supply for various purposes within the community.

The rooftop water harvesting systems build by the Company represent an innovative approach. In this method, rainwater falling on rooftops is directed to collection points through gutters and pipes, and then stored in tanks for later use. This decentralised system is particularly effective for individual households and small-scale agricultural operations. It not only maximises the utilisation of available rainwater but also minimises runoff, reducing soil erosion and preserving the quality of local water bodies.

**Project outcome**

The primary outcome of the project has been an immediate water availability with rise in water tables in the region. The assessment indicated a 100% functionality of sampled

harvesting units and structures, with inspected storage tanks consistently full to their brims. With this, the estimated stored water across various villages reached 3.33 lakh liters.

**Project impact**

- Groundwater recharge:** The initiative has positively affected groundwater levels, as reported by local farmers who experienced increased pressure in their borewells.
- Controlled runoff water, reduced flooding:** Strategic piping systems have effectively channeled runoff water from schools' roofs and village roads into storage tanks.
- Enhanced taste of drinking water:** With rainwater being channelised into the ground, the natural minerals level has increased and that has enhanced the taste of water.
- Increased awareness levels regarding water conservation:** The intervention has led to increased awareness amongst community, especially children regarding the significance of saving water.

**Project Name: Diversity and Inclusion Program****Assessment Period:** FY 2021-22**Project Brief**

Hero MotoCorp Limited (HMCL) extended support towards projects promoting Diversity and Inclusion by funding skill development training and mobility support initiatives.

The project has two major components – skill development training and material support to government departments.

- The skill development training was offered to women and youth at Palghar, Maharashtra.
- Material support (Two-wheelers and Helmets) was provided to various government departments in Delhi, West Bengal and Assam.

**Project Aligned with**

**Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Pradhan Mantri 'YUVA' Yojana**

**Project Outcomes****Skill Development Program**

- 58% female candidates and 82% candidates** belonging to ST caste were trained, indicating inclusion of marginalised community.
- 86% beneficiaries** with maximum 2 earning members were trained, indicating relevance of the initiative.

**Mobility Support**

- Sustained efforts to ensure inclusive and efficient work practices in each supported organisation.
- Improved working outreach as easy to reach to remote areas.
- Improved accessibility facility for women police employees during their duties like patrolling, duties at hospitals, high court.

**Project Name: COVID-19 Relief Programme****Assessment Period:** FY 2021-22**Project Brief**

- During the global COVID-19 pandemic, with over 1600 million confirmed cases and 6 million deaths, India grappled with over 44.9 million cases and 532,000 deaths.
- HMCL responded to the crisis with robust Corporate Social Responsibility (CSR) initiatives. Despite declining cases since early 2022, India faced critical healthcare shortages, including beds and medical supplies, leading to limited accessibility to quality healthcare and increased mortality.

HMCL's pandemic CSR efforts were multifaceted:

- Cooked Meal Support-** HMCL initiated "Hero Meals," offering cooked meals to patients and frontline workers at community healthcare centres.
- Essential Medical Support to Institutions-** Under the COVID-19 relief programme, provision of medical essentials, including masks, sanitizers, PPE kits, N95 masks, pulse oximeters, and thermometers, were made available to government medical institutions and authorities.
- Hospital support-** HMCL contributed significantly by establishing COVID-19 wards in hospitals in the Delhi & Gurgaon region. This support extended to increasing bed capacity and providing essential medical equipment such as oxygen storage tanks, ventilators, ICU function beds, multi-para monitor systems, oxygen cylinders, and BIPAP machines.

**Alignment with National Policies:**

- National Health Policy (2017)-** Aligned with India's National Health Policy, emphasising Public Private Partnerships and healthcare infrastructure support, HMCL addresses hospitals' essential medical equipment gaps.
- National Disaster Management Plan (NDMP)-** Aligns with the NDMP, which emphasises a whole-of-society approach to manage disasters. HMCL's support contributes to the health response aspect, mitigating the impact of the public health emergency.
- Pradhan Mantri Garib Kalyan Yojana (PMGKY)-** The distribution of meals aligns with the government's efforts to support vulnerable populations during the pandemic.
- POSHAN Abhiyan-** The provision of cooked meals containing ingredients for a nutritious meal to vulnerable beneficiaries, to maintain their nutritional status.

**Project Outcomes and Impact:****Cooked Meal Support:**

- Relevance-** The meals, offered three times a day (Breakfast, Lunch, Dinner), provided much-needed relief to people dealing with COVID-19 or having difficulty meeting their daily needs.
- Effectiveness-** Beneficiaries expressed high satisfaction with the meals, noted by healthcare professionals, positively impacting staff performance and aiding patient recovery. The programme was deemed "very helpful" during emergencies.
- Efficiency-** The programme ensured efficient meal delivery, and demonstrated responsiveness by providing buffer packets and distributing leftover meals to caregivers. It innovatively integrated the local healthcare system to streamline communication and increase community awareness about meal distribution.
- Impact-**
  - The initiative positively impacted socio-economic conditions by significantly improving families' financial savings during times of strain.
  - Experts noted improved patient recovery and staff performance.
  - Good hygiene practices during meal preparation also contributed to the program's success.

**Essential Medical Support**

- Relevance-** During the 2<sup>nd</sup> wave of COVID-19, shortages of ventilators, PPE kits, masks, and other essentials were prevalent. HMCL's contribution played a crucial role in filling these gaps.
- Effectiveness-**
  - The initiative provided high-quality medical essentials to hospitals across regions, alleviating critical shortages during chaotic COVID-19 surges.
  - Hospitals reported satisfactory service levels, indicating that the provided equipment contributed to the well-being of frontline workers and patients.
- Efficiency-**
  - Hospitals in Haridwar, Coimbatore, Rewa, and Silchar received timely medical support during the challenging COVID-19 period.
  - Tailored to each hospital's needs, the initiative showcased adaptability and effectiveness, aligning assistance with diverse healthcare institution requirements.
- Impact-** The COVID-19 kits ensured cleanliness and hygiene while protecting medical caregivers during healthcare practices, and minimising transmission risks to strengthen containment efforts against the virus.

**Support to hospital**

- Relevance-**
  - The Government College for Girls in Gurugram was strategically chosen by 'Doctors for You' and Hero team for its central location and ample space to establish a 100-bed facility during emergency times.
  - HMCL's initiative played a crucial role in managing patient care and overcoming barriers to accessing quality healthcare.
- Effectiveness-** The quality of medical equipment such as oxygen cylinders, concentrators, and oximeters were satisfactory. Collaborating hospitals affirmed the equipment's good quality and proper working condition. Stakeholders emphasised intervention training for better patient treatment.
- Efficiency-** The programme innovatively collaborated with on-the-ground entities possessing medical expertise and offered training to hygiene technicians and nursing staff. By strategically partnering with NGOs like "Doctors for You" and providing direct support to hospitals, the program reduced the need for elaborate transportation networks.
- Impact-** Interactions with the doctors of the hospitals helped in understanding this initiative proved to be an added support during the pandemic.
- Sustainability-** The equipment supplied to hospitals, notably at institutions like Maharaja Agrasen Hospital and Janakpuri Super Speciality Hospital, remains fully operational. This operational status has been instrumental in these hospitals effectively catering to a larger volume of patients, not limited to those affected by COVID-19.

**Project Name: Promoting Preventive Healthcare****Assessment Period:** FY 2021-22**Project Brief**

As part of their CSR activities, HMCL undertook the infrastructural upgradation of 7 Primary Health Centres/Community Health Centres in Haryana. This was implemented in phases starting from FY 2021.

**Activities Conducted during the Intervention:** Waterproofing, Plastering, Fitment of doors and windows, painting, electrical Fittings, Flooring/tiling, Sitting arrangements, Furniture and IT equipment.

**Alignment with National Priorities:**

- National Health Policy:** Launched in 2017 to shift to Comprehensive Primary Health Care, endorsing Ayushman Bharat-Health and Wellness Centre and allocating two-thirds of the budget to primary health centres.
- Tuberculosis (TB) Mukt Bharat Abhiyaan:** Launched in 2021 under NSP India 2020–25 for TB Elimination, this initiative aims to end the TB epidemic by 2025 by employing a multi-dimensional approach.

**Project Outcomes and Impact:****Beneficiary background:**

- 22% of the respondents have studied up to class 10<sup>th</sup> and 20% reported total household incomes of up to 50k.

**Infrastructural changes post intervention**

- 77% of the respondents said that the PHC/CHC now has fully functional washrooms, reflecting a substantial enhancement in sanitary facilities.
- Introduction of 24x7 drinking water availability and increased waiting space contributed to an improved healthcare environment.
- 100% beneficiaries suggested that condition of floors improved after the intervention.
- 99% beneficiaries suggested that the basic facilities such as water, washrooms, electricity, and cleanliness have significantly improved.
- 92% beneficiaries suggested that condition of furniture has improved post HMCL intervention.
- Inverters and RO systems were installed at every PHC/CHC to ensure a continuous supply of water and electricity.

**Changes in work environment post intervention**

- The auxiliary nurse, midwife and the doctors agreed that they feel motivated to work now since they have a well-lit and well-ventilated room to sit and treat patients.
- Patients now have access to an expanded range of services, eliminating the necessity for extensive travel. This, in turn, suggests that there would be no travel cost for patients to access these facilities.

**Reduction in out-of-pocket expenditure**

- Many beneficiaries had to travel to other healthcare centres since the nearby PHC/CHCs were not operational. The majority of people incurred an amount between INR100- INR 500 for a round trip. With this intervention, that expense has been cut down since they are receiving most of the facilities at the nearby centres.

**Patient footfall**

- After renovation, consistent staff presence at the center improved, reducing irregularities in hygiene. Increased footfall observed: Phideri sub-center went from 60-70 to 200 visitors/month; Alwalpur OPD rose from 5-7 to 22-25/day; CHC Kurali footfall reached 150/day, and PHC Bhim Basti stood at 50/day.

**Project Name : Shiksha****Assessment Period:** FY 2021-22**Project Brief**

Project Shiksha encompasses four key components, which are implemented either independently or in collaboration with implementing partners:

**BML Munjal University****Scholarship Support**

Awarding scholarships to university students to alleviate the financial burden of tuition fees, ensuring access to education for deserving students.

**Infrastructure Support**

Development and revitalisation of infrastructure, including physical facilities and digital enhancements, to create a conducive learning environment.

**Research & Development**

Offering substantial support for research and development endeavours, fostering a culture of innovation within the academic community.

**Academic Enhancement**

Fortifying academic excellence through strategic faculty recruitment initiatives, thereby enhancing the overall quality of education.

**Hero Asha Education Centres****Holistic Development**

Combination of audio-visual content, worksheets, exercises and extracurricular activities is employed to encourage exploration of diverse interests, boost self-confidence, develop leadership skills and enhance academic performance while ensuring an enjoyable learning process.

**Attendance Tracking**

Online mobile attendance application is used in the centre, allowing teachers to record attendance in the application along with a backend dashboard for efficient management and monitoring of the attendance.

**Teacher Training**

Prospective teachers are identified from the local community willing to contribute to the initiative. They undergo

comprehensive training led by professionals, covering diverse teaching methodologies, techniques, and the integration of technology in education.

**Asha Mobile Vans**

Visit one centre every day where students engage in hands-on science experiments, access library resources for reading, and watch educational videos, providing them with a well-rounded learning experience.

**Raman Munjal Vidhya Mandir**

Providing financial aid to the students of Raman Munjal Vidhya Mandir during COVID-19.

**Mobility Support to Department of Higher Education, Assam**

Provision of two-wheelers to the Department of Higher Education and Provincial Colleges of Assam, primarily to facilitate their daily administrative and operational needs.

**Project Outcomes**

An impact assessment study was conducted by CSRBOX for the assessment period FY 2021-22. Following are the insights of the study with respect to the various key programme interventions.

**Scholarship and Infrastructure Support to BML Munjal University**

- 100% of the surveyed students received tuition fee support.
- 94% students reported a reduction in financial burden on family.
- 54% of the surveyed students received scholarship support for at least three consecutive years.
- 89% of students surveyed did not find any challenges related to the scholarship application process.
- 78% of students found enhancement in technological support for effective teaching and learning after digital infrastructure intervention.

**Remedial Education through Hero Asha Education Centres**

- 73% of the students surveyed are girls at Hero Asha Education Centres.
- 59% of teachers successfully cleared the National Eligibility Test after joining the centres.
- 98% of students reported always enjoying coming to Hero Asha Education Centres.
- 100% of parents noticed an improvement in their child's academic performance after joining Hero Asha Education Centres.
- 99% of students had access to education during COVID-19 through synchronous or asynchronous learning through Asha Centres.

**Scholarship Support to the students of Raman Munjal Vidhya Mandir**

- 75% of the parents would have faced significant difficulties in continuing their child's education in the absence of support.
- Teachers of RMVM received 100% salary during the COVID-19 period.

**Mobility Support to the Department of Higher Education, Assam**

Time saving and competition of transport involving administration tasks for 100% of the respondents.

**Project Impact****Scholarship and Infrastructure Support to BML Munjal University**

- Reduced financial burdens for students and their families.
- Increase in the capacity to accommodate more PhD scholars.
- Improved well-being and health of faculty members.
- Improvement in cybersecurity and enhanced digital connectivity for faculty.
- Increase in quality of research output and professional development of researchers involved.

**Remedial Education through Hero Asha Education Centres**

- Improved Learning Outcomes in core subjects.
- Increased accessibility to educational resources for students.
- Enhancement in teaching ability of the teachers.
- Identification of areas of improvement for students and providing feedback.

**Scholarship Support to the students of Raman Munjal Vidhya Mandir**

- Reduction in educational disparities by ensuring that students with limited means have equal access to quality education.

**Mobility Support to the Department of Higher Education**

- Streamlined administrative tasks for provincial colleges and the office of Directorate of Higher Education in Assam.

**Project Name: Ride Safe India**

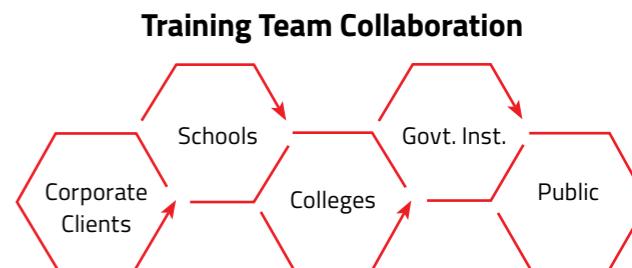
The Ride Safe India initiative, by Hero MotoCorp, is a nationwide campaign dedicated to promoting road safety throughout India. The initiative encompasses the adoption of Traffic Training Parks in various locations across the country and conducts various training and awareness programs. Additionally, Hero MotoCorp, as part of this initiative, consistently conducts Road Safety Awareness and Safe Riding Education programs for school and college students, and safety campaigns through media. These programs are conducted in collaboration with local administrations, traffic police, and transport departments. Through its ongoing

efforts, Hero MotoCorp remains steadfast in its commitment to disseminating the message of road safety and fostering a healthy environment. The initiative includes:

- Ride Safe Program (RSP)
- Ride Safe Awareness Program (RSAP)
- Learn to Ride (LTR)



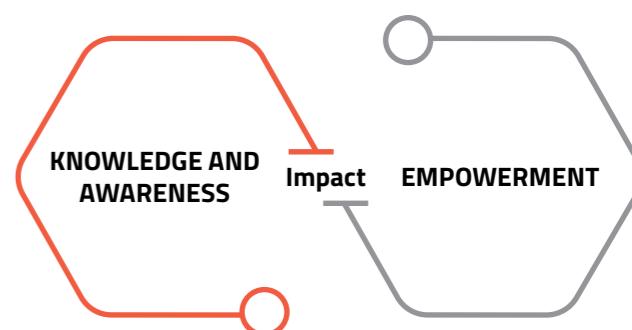
**TRAINING PARKS**  
Program implementation and administration

**Institutional Partnership For Training**

**Ride Safe Program (RSP)** comprises both practical and theoretical sessions. In the practical sessions, trainees learn about riding posture, balancing on narrow roads, figure-8 riding, slalom riding, and more. Similarly, the theoretical sessions focus on the importance of road safety, responsibilities of riders in an accident, fundamentals of road signals, and similar topics.

**Road Safety Awareness Program (RSAP)** is typically session conducted for school students and others. The program includes theoretical sessions that emphasise the fundamentals of defensive riding, the necessity of protective gears, overcoming road rage, responsibilities of a rider, and similar topics. Additionally, the program features an hour of practical demonstration.

**Learn to Ride (LTR)** is an extensive program designed for eligible trainees who wish to learn riding a bike. The program spans 5 days, incorporating both theory and practical sessions on the road track. The program also includes an end evaluation for both theory and practical aspects.



This underscores the holistic and far-reaching impact of the training.

### Project Name: Community Development

**Assessment Period:** FY 2021-22

#### Project brief

Institutional Partner Atul Agarkar, Nagpur Traffic Park  
"Previously, they were not well-informed about the responses required in cases of casualties and accidents. Through the training, they became aware of these responses and realised the significance of the program."

Institutional Partner Sushil Kumar Singh, Nexus Engineering Ltd,

"Previously, the staff used to incur more fines and challans, but with the training, this has reduced. This underscores that the riders are now following traffic signal rules and regulations."

Institutional Partner, Max Labs

"We have also implemented a rule that parking spaces will only be issued to bikes with helmets. Riders/bikes without helmets will not be allocated parking spaces."

Institutional Partner, Rakesh Sharma, Maruti Suzuki

The integration of the Road Safety Awareness Program into the school curriculum by the school reflects the broader goal of fostering a safety-conscious culture within educational institutions. This highlights the success of the training program in sensitising the institutes to the safety of the student.

The analytical training is advantageous as it creates a multiplier effect, extending the impact of the program beyond the immediate trainees to their families, peers, and the broader community. The students have been observed to extend their awareness and knowledge within their families, ensuring safety for themselves and others on the road.

The training program goes beyond being a mere compliance requirement for corporate partners. Its advantages extend beyond simple rule adherence to fostering a culture of responsibility, safety, and continuous improvement within operations. The reduction in accidents and fines, increased adherence to traffic and safety rules, and implementation of stricter safety norms within the organisation underscore the organisational commitment towards the safety of employees.

The training not only creates proficient women riders but also contributes to societal change, fostering confidence and inspiring women to challenge preconceived notions and embrace their roles as drivers on the road. The program goes beyond the immediate acquisition of riding skills, transforming women's lives by garnering societal recognition, increasing program enrollment, facilitating emotional transformation, and bringing about tangible shifts in mobility patterns.

#### Project outcome

One of the notable achievements is the streamlined implementation of flagship schemes of Haryana government by CMGGAs. The project has made significant contributions in government initiatives focused at education, women's safety, health, sanitation, higher education, and e-governance.

#### Project impact

- Streamlined Implementation of Flagship Programmes of Government of Haryana.
- Innovative Solutions to District-Specific Issues: CMGGAs effectively addressed district-specific challenges by developing innovative solutions.
- Community Empowerment and Participation: The project has empowered communities and encouraged their active participation in governance.
- Enhanced Education Outreach: CMGGAs played a vital role in improving educational outcomes by enhancing outreach and accessibility of educational resources.
- Elevated Healthcare Services: CMGGAs worked towards strengthening healthcare services and ensuring easy healthcare access to communities.

### DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR 2023-24

Name of the Project	Local Area	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
Community Development	No	Haryana	Panchkula	2,44,55,438	No	International Foundation for Research and Education	CSR00000712
	No	Haryana	Panchkula	1,33,42,001	Yes		
	No	Haryana	Hisar	12,89,353	No	Yuva Swachhta & Jan Sewa Samiti	CSR00040264
	No	Haryana	Hisar	2,76,120	Yes		
	No	Maharashtra	Mumbai	8,51,566	Yes		
	No	Odisha	Kalahandi	2,70,330	Yes		
	Yes	Rajasthan	Alwar	17,18,003	Yes		
	Yes	Rajasthan	Jaipur	7,31,697	Yes		
	Yes	Uttarakhand	Haridwar	11,14,940	No	Adarsh Yuva Samiti	CSR00000390
Water Conservation	No	Rajasthan	Dausa	1,07,74,340	No	Atomic Power Evolution Awareness Foundation	CSR00005661
	Yes	Gujarat	Panchmahal	56,706	Yes		
	Yes	Haryana	Gurugram	86,992	No	Akhil Bhartiya Gramin Uthan Sansthan	CSR00002164
	Yes	Haryana	Gurugram	2,46,266	Yes		
	Yes	Haryana	Rewari	50,992	No	Akhil Bhartiya Gramin Uthan Sansthan	CSR00002164
	Yes	Rajasthan	Jaipur	7,77,144	Yes		
	No	Uttar Pradesh	Varanasi	77,81,573	Yes		
	No	Ladakh	Leh	9,69,018	Yes		
	No	Kerala	Kannur	15,73,799	Yes		
Education	No	Andhra Pradesh	Chittoor	2,56,090	Yes		
	Yes	Delhi	Central Delhi	60,00,000	No	Franco-Indian Educational Trust	CSR00033831
	Yes	Delhi	Central Delhi	79,61,000	No	Navy Welfare and Wellness Associations	CSR00045856
	Yes	Gujarat	Vadodara	6,85,487	Yes		
	Yes	Haryana	Gurugram	68,83,835	Yes		
	Yes	Haryana	Rewari	20,00,00,000	No	BML University	CSR00002887
	Yes	Haryana	Rewari	1,66,51,473	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Haryana	Rewari	10,02,480	Yes		
	Yes	Rajasthan	Alwar	58,50,346	No	Raman Kant Munjal Foundation	CSR00004870
Promoting Preventive Health Care	Yes	Rajasthan	Jaipur	22,32,336	No	Get Set Go Foundation	CSR00006454
	Yes	Rajasthan	Jaipur	49,09,374	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Jaipur	23,78,552	Yes		
	Yes	Uttarakhand	Haridwar	54,54,860	No	Raman Kant Munjal Foundation	CSR00004870
	No	Maharashtra	Pune	5,75,067	Yes		
	Yes	Andhra Pradesh	Chittoor	39,12,500	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Andhra Pradesh	Chittoor	9,36,289	Yes		
	Yes	Delhi	West Delhi	6,10,000	No	Arya Samaj Kailash and Greater Kailash 1	CSR00016622
	Yes	Delhi	Central Delhi	11,46,035	Yes		
	Yes	Gujarat	Panchmahal	39,12,500	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248

## IMPACT ASSESSMENT REPORT

Name of the Project	Local Area	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
	Yes	Haryana	Rewari	15,54,419	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Haryana	Rewari	43,22,219	Yes		
	Yes	Rajasthan	Jaipur	23,47,500	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Rajasthan	Jaipur	9,93,580	Yes		
	Yes	Uttarakhand	Haridwar	39,12,500	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
Nurturing & Protection of Biodiversity	No	Haryana	Panchkula	3,74,922	Yes		
	No	Madhya Pradesh	Sheopur	39,81,138	Yes		
	No	Tamilnadu	Chengalpattu	1,56,39,426	Yes		
	Yes	Gujarat	Panchmahal	3,00,42,498	Yes		
	Yes	Haryana	Gurugram	1,46,100	No	Eco Roots Foundation	CSR00000772
	Yes	Haryana	Gurugram	70,200	No	Eco Root Foundation	CSR00000772
	Yes	Haryana	Gurugram	7,05,53,251	Yes		
	Yes	Rajasthan	Jaipur	20,00,000	No	New Asha Ki E Kiran Sanstha	CSR00038098
	Yes	Rajasthan	Jaipur	5,66,515	Yes		
	Yes	Uttarakhand	Haridwar	10,76,207	No	Adarsh Yuva Samiti	CSR00000390
Diversity & Inclusion	No	Andhra Pradesh	Tirupati	65,29,687	Yes		
	No	Chandigarh	Chandigarh	39,79,963	Yes		
	No	Arunachal Pradesh	Itanagar	6,62,145	Yes		
	Yes	Delhi	Central Delhi	2,72,58,000	No	Automotive Skills Development Council	CSR00004533
	Yes	Delhi	Central Delhi	1,96,93,008	Yes		
	Yes	Gujarat	Panchmahal	24,87,430	Yes		
	Yes	Gujarat	Vadodara	48,28,711	Yes		
	Yes	Haryana	Gurugram	2,30,18,520	No	Visan Foundation	CSR00005130
	Yes	Haryana	Rewari	40,91,680	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Haryana	Rewari	23,36,856	Yes		
Khelo Hero	No	Manipur	Imphal	92,49,500	No	Mary Kom Regional Boxing Foundation	CSR00013707
	Yes	Delhi	Central Delhi	57,07,262	No	Indian Deaf Cricket Association	CSR00015355
	Yes	Delhi	Central Delhi	1,59,29,200	No	Paralympic Committee of India	CSR00009842
	Yes	Delhi	Central Delhi	31,86,000	Yes		
	Yes	Haryana	Rewari	3,50,000	No	Mera Gaon Mera Desh	CSR00017584
Covid 19 Relief	Yes	Delhi	Central Delhi	6,44,400	Yes		
	Yes	Gujarat	Panchmahal	25,18,096	No	Nehru foundation for development center for environment education society	CSR00001260
	Yes	Haryana	Gurugram	1,47,500	Yes		
	Yes	Rajasthan	Jaipur	14,57,137	No	Nath Sanskriti Seva Sansthan	CSR00005135

Name of the Project	Local Area	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
Road Safety Awareness Program	No	Telangana	Hyderabad	18,69,929	Yes		
	No	Uttar Pradesh	Lucknow	18,64,823	Yes		
	No	Uttar Pradesh	Varanasi	2,36,00,000	Yes		
	Yes	Delhi	South Delhi	2,95,85,994	Yes		
	Yes	Delhi	West Delhi	52,68,223	Yes		
	Yes	Delhi	Central Delhi	70,75,725	Yes		
	Yes	Delhi	North Delhi	1,13,98,564	Yes		
	Yes	Haryana	Gurugram	77,40,000	No	Indian Head Injury Foundation	CSR00002608
	Yes	Haryana	Gurugram	20,56,996	Yes		
Total				70,17,41,174			
Administrative expenses				3,32,29,287			
Impact assessment				39,43,539			
<b>Grand Total</b>				<b>73,89,14,000</b>			

## Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
**Hero MotoCorp Limited**  
CIN L35911DL1984PLC017354  
The Grand Plaza, Plot No. 2 Nelson Mandela Road,  
Vasant Kunj-Phase-II, New Delhi, India, 110070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hero MotoCorp Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ("Audit Period") 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:

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

- (i) The Companies Act, 2013 (the "Act") and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable.
- (v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended to date.
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **[Not applicable to the Company during the Audit Period]**.

### Annexure VII

4. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
5. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021- **[Not applicable during the Audit Period]**.
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **[Not applicable for the auditing period]**;
8. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 **[Not applicable to the Company during the Audit Period]**; and
9. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director(s), Non-executive Directors, Independent Directors and Woman Director(s). The changes in the composition, if any, of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 (except where the consent was obtained to place the same at shorter notice) 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and the abstain notes, if any, due to conflict of interest or otherwise have been duly recorded in the Minutes Book.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with sector specific applicable laws, rules, regulations and guidelines.

For **SGS ASSOCIATES LLP**  
Company Secretaries  
Firm Reg. L2021DE011600

**[DAMODAR PRASAD GUPTA]**  
Practicing Company Secretary  
Managing Partner, SGS Associates LLP  
Membership No. FCS 2411  
Certificate of Practice No. 1509  
ICSI PR NO. 5321/2023  
ICSI UDIN NO. F002411F000329089

Date: 8<sup>th</sup> May 2024  
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of the Report.

### Annexure – A

#### ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE (UNQUALIFIED)

To,  
The Members  
**Hero MotoCorp Limited**  
CIN L35911DL1984PLC017354  
The Grand Plaza, Plot No. 2, Nelson Mandela Road,  
Vasant Kunj - Phase-II, New Delhi, India, 110070

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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 processes and practices we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
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 **SGS ASSOCIATES LLP**  
Company Secretaries  
Firm Reg. L2021DE011600

**[DAMODAR PRASAD GUPTA]**  
Practicing Company Secretary  
Managing Partner, SGS Associates LLP  
Membership No. FCS 2411  
Certificate of Practice No. 1509  
ICSI PR NO. 5321/2023  
ICSI UDIN NO. F002411F000329089

Date: 8<sup>th</sup> May 2024  
Place: New Delhi

## IMPACT ASSESSMENT REPORT

Assurance Statement on Business Responsibility & Sustainability Report (BRSR) Core of Hero MotoCorp Limited For Reporting Period: April 01, 2023 – March 31, 2024

### Annexure VIII



#### Bureau Veritas (India) Private Limited

72 Business Park, 9<sup>th</sup> Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2, Andheri (East) Mumbai-400 093 India.

To  
**Hero MotoCorp Limited**

The Grand Plaza, Plot No.2,  
Nelson Mandela Road, Vasant Kunj - Phase -II,  
New Delhi - 110070

#### Introduction and Objective of Work

**BUREAU VERITAS** has been engaged by **Hero MotoCorp Limited** (hereinafter abbreviated as "**HMCL**") to conduct an independent assurance of the Business Responsibility and Sustainability Report Core (hereinafter abbreviated as "BRSR Core"), consisting of the Key Performance Indicators (KPIs) under Environment, Social and Governance (ESG) attributes, which are mentioned in Annexure I, of the Securities and Exchange Board of India (SEBI) Circular dated July 12, 2023.

The selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation and presentation of information for the BRSR Core is the sole responsibility of the management of HMCL. Bureau Veritas was not involved in the drafting or preparation of the back-up data of HMCL for the BRSR Core. Our sole responsibility was to provide independent assurance on its content.

#### Intended User

The assurance statement is made solely for HMCL as per the governing law and contractual terms & conditions of the assurance engagement contract between HMCL and Bureau Veritas. To the extent that the law permits, we owe no responsibility and do not accept any liability to any other party other than HMCL for the work we have performed for this assurance report or for our conclusions stated in the paragraph below.

#### Scope of Work

- Checking that the data and information included in the BRSR Core (sub-set of BRSR), consisting of a set of Key Performance Indicators (KPIs)/metrics under 9 ESG attributes for the reporting period from April 01, 2023 to March 31, 2024 was fairly presented without material misrepresentation.

- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse, and review the information reported.

**Reporting criteria:** Reporting Framework based on BRSR Core of the Business Responsibility and Sustainability Report as per Annexure 1 of the SEBI circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.

The reported information of BRSR core based on following nine ESG attributes:

1. Green-house gas (GHG) footprint
2. Water footprint
3. Energy footprint
4. Embracing circularity - details related to waste management by the entity
5. Enhancing Employee Wellbeing and Safety
6. Enabling Gender Diversity in Business
7. Enabling Inclusive Development
8. Fairness in Engaging with Customers and Suppliers
9. Open-ness of business

**Reporting period:** April 01, 2023 to March 31, 2024

**Assurance standard:** The assurance process was conducted in line with the requirements of the ISAE 3000 (Revised) standard.

**Level of assurance:** Reasonable assurance

#### Methodology used to conduct the assurance

HMCL initially submitted the BRSR Core for the reporting period from April 01, 2023 to March 31, 2024 covering the sites that are within the reporting boundaries.

The reporting boundaries considered for this reporting period across multiple sites of HMCL including Neemrana, Dharuhera, Gurugram, Tirupati, Haridwar, Jaipur and Halol.

The assessment team from Bureau Veritas, for this verification, included the following members;

1. Mr. Amit Kumar – Team Leader, and;
2. Mr. Kalyan Dey – Team Member

The assessment was carried out of the submitted information, based on BRSR core attribute, to verify the data and computations that were prepared by HMCL. On-site visit to the HMCL's manufacturing unit(s) were conducted.

During these visits, direct observations of facilities, interactions with personnel and review of documentation were undertaken to ensure accuracy and reliability of the submitted information. Additionally, the assessment included an evaluation of the internal control system and other parameters relevant to reasonable assurance, such as adherence to industry standards and regulatory requirements, to provide a comprehensive verification of the data and computations prepared by HMCL.

Bureau Veritas has validated the quantification methodology used by HMCL for the monitoring and calculations of the ESG attributes from its different sources and confirms the same to be in line with accepted practice of standard GHG computations. The materiality threshold of 5% has been considered in this assessment process.

Our work was conducted against the requirements defined in the International Integrated Reporting Framework, and National Guidelines for Responsible Business Conduct (NGRBC), the requirements of ISAE 3000 Assurance standard, Bureau Veritas' standard procedures and guidelines for external assurance of sustainability information, based on current best practice in independent assurance. The Bureau Veritas assurance process has also involved an Independent Technical Review (ITR) to check for correctness and accuracy of the assurance conclusions as well as adherence to Bureau Veritas internal procedures and/or assurance standard requirements.

#### Conclusions

Based on the verification of the records, in our opinion the BRSR Core for the FY 2023-24, containing reporting and declaration of the various KPIs under ESG attributes is reliable and accurate representation of HMCL's performance towards ESG attributes.

#### Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Data related to the other subsidiaries/associates of HMCL;
- Activities outside the defined assurance period stated hereinabove;
- Positional statements, expressions of opinion, belief, aim or future intention by HMCL and statements of future commitment;
- Our assurance is limited to the activities and operations of HMCL. The assurance does not extend to the operations

undertaken by any other entity outside the scope and boundaries of the HMCL's BRSR Core report; that may be associated with or have a business relationship with HMCL.

- Compliance with any Environmental, Social, and Legal issues related to the regulatory authority.
- Any of the statements related to Company's aspect or reputation.

#### Uncertainty

The reliability of assurance is subject to uncertainty (ies) that are inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions or data conversion factors used or may be present in the estimation of data used to arrive at results. Our conclusions in respect of this assurance are naturally subject to any inherent uncertainty (ies) involved in the assurance process.

#### Statement of independence, impartiality, and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, and Safety, Social, and Environmental management with almost 190 years history in providing independent assurance services and has necessary expertise for undertaking reasonable assurance of BRSR core. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with HMCL, its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest. The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of BRSR Core attribute.

#### Bureau Veritas (India) Private Limited

72 Business Park, 9<sup>th</sup> Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2, Andheri (East) Mumbai-400 093 India.

**Amit Kumar**  
Lead Assurer

**Kalyan Dey**  
Team Member

**Dr. Apurva Srivastava**  
Technical Reviewer  
Date: 08/05/2024  
Place: Mumbai, India

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity:

1	Corporate Identity Number (CIN) of the Listed Entity	L35911DL1984PLC017354
2	Name of the Listed Entity	Hero MotoCorp Limited
3	Year of incorporation	19-01-1984
4	Registered office address	The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj - Phase-II, New Delhi-110070
5	Corporate address	The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj - Phase-II, New Delhi-110070
6	E-mail	secretarialho@heromotocorp.com
7	Telephone	+91-11-4604420
8	Website	www.heromotocorp.com
9	Financial year for which reporting is being done	April 1 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India (NSE)
11	Paid-up Capital	39,98,43,482
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name of Contact Person	Dhiraj Kapoor
	Contact Number Of Contact Person	+91-11-46044220
	Email of Contact Person	dhiraj.kapoor@heromotocorp.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	Bureau Veritas (India) Private Limited
15	Type of assurance obtained	Reasonable Assurance

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Manufacturing	Manufacturing of two-wheelers: motorcycles & scooters	100

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Motorcycles & scooters	30911	100

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	8	55	63
International	2	2	4

### 19. Markets served by the entity:

#### a. Number of locations

Location	Number
National (No. of States)	32
International (No. of Countries)	48

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

3.9

#### c. A brief on types of customers

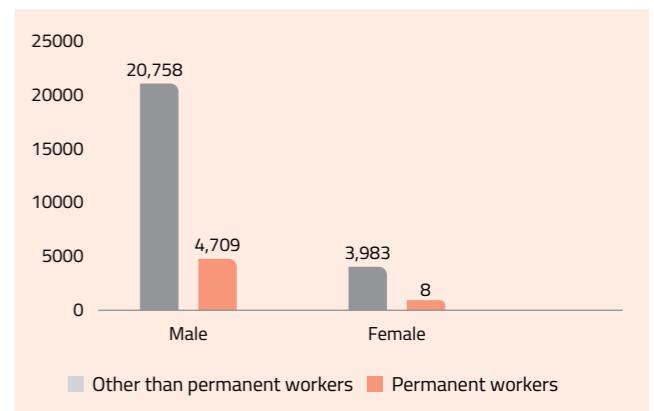
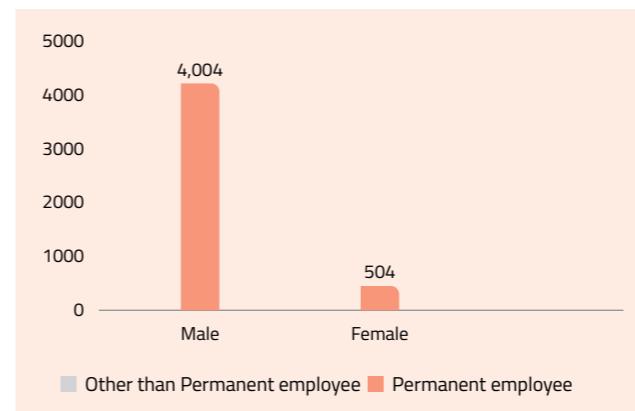
Hero MotoCorp is the world's largest motorcycles and scooters manufacturer. The Company sells its products to customers across the globe and the products of the Company caters to adult customers of all ages and gender. It is testimony from the trust that customers have bestowed on us, generation after generation, which enabled the Company to be the largest selling motorcycle and scooter company in the world (by volume).

## IV. Employees

#### 20. Details as at the end of Financial Year:

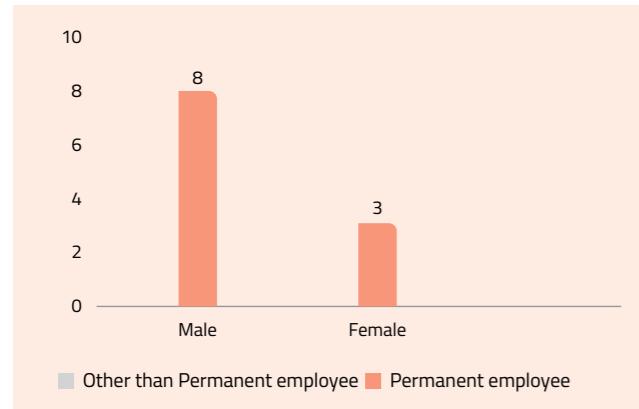
#### a. Employees and workers (including differently abled):

S. No Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>					
1. Permanent (D)	4,508	4,004	88.82	504	11.18
2. Other than Permanent (E)	0	0	0.00	0	0.00
<b>3. Total employees (D+E)</b>	<b>4,508</b>	<b>4,004</b>	<b>88.82</b>	<b>504</b>	<b>11.18</b>
<b>Workers</b>					
4. Permanent (F)	4,717	4,709	99.83	8	0.17
5. Other than Permanent (G)	24,741	20,758	83.90	3,983	16.10
<b>6. Total workers (F + G)</b>	<b>29,458</b>	<b>25,467</b>	<b>86.45</b>	<b>3,991</b>	<b>13.55</b>



#### b. Differently abled Employees and workers:

S. No Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently abled employees</b>					
1. Permanent (D)	11	8	72.73	3	27.27
2. Other than Permanent (E)	0	0	0.00	0	0.00
<b>3. Total differently abled employees (D + E)</b>	<b>11</b>	<b>8</b>	<b>72.73</b>	<b>3</b>	<b>27.27</b>
<b>Differently abled workers</b>					
4. Permanent (F)	39	39	100.00	0	0.00
5. Other than Permanent (G)	53	44	83.02	9	16.98
<b>6. Total differently abled workers (F + G)</b>	<b>92</b>	<b>83</b>	<b>90.22</b>	<b>9</b>	<b>9.78</b>



## 21. Participation/Inclusion/Representation of women

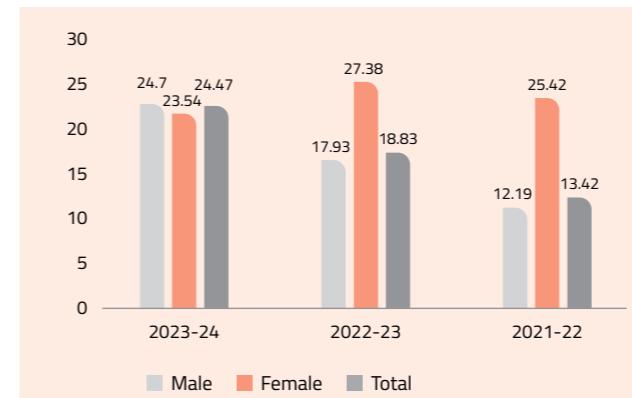
	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	3	30.00
Key Management Personnel	3	0	0.00
Board of Directors	7	3	42.86
Key Management Personnel	3	0	0.00
Male	7	3	42.86
Female	3	0	0.00

## 22. Turnover rate for permanent employees and workers

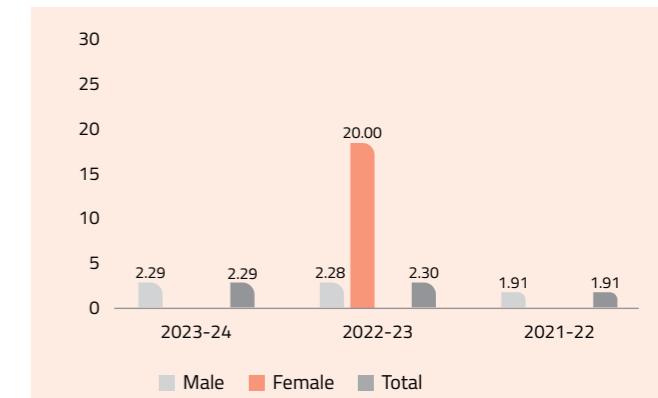
(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY) [values in %]			FY 2022-23 (Turnover rate in previous FY) [values in %]			FY 2021-22 (Turnover rate in the year prior to the previous FY) [values in %]		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24.57	23.54	24.47	17.93	27.38	18.83	12.19	25.42	13.42
Permanent Workers	2.29	0.00	2.29	2.28	20.00	2.30	1.91	0.00	1.91

## Permanent Employees



## Permanent Workers



## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Hero FinCorp Limited	Associate	41.19	No
2	Ather Energy Private Limited	Associate	43.94	No
3	HMC MM Auto Limited	Subsidiary	66	No
4	HMCL Americas Inc.	Subsidiary	100	No
5	HMCL Netherland B.V.	Subsidiary	100	No
6	HMCL Colombia S.A.S	Subsidiary	68	No
7	HMCL Niloy Bangladesh Limited	Subsidiary	55	No
8	Hero Tech Centre Germany (GmbH)	Subsidiary	100	No

## VI. CSR Details

### 24. CSR Details

Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)

Yes

Turnover (in ₹) 37,455.72 crore

Net worth (in ₹) 17,986.18 crore

## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	If Yes, then provide web-link for grievance redress policy	FY 2023-24 Current Financial Year		FY 2022-23 Previous Financial Year	
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year
Communities	Yes	<a href="https://www.heromotocorp.com/en-in/key-policies.html">https://www.heromotocorp.com/en-in/key-policies.html</a>	-	-	-	-
Investors (other than shareholders)	Yes	<a href="https://www.heromotocorp.com/en-in/key-policies.html">https://www.heromotocorp.com/en-in/key-policies.html</a>	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	If Yes, then provide web-link for grievance redress policy	FY 2023-24 Current Financial Year		FY 2022-23 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Shareholders	Yes	<a href="https://www.hermotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf">https://www.hermotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf</a>	2,252	32	Pending complaints resolved in FY 2024-25	1,311	46
Employees and workers	Yes	<a href="https://www.hermotocorp.com/en-in/key-policies.html">https://www.hermotocorp.com/en-in/key-policies.html</a>	13	-	-	9	1
Customers	Yes	<a href="https://www.hermotocorp.com/en-in/key-policies.html">https://www.hermotocorp.com/en-in/key-policies.html</a>	23,015	283	98.77% closed	24,712	350
Value Chain Partners	Yes	<a href="https://www.hermotocorp.com/en-in/key-policies.html">https://www.hermotocorp.com/en-in/key-policies.html</a>	7	1	-	4	0
Other	Yes	<a href="https://www.hermotocorp.com/en-in/key-policies.html">https://www.hermotocorp.com/en-in/key-policies.html</a>	-	-	-	-	-

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity the risk /opportunity (R/O)	Rationale for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Expansion of EV markets as the consumer sentiments are changing toward eco-friendly vehicles (shift from ICE vehicles to EV)	O	EV sales replacing the traditional ICE volumes.	1. R&D on next generation mobility vehicles. 2. Expanding the EV portfolio. 3. Expanding our market reach globally. 4. Expanding fast charging infrastructure and coverage to accelerate EVs adoption.	Positive Implications
2	Climate Change	R	Climate change will impact business operations, sourcing, supply chain and increase compliance costs.	1. Climate risk assessment and mitigation strategy for both Physical and Transitional risk. 2. Energy de-carbonisation. 3. Enhancing Renewable Energy usages in plant operations and value chain. 4. Expanding the EV portfolio and market reach globally.	Negative Implications

## SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

- P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
- P2 Businesses should provide goods and services in a manner that is sustainable and safe
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4 Businesses should respect the interests of and be responsive towards all its stakeholders
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect and make efforts to restore the environment
- P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8 Businesses should promote inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No)	Yes								
b) Has the policy been approved by the Board? (Yes/No)	Yes, all our policies are approved by the Board of Directors.								
c) Web link of the Policies, if available	<a href="https://www.hermotocorp.com/en-in/company/reports-and-policies/key-policies.html">https://www.hermotocorp.com/en-in/company/reports-and-policies/key-policies.html</a>								
2 Whether the entity has translated the policy into procedures (Yes/No)	The Company has translated the policies as applicable into procedures and practices in all spheres of activities that the Company does. Ex.- To ensure adherence to the Company's Code of Conduct, Ethics Committee has been constituted to investigate the violations. Further, the Company has well defined SOPs to handle the stakeholders' grievances.								
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company's relevant policies covering the above 9 principles is expected to be adhered by its stakeholders. 100% of our direct supply chain partner groups signed the Sustainable Procurement Guidelines agreement.								
4 Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, TrusteA) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	The Company's Code of Conduct, Sustainability policy, Human Rights policy, Environmental policy, and other relevant policies and guidelines of the Company cover all the aforesaid 9 Principles.								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any	Company aims to have: Carbon neutral operations by 2030, 500% water positive by 2025 and Zero Waste to Landfill by 2025.								
6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance on specific targets are as under: i. 100% Zero Waste to Landfill by 2025- Achieved 100% ii. 500% water positive by 2025- Achieved 455% iii. Carbon Neutral operations by 2030- Achieved 40%. Additionally, we are accelerating our efforts on energy de-carbonisation.								
<b>Governance, leadership and oversight</b>									
7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	At Hero MotoCorp, we remain committed to make a significant contribution towards shaping a better future because 'We Care' unconditionally. We remain committed to leading from the front in demonstrating the responsibility of being good corporate citizens by offering smart mobility solutions, spurring technological innovation, enabling the transition to a low-carbon economy and creating shared benefits for all our stakeholders as we work towards a sustainable future. We are also progressing on our three key sustainability aspirations. We are working to achieve 100% carbon neutral operations by 2030 by reducing and offsetting Scope 1 and 2 emissions through various means, 500% water positive facilities by 2025 by creating 5x recharge potential within and beyond the fence cumulatively, and 100% waste neutral facilities through Zero Waste to Landfill (ZWL) certifications by 2025. In FY 2023-24, we achieved 100%, zero waste to landfills facilities, carbon neutrality of 40%, water positivity of 455% and used renewable energy of 1.986 crore units from renewable source. Diversity and Inclusion (D&I) have always been our foundation and key guiding principles for everything we do at Hero MotoCorp. Your Company remains committed to promote gender diversity, and this is evident from the increase in female workforce to 4,400+. We have also signed the United Nations Women's Empowerment Principles, reiterating our commitment to being a leader in empowering women. Health, Safety and Well-Being of the employees is a foremost area of work which is fundamental to the organisational growth. We believe that safe work practices lead to better business performance, motivated workforce and higher productivity. We have been accelerating focus to improve safety systems over the years to provide a safe, pleasant and healthy workplace environment to our people including the relevant training & awareness.								
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Vikram Sitaram Kasbekar Designation: Executive Director (Operations) DIN: 00985182								
9 Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, Sustainability and Corporate Social Responsibility Committee: Dr. Pawan Munjal - Executive Chairman, Mr. Pradeep Dinodia - Member, Prof. Jagmohan Singh Raju - Member, Ms. Tina Trikha - Member								

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Indicate whether review was undertaken by Director /Committee of the Board/Any other Committee								
Subject for Review	Frequency (Annually/Half yearly/Quarterly/Any other - please specify)								
Performance against above policies and follow up action	Frequency (Annually/Half yearly/Quarterly/Any other - please specify)								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Frequency (Annually/Half yearly/Quarterly/Any other - please specify)								
<b>11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	Yes, Bureau Veritas (India) Pvt. Ltd								
<b>12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:</b>	Not Applicable								

**Section C : Principle Wise Performance Disclosure****PRINCIPLE 1**

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	6	Covering all principles	100.00
Key Managerial Personnel (KMPs)	6	Covering all principles	100.00
Employees other than BoD and KMPs	58	Understanding climate risk, Carbon Neutral Operations & Net Zero, Smart Sustainable Painting Solutions, Energy Saving Opportunities in Compressed Air, Smart Packaging Solutions, Holistic Energy Management and Wellness	100.00
Workers	21	Wellness	100.00

**2. Details of fines/penalties /punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

Monetary	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
NGRBC Principle				
Penalty/Fine				
Settlement				
Compounding fee				
Non-Monetary				
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment				

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide the details in brief and if available, provide a web-link to the policy.**

Yes, the Code of Conduct covers the Anti-Corruption and Anti-bribery policy. The policy reiterates Company's stance of zero tolerance towards bribery and corrupt practices. The same is available at <https://www.hermotocorp.com/content/dam/hero-aem-website/in/company-section/code-of-conduct/code-of-conduct-final.pdf>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2023-24	FY 2022-23
Directors		Nil
KMPs		Nil
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24	FY 2022-23		
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of day of accounts payables	62.66	57.58

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases b. Number of trading houses where purchases are made from c. Purchases from top 10 trading houses as % of total purchases from trading houses	- 1 100%	- - -
Concentration of Sales	a. Sales to dealers/distributors as % of total sales b. Number of dealers/distributors to whom sales are made c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	100% 959 3.97%	100% 933 4.09%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases) b. Sales (Sales to related parties/Total Sales) c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	7.12% 1.29% -	8.06% 1.74% -
	d. Investments ( Investments in related parties/Total Investments made)	1.43%	2.12%

**Leadership Indicators****1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Sr. no	Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	2	ESG awareness program Fire and safety awareness	90%

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No)****If Yes, provide details of the same.**

Yes, the Code of Conduct of the Company has principle on management of conflict of interest to identify actual of potential conflict of interest of Company with its directors and employees, which may arise during the course of its business activities. The policy is available at <https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html>

**PRINCIPLE 2****Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators****1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	1.8%	10.9%	1. Energy Security;
Capex	66.4%	71.6%	2. Lower carbon emission; 3. Better air quality; 4. Self-reliance; 5. Use of damaged food grains; 6. Increasing farmer's income; 7. Employment generation, and; 8. Greater Investment opportunities

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Sustainable procurement guidelines is signed by 100% supply chain partners group.

**b. If yes, what percentage of inputs were sourced sustainably?**

100%

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for****(a) Plastics (including packaging)**

The motorcycles and scooter which reach their end of life as defined by the Ministry of Road Transport and Highways (MoRTH) are collected at our dealership or authorized collection agent. These vehicles are sent to Registered Vehicle Scrapping Facility (RVSF). The RVSF dismantles the vehicle and segregates the different type of waste. The plastic waste so segregated at the RVSF is disposed of to authorized plastic waste processor as per Plastic Waste Management Rule, 2016 ("PWM Rule, 2016").

**(b) E-waste**

The e-waste segregated at RVSF is disposed of to the authorized e-waste recycles.

**(c) Hazardous waste**

Waste like used oil and other hazardous waste are disposed of to authorized recyclers/co-processor.

**(d) other waste.**

The parts like steel and aluminum, ferrous and non-ferrous are sent for recycling.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**

**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**

**If not, provide steps taken to address the same.**

Yes, waste collection plan is in line with the EPR plan submitted to Pollution Control Board.

**Leadership Indicators****1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
30911	HF Deluxe	20.4%	To understand the actual environmental performance of the product with key focus on primary energy consumption, GHG emissions, acidification potential, blue water consumption, primary energy demand and photochemical ozone creation potential with a cradle to grave approach.	Conducted by an external agency along with Company's internal team. Independent third party reviewed the final report	Yes, the web-link is as under: <a href="https://www.heromotocorp.com/en-in/company/reports-and-policies/reports.html?key1=sustainability&amp;key2=2022-23">https://www.heromotocorp.com/en-in/company/reports-and-policies/reports.html?key1=sustainability&amp;key2=2022-23</a>

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/Service	Description of the risk/concern	Action Taken
Carburettor System	Higher fuel consumption.	Replacing with efficient fuel injection system that enables higher fuel atomisation thereby reducing unused fuel wastage and hence substantial reduction in scope 3 emissions.
Idle start stop system (i3s)	Higher fuel consumption.	i3S improves fuel efficiency by up to 5% and ensures carbon footprint reduction in the use phase of the product and hence substantial reduction in scope 3 emissions.

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Aluminium%	60.5	61.1
Steel%	12.7	11.22

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	1,437	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

As per the current draft notification, the end of life vehicle liability starts from FY 2025-26. However, the Company has recollected and safely disposed off the plastic packaging sent with its products and parts as per the EPR liability prescribed under the PWM Rule, 2016.

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic Packaging	100

We are registered with the CPCB as Brand owner under PWM Rules 2016. The EPR Action plan is submitted annually to the CPCB where our liability gets calculated. We have tied up with various plastic waste processors who provide the EPR Credits. Similarly, we have registered as Producer under Battery Management Rules 2022. We have submitted our EPR action plan to the CPCB. Our liability starts from FY 2026-27

**PRINCIPLE 3**

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

## 1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	Total (B)	% (B/A)	Total (C)	% (C/A)	Total (D)	% (D/A)	Total (E)	% (E/A)	Total (F)	% (F/A)	
<b>Permanent employees</b>											
Male	4,004	4,004	100.00	4,004	100.00	0	0.00	4,004	100.00	4,004	100.00
Female	504	504	100.00	504	100.00	504	100.00	0	0.00	504	100.00
<b>Total</b>	<b>4,508</b>	<b>4,508</b>	<b>100.00</b>	<b>4,508</b>	<b>100.00</b>	<b>504</b>	<b>11.18</b>	<b>4,004</b>	<b>88.82</b>	<b>4,508</b>	<b>100.00</b>
<b>Other than Permanent employees</b>											
Male	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

## b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	Total (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
<b>Permanent workers</b>											
Male	4,709	4,709	100.00	4,709	100.00	0	0.00	1,050	22.30	4,709	100.00
Female	8	8	100.00	8	100.00	8	100.00	0	0.00	8	100.00
<b>Total</b>	<b>4,717</b>	<b>4,717</b>	<b>100.00</b>	<b>4,717</b>	<b>100.00</b>	<b>8</b>	<b>0.17</b>	<b>1,050</b>	<b>22.26</b>	<b>4,717</b>	<b>100.00</b>
<b>Other than Permanent workers</b>											
Male	20,758	20,758	100.00	20,758	100.00	0	0.00	720	3.47	19,176	92.38
Female	3,983	3,983	100.00	3,983	100.00	3,983	100.00	0	0.00	3,759	94.38
<b>Total</b>	<b>24,741</b>	<b>24,741</b>	<b>100.00</b>	<b>24,741</b>	<b>100.00</b>	<b>3,983</b>	<b>16.10</b>	<b>720</b>	<b>2.91</b>	<b>22,935</b>	<b>92.70</b>

## c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.06	0.07

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	N.A.	100	100	N.A.
ESI	100	100	Yes	100	100	Yes
Others - please specify	-	-	-	-	-	-

ESI -Only Eligible employees as per law

## 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide weblink of the policy.

The Company has adopted an Equal Opportunity Policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder. The policy is on the Company's intranet and is available to internal stakeholders

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male			100.00	78.87
Female			100.00	70.37
<b>Total</b>	<b>100.00</b>	<b>78.08</b>	<b>100.00</b>	<b>70.00</b>

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

Yes

If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)	Remark
Permanent Workers	Yes	We have various committees within the plant that comprise both management and worker representatives to address and handle the grievances. If a grievance remains unresolved by the committee, it will be escalated to the appropriate level of authority, such as the HOD, ER Head, or Plant HR Head, based on the nature and severity of the issue. The Whistle-blower Policy of the Company provides a formal platform to share grievances on various matters. New recruits are also sensitised on the various mechanism during the employee induction programme. The Company also has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on the same is placed on the Company's website. Members of the Company's ICC are responsible for conducting inquiries pertaining to such complaints. The Company, on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24		FY 2022-23			
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	<b>4,508</b>	<b>0</b>	<b>0.00</b>	<b>4,534</b>	<b>0</b>	<b>0.00</b>
- Male	4,004	0	0.00	4,095	0	0.00
- Female	504	0	0.00	439	0	0.00
<b>Total Permanent Workers</b>	<b>4,717</b>	<b>3,392</b>	<b>71.91</b>	<b>4,681</b>	<b>3,402</b>	<b>72.68</b>
- Male	4,709	3,392	72.03	4,674	3,402	72.79
- Female	8	0	0.00	7	0	0.00

## 8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation		
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	4,004	450	11.24	3,179	79.40	4,095	1,021	24.93	3,160	77.17
Female	504	79	15.67	435	86.31	439	124	28.25	420	95.67
<b>Total</b>	<b>4,508</b>	<b>529</b>	<b>11.73</b>	<b>3,614</b>	<b>80.17</b>	<b>4,534</b>	<b>1,145</b>	<b>25.25</b>	<b>3,580</b>	<b>78.96</b>
<b>Workers</b>										
Male	4,709	4,709	100.00	4,709	100.00	4,674	4,674	100.00	4,674	100.00
Female	8	8	100.00	8	100.00	7	7	100.00	7	100.00
<b>Total</b>	<b>4,717</b>	<b>4,717</b>	<b>100.00</b>	<b>4,717</b>	<b>100.00</b>	<b>4,681</b>	<b>4,681</b>	<b>100.00</b>	<b>4,681</b>	<b>100.00</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	4,004	4,003	99.98	4,095	4,095	100.00
Female	504	504	100.00	439	439	100.00
<b>Total</b>	<b>4,508</b>	<b>4,507</b>	<b>99.98</b>	<b>4,534</b>	<b>4,534</b>	<b>100.00</b>
<b>Workers</b>						
Male	4,709	4,709	100.00	4,674	4,674	100.00
Female	8	8	100.00	7	7	100.00
<b>Total</b>	<b>4,717</b>	<b>4,717</b>	<b>100.00</b>	<b>4,681</b>	<b>4,681</b>	<b>100.00</b>

## 10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No).

Yes

## If yes, the coverage such system?

The Occupational Health Management system cover the entire operations of our plants and facilities. All our plants are certified for ISO 45001. The system covers all aspects of Hazard management and control, safety training, regulatory compliances, fire prevention and control, management of chemicals substances, healthy working conditions, etc. The Company has established a system in place to support the value chain partners as well as to assess the risk in the value chain.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At Hero MotoCorp, Hazard identification is done through a structured and documented procedure namely "Hazard Identification and Risk Assessment" (HIRA) where all the risks of particular section are captured and assessed. Hazards are categorised into Physical, Mechanical, Electrical, Chemical, Biological and Others. The main element of HIRA is to identify all materials, agents, conditions or activities with the potential to cause injury or illness, damage to the business and its property. While carrying out Hazard Assessment, all the activities in each section is selected, Hazard assessment conducted to identify the significant risks. For all the significant risks, control measures are defined to mitigate the risks as per the Hierarchy of safety controls. More focus is given on elimination of Hazards and engineering controls

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, the workers are empowered to report unsafe and unhealthy working conditions, to their immediate supervisor/safety committee, who will promptly investigate the situation and take appropriate corrective actions. The contact numbers of safety department are displayed at prominent place, the worker are free to call and report the issues directly.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, the employees and worker can access to health centre 24 X 7 and can take treatment for non-occupational medical services. OPD's and health camps are also organised to help the employees to access non occupational medical care. Online consultation with the doctors are available to all employees through platforms like mfine, 1 to1 help, etc.

## 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.24	0.16
	Workers	0.35	0.44
Total recordable work-related injuries	Employees	3	3
	Workers	14	15
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*Including in the contract workforce

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Risk assessment methods are used to decide on priorities and to set objectives for eliminating and reducing risks. Wherever possible, risks are eliminated through selection and design of facilities, equipment and processes. If risks cannot be eliminated, they are minimised by the use of physical controls or, as a last resort, through systems of work and personal protective equipment. Performance standards are established and used for measuring achievement. Specific actions to promote a positive health and safety culture are identified in the plant. Various safety promotional activities are organised in the plant to ensure safe and healthy work place viz. celebration of safety month, several contest (spot the hazards, near miss capturing, safety quiz, etc.), distribution of hazard specific safety leaflet, traffic safety leaflet distributed to all employee, various type of medical camp in plant for employee & their family, behavior based safety training among employee, plant safety audit conducted by competent person, ergonomic study at various stages, strengthening workplace monitoring (Lux, Noise, Dust, VOC, CO, etc.) and continued employee Health checkup programs

## 13. Number of Complaints on the following made by employees and workers:

	FY 2023-24		FY 2022-23			
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

## 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health &amp; safety practices and working conditions.

Corrective and preventive actions are taken after root cause analysis of every incident. All corrective and preventive action have been taken for all incidents. No actions are currently in process.

## Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

a. Employees (Y/N)

Yes

b. Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Business agreements, as applicable, mandates the value chain partners to comply with all the statutory laws, regulations and rules made thereunder.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	1	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

#### 5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	5%
Working Conditions	5%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The risk identified during the safety assessment of each supplier are closed by the respective supplier with a proper action plan. No significant risk are pending for action.

## PRINCIPLE 4

### Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Yes, the Company has mapped and identified its internal and external stakeholders. The Company recognises its employees, customers, shareholders & investors, NGOs and communities, dealers, suppliers, media, government, regulators, peers and industry ecosystem as the key stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Yes	Advertisement	Ongoing	Customer feedback on product and services
Value Chain Partners	No	Website	Ongoing	Discussion on business volume, customer expectations, sustainability
Shareholders and Investors	No	Website	Ongoing	Discussion on business volume, customer expectations, sustainability
Employees	No	E mail	Ongoing	Discussion long-term strategy and welcome their insights and perspective
Industrial Association	No	Community Meetings	As and when required	Participation and External communication, Knowledge gaining sharing
Local Communities	Yes	Community Meetings	As and when required	Promote activities to raise awareness on green, safe and sustainable living & inclusive prosperity
Regulatory Bodies	No	Community Meetings	As and when required	Policy strengthening and social economic benefits to stakeholders

#### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The organisation has identified key internal and external stakeholders to achieve its SCSR initiatives to make a 'Greener, Safer and Equitable' world. This is done through a process of thorough need assessment in the field, followed by a conceptualisation of the project appropriate for the community and onboarding of subject matter experts to ensure proper implementation. The Board is kept abreast of them through quarterly meetings. Feedback is sought from the SCSR committee to shape our way forward.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the process is described above. All the stakeholders play a key role in identifying and working on the CSR projects. For Example – In tree plantation initiatives we conduct a need assessment where feedback from villagers, panchayats, block district officers, and many more are sought, to decide on the most appropriate locations for its implementation.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

Working in tandem with the marginalised stakeholder groups and responding to their concerns is of utmost priority to the SCSR department of Hero MotoCorp. An example of this is the CSR flagship project 'Project Saksham'. The CSR focused on training and developing women to become two-wheeler technicians. The department first conducted a country-wide demand-supply analysis of two-wheeler technicians and decided to address this skill and employment gap by training women to take up these technician positions. This was done since women are often left out of these opportunities due to social discrimination and prejudices that limit their opportunities. For the successful execution of this project, a credible implementation partner was selected with multiple training centers across the country reaching out to different rural and urban areas. They then reached out to women across these locations who were eligible to apply for the training. The parents were counseled to move past their prejudiced thinking and made them cognizant of their daughter's potential to be financially independent and take care of the family through proper skilling and livelihood opportunities.

## PRINCIPLE 5

### Businesses should respect and promote human rights

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24		FY 2022-23	
	Total (A)	No. of employees/ workers covered (B)	Total (C)	No. of employees/ workers covered (D)
<b>Employees</b>				
Permanent	4,508	4,508	100.00	4,534
Other than permanent	0	0	0.00	0
<b>Total Employees</b>	<b>4,508</b>	<b>4,508</b>	<b>100.00</b>	<b>4,534</b>
<b>Workers</b>				
Permanent	4,717	4,717	100.00	4,681
Other than permanent	24,741	0	0.00	20,723
<b>Total Workers</b>	<b>29,458</b>	<b>4,717</b>	<b>16.01</b>	<b>25,404</b>

## 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24				FY 2022-23					
	Total (A)	Equal to Minimum Wage No. (B)	% (B/A)	More than Minimum Wage No. (C)	% (C/A)	Total (D)	Equal to Minimum Wage No. (E)	% (E/D)	More than Minimum Wage No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	4,508	0	0.00	4,508	100.00	4,534	0	0.00	4,534	100.00
Male	4,004	0	0.00	4,004	100.00	4,095	0	0.00	4,095	100.00
Female	504	0	0.00	504	100.00	439	0	0.00	439	100.00
<b>Other than permanent</b>	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Male	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00
<b>Workers</b>										
<b>Permanent</b>	4,717	0	0.00	4,717	100.00	4,681	0	0.00	4,681	100.00
Male	4,709	0	0.00	4,709	100.00	4,674	0	0.00	4,674	100.00
Female	8	0	0.00	8	100.00	7	0	0.00	7	100.00
<b>Other than permanent</b>	24,741	24,741	100.00	0	0.00	20,723	20,723	100.00	0	0.00
Male	20,758	20,758	100.00	0	0.00	18,590	18,590	100.00	0	0.00
Female	3,983	3,983	100.00	0	0.00	2,133	2,133	100.00	0	0.00

## 3. Details of remuneration/salary/wages, in the following format:

## a. Median remuneration/wages:

	(₹ in Crore)			
	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	7	1.55	3	0.48
Key Managerial Personnel (KMPs)	3	2.84	-	-
Employees other than BoD and KMPs	4,001	0.16	504	0.12
Workers	4,709	0.09	8	0.03

## b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	6.30%	5.12%

## 4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we have various committees within the Company responsible for addressing human rights impacts or issues caused or contributed to by the business, such as POSH Committee and Ethics Committee.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Company is committed to provide a safe business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters.

## 6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	8	3	Resolution under progress	17	1	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

## 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	8	17
Complaints on POSH as a % of female employees/workers	0.18%	0.66%
Complaints on POSH upheld	6	14

## 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company's vigil mechanism/Whistle Blower policy to ensure protection of the complainant from discrimination, victimisation, retaliation or adoption of any unfair employment practices.

## 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, agreements provide that all the statutory and regulatory laws including the human right to have a safe working place, timely payment of dues, etc. are required to be complied by the service provider.

## 10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others - please specify	-

100% of Plants and offices are assessed during the statutory audit ensuring compliance with all the Statutory laws/Regulatory requirement, Labour laws and rules made thereunder.

## 11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

None

## Leadership Indicators

## 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Code of Conduct of the Company is based on GBS Codex and respects the rights of its employees. Further, the Sustainability Policy of the Company respects and promote human rights. The Company regularly sensitises its employees on the Code of Conduct through various training programmes. At Hero MotoCorp, we believe in providing equal opportunities and platforms to hear the voice of our employees to capture employee grievances including human rights grievances/complaints. In order to achieve so, we have taken several initiatives to hear our employees and provide the necessary solutions to the concerns raised by them. Such initiatives include fortnightly meetings at shop floor, Monthly CFT meetings, Open house, provision of HR Help desk to capture and address grievances.

## 2. Details of the scope and coverage of any Human rights due-diligence conducted.

Please refer to the response mentioned in point no. 1 above.

## 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

## 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	0
Forced Labour/Involuntary Labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others - please specify	-

## 5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not applicable

**PRINCIPLE 6****Businesses should respect and make efforts to protect and restore the environment****Essential Indicators**

## 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>From renewable sources</b>			
Total electricity consumption (A)	Joules or multiples	71,491	49,016
Total fuel consumption (B)	Joules or multiples	0	0
Energy consumption through other sources (C)	Joules or multiples	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	Joules or multiples	71,491	49,016
<b>From non-renewable sources</b>			
Total electricity consumption (D)	Joules or multiples	4,13,419	4,18,228
Total fuel consumption (E)	Joules or multiples	3,56,305	3,26,090
Energy consumption through other sources (F)	Joules or multiples	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	Joules or multiples	7,69,724	7,44,318
<b>Total energy consumed (A+B+C+D+E+F)</b>	Joules or multiples	8,41,215	7,93,334
<b>Energy intensity per rupee of turnover</b> (Total energy consumed/Revenue from operations)	Joules or multiples	0	0
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed/Revenue from operations adjusted for PPP))	Joules or multiples	0	0
<b>Energy intensity in terms of physical output</b>	Joules or multiples	0	0
Energy intensity (optional) - the relevant metric may be selected by the entity	Joules or multiples	0.151	0.148

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas (India) Private Limited

## 2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>			
(i) Surface water	kilolitres	1,16,975	2,97,408
(ii) Groundwater	kilolitres	5,07,561	5,49,694
(iii) Third party water	kilolitres	1,32,642	0
(iv) Seawater/desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	kilolitres	7,57,178	8,47,102
<b>Total volume of water consumption (in kilolitres)</b>			
<b>Water intensity per rupee of turnover</b> (Total water consumption/Revenue from operations)	kilolitres	0	0
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption/Revenue from operations adjusted for PPP)	kilolitres	0	0
<b>Water intensity in terms of physical output</b>	kilolitres	0	0
<b>Water intensity (optional)</b> - the relevant metric may be selected by the entity	kilolitres	0.136	0.158

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas (India) Private Limited

## 4. Provide the following details related to water discharged:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>			
(i) To Surface water	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(ii) To Groundwater	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iii) To Seawater	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iv) third party water	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(v) Others	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
<b>Total water discharged (in kilolitres)</b>	kilolitres	0.00	0.00

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas (India) Private Limited

All our plants are Zero Liquid Discharge. No Waste water discharged beyond the fence.

## 5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

The Zero Liquid Discharge (ZLD) plant comprises of Ultra Filtration (UF), three stage Reverse Osmosis (RO) plant. Ultra Filtration: The treated effluent from the outlet of ETP is passed through UF a modern process technology to purify water for a wide range of applications, including semiconductors, food processing, biotechnology, pharmaceuticals, power generation,

sea water desalting, and municipal drinking water. Reverse Osmosis: The permeated of the UF is passed through 3 stages of RO the water moves to the salty side of the membrane until equilibrium is achieved. The permeate of each stage is used back in the process, the reject of each stage of RO become feed for the next stage of the RO. The Final concentrated reject from RO stage 3 is sent to Multi Effect Evaporator (MEE). Multi Effect Evaporator: The Multi effect evaporator vaporises the rejected water with High TDS in 3 stages under vacuum, the condensate from each stage is used back into the process. The solidified salt from the agitated thin film drier (ATFD) is collected in HDPE bags and sent for secured landfill/Co-processing.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	MT	22.9	16.1
SOx	MT	3.7	0.9
Particulate matter (PM)	MT	7.2	6.3
Persistent organic pollutants (POP)	MT	0	0
Volatile organic compounds (VOC)	MT	0	0
Hazardous air pollutants (HAP)	MT	0	0
Others - please specify			

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas (India) Private Limited

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> )	tCO <sub>2</sub> e	21,375	19,867
NF <sub>3</sub> , if available			
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> )	tCO <sub>2</sub> e	82,224	82,484
NF <sub>3</sub> , if available			
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emission/revenue from operations)	tCO <sub>2</sub> e	0	0
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO <sub>2</sub> e	0	0
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	tCO <sub>2</sub> e	0	0
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> - the relevant metric may be selected by the entity	KgCO <sub>2</sub> /T	18.6	19.07

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas (India) Private Limited

**8. Does the entity have any project related to reducing Green House Gas emission?**

Yes

If Yes, then provide details.

Several projects have been taken to reduce Green House Gas emission, to enhance renewable share in the overall energy share and to improve the energy efficiency in the plants. The details of the key energy conservation project implemented are as under:

- i. Replacement of old compressor with energy efficient compressor.
- ii. Upgradation of Coolant System with high energy efficient Pumps in module machines of engine plant.

- iii. Light Automation through motion sensor installation in Expansion engine plant.
  - iv. Reduce energy consumption by replacement of conventional office fans with Efficient BLDC fans.
  - v. Energy saving in weld washing machines thorough maximisation of thermal heating usage in place of electrical heaters.
  - vi. Operational control and shift optimisation of Sheet Metal Paint Shop and Lacquer Paint Shop.
  - vii. Replacement of Halogen lights with LED lights at the Truck Dock area.
  - viii. Energy saving through implementation of Cold Washing chemical instead of Hot washing in machine shops.
  - ix. Optimisation of running hours of Multi effect evaporator of zero liquid discharge plant to save natural gas consumption.
  - x. Auto ON/OFF of Spray pumps with respect to part presence at paint Shop. -Magnetic Resonator for the hot box chamber of the oven to reduce the natural gas consumption.
  - xi. Optimisation of spray booth ventilation system in Paint Shop.
- Further, We have implemented a Renewable Energy procurement project for 2MW (90 lakh Kwh) at HM5V.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)			
Plastic waste (A)	metric tonnes	1,678	1,491.9
E-waste (B)	metric tonnes	6.4	15.1
Bio-medical waste (C)	metric tonnes	0.3	0.3
Construction and demolition waste (D)	metric tonnes	2,394.7	914
Battery waste (E)	metric tonnes	101	71.3
Radioactive waste (F)	metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G)	metric tonnes	1,786	1,801.6
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	metric tonnes	10,859	6,273.5
<b>Total (A+B+C+D+E+F+G+H)</b>	metric tonnes	<b>16,825.3</b>	<b>10,567.70</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)	metric tonnes	0	0
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/Revenue from operations adjusted for PPP)	metric tonnes	0	0
<b>Waste intensity in terms of physical output</b>	metric tonnes	0	0
<b>Waste intensity (optional)</b> - the relevant metric may be selected by the entity	metric tonnes	0	0
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>			
<b>Category of waste</b>			
(i) Recycled	metric tonnes	0	0
(ii) Re-used	metric tonnes	3,844.2	0
(iii) Other recovery operations	metric tonnes	0	0
<b>Total</b>	metric tonnes	<b>3,844.2</b>	<b>0.00</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>			
<b>Category of waste</b>			
(i) Incineration	metric tonnes	0.3	0.3
(ii) Landfilling	metric tonnes	0	0
(iii) Other disposal operations	metric tonnes	12,980.8	10,567.3
<b>Total</b>	metric tonnes	<b>12,981.1</b>	<b>10,567.60</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas (India) Private Limited

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We have a robust mechanism of waste management which promotes reducing its waste at the source, promoting sustainable packaging and adopting method to utilize waste as resource for others i.e. co-processing in cement industries. Another such example is upcycling of grinding sludge which is converted to ferric alum which becomes useful resources to textile industry and other water treatment industries. We have also adopted innovative technologies to eliminate process waste i.e. introduction of water based painting which creates zero VOC's, zero paint sludge and low water consumption. The Company also embarked upon the journey of Zero Waste to Landfill from 2018-19 to 2023-24 where all our plants are certified as Zero Waste to Landfill. Elimination of single use plastic was another initiatives where all our plants were certified as "Single Use Plastic Free" Plants. During this journey of zero waste to landfill we have able to achieve 40% reduction in waste generation and achieved diversion rate of more than 99.9%.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
			Not Applicable	

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No Environmental impact assessment of projects were undertaken by the Company during the current financial year					

**13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not provide details of all such non compliances in the following format.**

The Company is complying with all applicable environment law/regulations/guidelines in India

#### Leadership Indicators

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Water withdrawal, consumption and discharge in areas of water stress

For each facility/plant located in the areas of water stress, provide the following:

(i) Name of the area	Haryana and Rajasthan
(ii) Nature of operations	Manufacturing of two-wheelers, Global Parts Center and Research & Development
(iii) Water withdrawal, consumption and discharge in the following format:	

Parameter	Please specify unit	FY (Current Financial Year)	PY (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>			
Surface water	kilolitres	0	1,41,146
Groundwater	kilolitres	2,71,106	2,71,466
Third party water	kilolitres	1,32,642	0
Seawater/desalinated water	kilolitres	0	0
Others	kilolitres	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	kilolitres	4,03,748	4,12,612
<b>Total volume of water consumption (in kilolitres)</b>	kilolitres	4,03,748	4,12,612
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)	kilolitres	0	0
<b>Water intensity</b> (optional) - the relevant metric may be selected by the entity	kilolitres	0	0
<b>Water discharge by destination and level of treatment (in kilolitres)</b>			

Parameter	Please specify unit	FY (Current Financial Year)	PY (Previous Financial Year)
(i) Into Surface water	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(ii) Into Groundwater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iii) Into Seawater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iv) Third party water	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(v) Others	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
<b>Total water discharged (in kilolitres)</b>	kilolitres	0	0

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas (India) Private Limited

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> ( Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	2,01,82,252	0
<b>Total Scope 3 emissions per rupee of turnover</b>	Metric tonnes of CO <sub>2</sub> equivalent	0	0
<b>Total Scope 3 emission intensity</b> (optional) - the relevant metric may be selected by the entity	Metric tonnes of CO <sub>2</sub> equivalent	0	0

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Implementation of Nano PT in paint shop	Upgraded the chemical component in paint pre treatment process from Zinc Phosphate based treatment to Zirconium based treatment	Elimination of Hazardous Phosphate sludge with significant reduction in water & thermal energy usage
2	Use of Plastic waste in Bituminous Road Construction	Incorporated Waste plastic in bituminous road construction in Gurgaon, Dharuhera and Tirpuati Plant. Waste was collected from communities.	Utilise waste as resource

**5. Does the entity have a business continuity and disaster management plan?**

Yes

Give details in 100 words/web link.

The Company recognises the importance of Business Continuity Plan (BCP) for the smooth running of business particularly during unfavorable times, including pandemic. The Company focuses on business continuity, both from a business operations sustainability viewpoint as well as employee welfare measures perspective. A team of executives' as part of developing a BCP, focus on key action steps, roles and responsibilities, trigger mechanisms, turnaround times, etc. to be always prepared to tackle any situation that can potentially affect the business operations. Emergency preparedness aims to reduce the consequences of damage caused by unexpected situations like accidents, fire, sabotage, spills, explosions, natural disasters, terrorist activities and medical emergencies. It includes a series of actions to be taken in the case of such emergencies. It shows the preventive actions, preparation to meet adverse situations, how to mitigate them and how to have positive controls during that situation to save lives and reduce property damage

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

As per information available, there has been no significant impact to the environment, arising from the value chain partners of the Company

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

90

## PRINCIPLE 7

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### Essential Indicators

**1. a. Number of affiliations with trade and industry chambers/associations.**

7

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	CII - Confederation of Indian Industry	National
2	SIAM - Society of Indian Automobile Manufacturers	National
3	ECMA - Emission Controls Manufacturer Association	National
4	ACMA - Automotive Component Manufacturer Association	National
5	FADA - Federation of Automobile Dealers Association	National
6	IMMA - International Motorcycle Manufacturers Association	International
7	SAFE - Society of Automotive Fitness & Environment	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
		Not Applicable

## Leadership Indicators

**1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/Others - please specify)	Web Link, if available
1	Release of draft notification of L25 category (2-3 Combi-vehicle).	Direct communication through SIAM.	Yes	Others - please specify	<a href="https://morth.nic.in/sites/default/files/notifications_document/3-draft%20GSR%20150(E)%20dated%2029%20February,%202024%20Combi%20vehicle-reg.pdf">https://morth.nic.in/sites/default/files/notifications_document/3-draft%20GSR%20150(E)%20dated%2029%20February,%202024%20Combi%20vehicle-reg.pdf</a>
2	Adoption of National Standard for AC-DC Combined Charging - Connector & EVSE by BIS.	Direct communication through SIAM.	Yes	Others - please specify	<a href="https://egazette.gov.in/(S(2yzckjr0hwqq0euhjtqtr))/default.aspx">https://egazette.gov.in/(S(2yzckjr0hwqq0euhjtqtr))/default.aspx</a>
3	Withdrawal of MHI EV Guidelines for FAME Incentive.	Direct communication through SIAM.	Yes	Others - please specify	<a href="https://pliauto.in/docs/guidelines/Guidelines%20of%20MHI%20dt%2006-09-2023%20for%20Human%20Safety%20of%20Electric%20Vehicles.pdf">https://pliauto.in/docs/guidelines/Guidelines%20of%20MHI%20dt%2006-09-2023%20for%20Human%20Safety%20of%20Electric%20Vehicles.pdf</a>
4	Release of final notification for specifying exemptions for two-wheelers under Wheel rim QCO.	Direct communication through SIAM.	Yes	Others - please specify	<a href="https://heavyindustries.gov.in/sites/default/files/2023-12/gazette_notification_of_automobile_wheel_rim_component_quality_control_amendment_order.pdf">https://heavyindustries.gov.in/sites/default/files/2023-12/gazette_notification_of_automobile_wheel_rim_component_quality_control_amendment_order.pdf</a>
5	Deferment/Postponement of 2W & 3W in Cybersecurity regulations.	Direct communication through SIAM.	No	Others - please specify	Not Applicable
6	Standardisation of Indian standard for restraint system applicable for kids while riding 2W as a pillion.	Direct communication through SIAM.	No	Others - please specify	Not Applicable
7	WMI Certificate Updation for New Vehicle Category (3W) Addition.	Direct communication through BIS, SAE & USA .	No	Others - please specify	Not Applicable
8	Exempt interoperability Requirements from Battery Swapping Standardisation.	Direct communication through SIAM.	No	Others - please specify	Not Applicable
9	Revision of existing Lighting Standards with latest UNECE Lighting Regulations.	Direct communication through SIAM.	Yes	Others - please specify	<a href="https://www.araiindia.com/downloads/Refer std. AIS 009, AIS-034 PART 1 REV.3, AIS-034 PART 2 REV. 3, AIS-200">https://www.araiindia.com/downloads/Refer std. AIS 009, AIS-034 PART 1 REV.3, AIS-034 PART 2 REV. 3, AIS-200</a>
10	Standardisation & deferment of CAFE norms for 2 Wheelers .	Direct communication through SIAM.	No	Others - please specify	Not Applicable
11	Exemption of cross country bikes from Saree guard requirement.	Direct communication through SIAM.	No	Others - please specify	Not Applicable
12	Release of final notification to notify E20 for type approval requirement.	Direct communication through SIAM.	Yes	Others - please specify	<a href="https://morth.nic.in/sites/default/files/notifications_document/1st%20GSR%2027%28E%29%20dated%2025%20January%202024%20Ethanol%20as%20Mono%20fuel_O.pdf">https://morth.nic.in/sites/default/files/notifications_document/1st%20GSR%2027%28E%29%20dated%2025%20January%202024%20Ethanol%20as%20Mono%20fuel_O.pdf</a>

**PRINCIPLE 8****Businesses should promote inclusive growth and equitable development****Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
			Not Applicable		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
				Not Applicable		

3. Describe the mechanisms to receive and redress grievances of the community.

Not Applicable

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	5	5
Directly from within India	98	96

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	0%	0%
Semi-urban	0%	0%
Urban	0.84%	0.59%
Metropolitan	11.86%	10.51%

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Uttarakhand	Haridwar	1,34,59,358
2	Odisha	Kalahandi	2,70,330

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

Not Applicable

- (b) From which marginalised /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
		Not Applicable		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

S. No.	Name of Authority	Brief of the Case	Corrective action taken
		Not Applicable	

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Community Development	4	100
2	Education	1,259	100
3	Nurturing & Protection of Biodiversity	1,171	100
4	Promoting Preventive Health Care	14,455	100

**PRINCIPLE 9****Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The company has a robust customer grievance-capturing mechanism through different mediums like toll-free numbers, social media, corporate websites, e-mails, etc. Customer's grievances are recorded into the system which has a loop-closing mechanism and transparency till the satisfaction of the customer.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover
Environmental and social parameters relevant to the product
Safe and responsible usage
Recycling and/or safe disposal

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year	
Data privacy	0	0	Nil	0	NA
Advertising	0	0	Nil	0	NA
Cyber-security	0	0	Nil	0	NA
Delivery of essential services	0	0	Nil	0	NA
Restrictive Trade Practices	0	0	Nil	0	NA
Unfair Trade Practices	0	0	Nil	33	33 Consumer complaints pending for adjudication
Other	23,015	283	98.77% closed	24,712	350 98.6% closed

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. If available, provide a web-link of the policy.**

Yes, the Policy is available on the Company's intranet and is available to internal stakeholders.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Not applicable.

**7. Provide the following information relating to data breaches:****a. Number of instances of data breaches along-with impact**

NIL

**b. Percentage of data breaches involving personally identifiable information of customers**

NIL

**c. Impact, if any, of the data breaches**

Not Applicable

**Leadership Indicators****1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information relating to all the products and services provided by the Company is available at the corporate website [www.heromotocorp.com](http://www.heromotocorp.com) and also at <https://eshop.heromotocorp.com>. In addition, the owner's manual containing the details of the product of the Company is handed to all customers during delivery of vehicle. The Company also actively uses various social media and digital platforms to disseminate information about its products and services.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

During the new vehicle delivery and service, customers are informed and educated on the safe and responsible usage of the products. The Company also undertakes various safety initiatives to educate customers about safe ride.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The company has a Business Continuity Committee to deal with any kind of disruption and discontinuation. In case of any disruption/discontinuation of essential services, customers are informed through various media channels both print and digital, and also through individual SMS to the customers.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable)**

Yes

**If yes, provide details in brief.**

The details on the information label are as per the requirements of the Legal Metrology Act, 2009 and the Rules made thereunder. The Company voluntarily and actively informs all its dealers about any changes in product packaging through notices and circulars. It has also been running educative campaigns informing customers to operate vehicles in a more fuel efficient manner and to read the operating manual and the road safety leaflet. The leaflet enumerates good to emulate riding practices, fuel saving tips, etc. in a reader - friendly and easy to understand manner. The spare parts come with a customer toll free number, address and e-mail ID, where consumers can reach our executives with feedback, grievances and even queries regarding the products. Besides this, the consumers can also log on to the website of the Company and give their feedback or register complaints. In order to check the genuineness of spare parts, a Unique Part Identity (UPI) number is printed on the Maximum Retail Price (MRP) label of the spare part. The Company also runs campaigns informing customers about the same.

**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the Company measures customer satisfaction through its program Customer Experience Index.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### (A) CONSERVATION OF ENERGY

#### (i) Step taken or impact on conservation of energy:

Energy conservation initiatives and energy efficient technologies have been the top focus in the Company's operations. The Company believes actions around energy bring direct benefit to bottom-line and to the climate resilience. Some of the key energy initiatives undertaken during the year are as under:

a) Dharuhera plant has achieved annual energy savings of 7.51 lakh kWh (units) through deployment of various process optimisation and technology upgradation. Major initiatives include the following –

- 1 Provision of adiabatic cooling tower (First time in HMCL) for compressor auxiliaries.
- 2 Upgradation of low efficient compressor with high efficient compressor.
- 3 Upgradation of low efficient coolant pumps with cyclone type coolant pumps in 7 nos. machines in machine shop.
- 4 Upgradation of old chillers with VRV (Variable Refrigerant Volume) system in expansion engine assembly.
- 5 Upgradation of fixed speed chiller with variable speed chiller in old engine assembly.
- 6 Modification of the infrared lamps heating system in acrylonitrile butadiene styrene expansion paint shop by providing thyristor control and division of the heaters in 2 zones.
- 7 Elimination of energy losses in paint booth exhaust fans by provision of direct driven fans (6 nos.).
- 8 Process automation to reduce energy consumption by elimination of pumps of weld shop cooling towers during winters as water temp. requirement for process is 30°C.
- 9 Provision of 19 nos. - 5-star energy efficient air conditioners.

b) Gurgaon plant has reduced specific energy consumption from 29.1 KWH/Veh to 27.6 KWH/Veh i.e. equivalent to 15.1 lakh kWh (units) through the deployment of various process optimisation and technologies. Major initiatives include the following –

- 1 Automatic Power Factor Correction (APFC) panel for utility area.
- 2 Utility compressor cooling system shifted from cooling tower to radiator.

### Annexure IX

- 3 Installation of Brushless Direct Current (BLDC) fans in plant.
- 4 Rigorous awareness & monitoring of switching off lights/fans & machines during breaks & non production hours by providing efficient controls.
- 5 Solenoid valves on main headers of compressed air line & switching off during non-production time.
- 6 Utility cockpit preparation & loss reduction by analysing the data & implementing countermeasures.
- c) Haridwar plant has been able to achieve significant energy savings by employing a variety of methods to optimise their manufacturing processes and leverage innovative technologies which resulted reduction in specific power consumption 15.49 Kwh/veh to 14.70 Kwh/veh (6.75 lakh kWh (units) and 5.7 K SCM of natural gas). These measures have been implemented with the goal of reducing the overall energy consumption of the plant and promoting sustainability some of them worth mentioning are –
  - 1 Implementing electronically commutated fans for the plant forced draught ventilation system.
  - 2 Achieving load reduction in a paint shop through the optimisation of running hours and the elimination of losses.
  - 3 Optimizing the running hours of engine assembly washing machines through hanger modification.
  - 4 Forced draught ventilation(FDV) System load optimisation in aluminum phase by relay outing of FDVs.
  - 5 Optimizing pump flow through frequency optimisation in the Acrylic Cathodic Electro Deposition (ACED) shop area to achieve greater efficiency.
  - 6 Optimizing the power consumption of engine assembly by installing high efficient.
  - 7 Optimizing the power consumption of steel phase by installing hybrid heat pump in washing machine.
- d) Neemrana plant has achieved annual energy savings of 3.09 lakh kWh (units) through the deployment of various process optimisation and technologies. Major initiatives include the following –
  - 1 Energy saving by replacement of conventional fans with BLDC Fans.
  - 2 Achieving load reduction in a paint shop through the implementation of hanger tracking system in pre-treatment Line.
- 3 Plant roof light with less capacity and energy efficient LED lights.
- 4 Energy saving through elimination of cooling losses in plant.
- 5 Optimizing the running hours of compressors during non-working days.
- 6 Maximum solar energy utilisation on sundays/ holidays by running Multi Effect Evaporator (MEE) plant on sunday.
- 7 Paint shop LNG consumption reduction by hanger tracking system.
- 8 Reduce the energy consumption of machines by energy efficient pumps & motors.
- 9 Water treatment pumps replaced with energy efficient pumps.
- e) Halol plant has achieved annual energy savings of 2.63 lakh kWh (units) and fuel savings of 0.15 lakh SCM through the deployment of various process optimisation and technology. Major initiatives include the following:
  - 1 Aluminium cylinder head washing machine power saving by 50% (biggest guzzler in aluminium phase) through engineering approach (heater elimination by cold cleaning agent).
  - 2 Heating ventilation and air conditioning power consumption reduction by incorporation an airtron device.
  - 3 Hybrid thermal solar power panel installation in engine assembly line variable refrigerant volume unit for KWH reduction.
  - 4 Operating days of MEE Plant optimised from 9 days to 7 days through decrease of RO reject water and conservation fuel and power savings.
  - 5 Portable air compressor installation for the utility for the non-production days and night shift to decrease KWh consumption.
  - 6 Seawage treatment plant air blower running hour optimisation, maintaining all required process parameters.
  - 7 Chemical room exhaust fan on/off based on timer to enhance fan life as well as power reduction.
  - 8 Lighting power reduction in dispatch by integration of Graphic operation controller unit to control power in non-use period and working off day.
  - 9 Lighting power reduction in garden area, office area, and export area by timer control.
- f) CIT Jaipur has achieved annual energy savings of 2.47 lakh kWh through various process optimisation and technologies. Major initiatives include the following-
  - 1 Energy saving by installation of direct shaft driven treated fresh air handling unit instead of conventional blower.
  - 2 Energy saving by process optimisation in dyno star & dynaspede cam drum rig machine cooling blower by integrating operation with machine cycle.
  - 3 Upgradation of brake endurance machine free roller cooling by installing lower wattage fans & eliminating 2 KW blower.
  - 4 Process optimisation in Link Dyno Brake testing machine cooling blower by integrating operation with machine cycle.
  - 5 Process optimisation in two poster machine 27 tonnes of refrigerant chiller by increasing temperature from 13 degrees to 15 degrees & improvement of hose insulation.
  - 6 Optimisation of high mast lights through lora wan software by switching on only desired lights.
  - 7 Compressor optimisation (Replacement of old compressor with new variable frequency driven high efficient compressor).
  - 8 Installation of endo cube in chillers to optimise cooling temperature.
  - 9 Installation of air curtains on 8 nos of doors to avoid cooling loss from corridor units.
  - 10 On-off Timer installed for hydraulic motor and integrated with machine operation in haco shearing machine.
  - 11 On-off timer installed for hydraulic motor and integrated with machine operation in Programmable Logic Controller (PLC) of 15 Ton Press.
  - 12 On-off timer installed for hydraulic motor and integrated with machine operation in PLC of 50 Ton Press.
  - 13 On-off scheduler fix for hydraulic motor and integrated with machine operation.
  - 14 On-off schedule optimise for canon make printers and optimised for sleep timer.
  - 15 Non working days off schedule fixed for display standee.
  - 16 Installation of centralised utility cockpit.

## (II) Steps taken by the Company for utilising alternate sources of energy:

Exploring opportunities for RE-wheeling for all locations and completed one project at HM5V to wheel 2 Mw of Hybrid (Solar + Wind) power which equals to 90.0 lakh of energy units annually.

## (III) Capital Investment on energy conservation equipments:

Approx. capital investments on energy conservation equipments in FY 2023-24: ₹ 7.67 crore.

## (B) TECHNOLOGY ABSORPTION

### (i) Efforts made towards technology absorption

- 235 patent applications filed by HMCL in 2023-24 towards development of new technologies.
- Total patent applications filed by HMCL in India till FY 2023-24 = 1002
- Patents granted till FY 2023-24 = 240 [221 (India) + 19 (Foreign countries)]

#### Energy conservation & Green initiative

- Heat resistant powder coating development by replacing existing liquid painting for engine components (cylinder head and Block).
- Premium segments- liquid painting replacement with powder coating for various parts like crankcase cover, bottom case, handle bar riser and big fat tyre.
- Black chrome plating on ABS with non-hazardous trivalent chrome bath after evaluation & analysis at in-house material research lab.
- Material development for flexi-fuel vehicles.
- Carbon Foot print saved by implementing sustainable ideas such as weight reduction, alternate material, part deletion and multi-sourcing. Around 6800 Tons carbon foot print saving by implementing 209 ideas in total.

#### Technology Development

**Flex Fuel Technology:** This is in line with the HERO's vision towards sustainability as it is a renewable fuel which can be utilised up to ethanol 85% (present regulation). The technology is aimed to meet existing emission regulations together with OBD2B. This also fulfills the requirement of Green initiative as this is 100% renewable fuel.

In keeping with the Government of India's Flex Fuel Initiative and reiterating its focus on ushering in a new era of sustainable and clean mobility solutions, Hero MotoCorp, showcased its first three prototypes of

Flex-Fuel Motorcycles – the ethanol-based Hero HF Deluxe, Splendor+ and Glamour. Within a short span of launching its first electric vehicle, VIDA V1, the Company has now announced its flexible fuel vehicle concept thus, highlighting the strategic roadmap of Hero MotoCorp towards introducing sustainable mobility solutions across diverse mediums of electric and alternate fuels.

An exciting future roadmap was unveiled at the EICMA Motor Show in Milan and at its own bi-annual event Hero World, where the Company showcased the world's first class-convertible vehicle - Surge S32, path-breaking EV concepts - Lynx and Acro – flex-fuel options for popular motorcycle models and its upcoming range of scooters - Xoom (125 & 160), new VIDA V1 and V1 Coupe. Building a comprehensive portfolio of high capacity premium motorcycles, it also showcased the – Concept 2.5R XTunt- which is a new category for the Company.

### (ii) Benefits derived, like product improvement, cost reduction, product development or import substitution

Product Development -

New Model Launches in FY 2023-24

#### Mavrick 440

The powerful Mavrick 440 is fitted with an air cooled with oil cooler 2V single-cylinder 440cc 'TorqX' engine with electronic fuel injection. This long-stroke engine delivers 27 bhp @ 6000 rpm and a torque of 36 Nm @ 4000 rpm. Specifically designed for high low-end torque, over 90% of the peak torque is accessible from just 2000 rpm, providing a smooth and stress-free ride for city commuting and highway journeys.

**Interactive Telematics Features-** The digital speedometer with negative display opens up new worlds, not only in terms of readability, menu navigation and operating concept. Its offers smart phone feature (Phone Battery status, miss call Alert, bluetooth message Alert), incoming call alert, turn by-turn navigation, low fuel indicator, RTMi display, distance to empty, etc.

#### Karizma XMR

With best-in-class performance figures, the all-new 210 cc liquid cooled Dual Overhead Cam Shaft (DOHC) 4- Valve engine of Karizma XMR delivers an output of 25.5PS @ 9250 rpm and maximum torque of 20.4 Nm @ 7250 rpm.

The motorcycle accelerates from 0-60 in just 3.8 seconds. The optimised power and torque delivery curve guarantees an effortless ride whether in city or the long hauls on the highways.

The DOHC setup and the diamond like carbon coating finger cam followers help achieve a better high-end performance and improved engine durability. The new engine now has an increased oil replacement limit of 12,000 kms. The 6-speed gearbox paired with slip and assist clutch system reduces skidding & rear wheel locking during quick downshifts.

#### Harley-Davidson X440

The Harley-Davidson X440 inherits the character of the iconic Harley-Davidson brand with its commanding road presence. With its distinctive design, all-metal body, and a powerful engine, the motorcycle showcases its persona of a true performer in style. The Harley-Davidson X440 was launched at the world and co-developed by Harley Davidson & Hero MotoCorp.

#### Xtreme 200S

Built around the same diamond type chassis, the sporty Xtreme 200S comes wrapped around an all-new aerodynamic fairing featuring a sleek looking twin LED headlamp. It is flanked by a pair of position lamps on either side, a tank pad on the fuel tank, a single piece seat, all LED tail lamp, split-type grab rail and a sleek looking exhaust canister. The Xtreme 200S features a fully-digital instrument console that is equipped with bluetooth connectivity, gear position indicator and a service reminder apart from the standard features.

#### Xtreme 160R 4V

It offers a combination of unparalleled performance, masculine stance, smart & connected features and sharper control. The new Xtreme 160R 4V is available in three variants of standard, connected 2.0, and Pro variant with upside down forks.

#### Xtreme 125

The Hero Xtreme 125R is powered by 124.7cc BS6 engine which develops a power of 11.4 bhp and a torque of 10.5 Nm. With front disc and rear drum brakes, the stylish bike comes up with anti-locking braking system.

In the features department, the Hero Xtreme 125R gets a first-in-segment single-channel ABS as an option. Other features include full-LED lighting, fully digital instrument console, widest-in-segment 120-section tyre, and a showa monoshock.

#### XTech series 100cc motorcycles

**HF Deluxe** -The four new stripes enhance the overall dynamic appearance of the HF Deluxe. The canvas black edition in HF Deluxe strives to take customer aspirations to newer heights, backed by enhanced safety and convenience.

**Passion 100-** Building on the strong legacy of iconic brand Passion, the new Passion+ gets a fresh touch to its youthful design while enhancing the utility and comfort factor for riders.

#### Import Substitution

Effort towards localisation of mono suspension coil spring material.

#### Cost reduction

Platinum group metal reduction in catalytic converter with a direct saving of precious metals and cost reduction of ₹ 90 crore approx.

### (iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year)

#### (a) The Details of Technology Imported

- MCU Control software technology
- Li-Ion Cell technology for EV Battery

#### (b) The Year of Import

- FY 2022-23, completed before March 2023

#### (c) Whether the technology been fully absorbed

Yes

#### (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

Not Applicable

### (iv) The expenditure incurred on Research and Development

Particulars	(₹ in crore)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Capital	193.09	227.06
Recurring	633.13	532.88
Total R&D expenditure as a percentage of total revenue(as per Statement of Profit & Loss)	2.15%	2.21%

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

### Hero MotoCorp's Performance:

- In the fiscal year 2024 (FY24), Hero MotoCorp demonstrated robust performance in the global market, exporting 2,00,923 units and achieving a growth rate of 16.31% compared to the previous fiscal year (FY23),

- despite the overall industry experiencing a decline of 6% (Export from India).
- This significant growth was primarily driven by the positive trends in key markets such as Turkey and Mexico, which are expected to continue their upward trajectory in the coming years.

#### **Market Performance and Strategic Adjustments**

- In India, the export of two-wheelers initially faced challenges, with decline in Q1 and Q2 of FY24. However, the momentum picked up considerably in Q3 and Q4.
- Despite the Industry trends Hero MotoCorp gain a market share of 1.1% compared to FY23, culminating in a market share of 5.8% for FY24.
- Hero MotoCorp Global Business has strategically shifted its focus towards investing disproportionately in the top volume markets, laying out comprehensive plans to gain market share in these strategic regions.
- Concurrently, the Company remains committed to nurturing smaller markets to enhance their contribution to the overall business.
- This dual strategy aims to consolidate Hero MotoCorp's presence and growth across varied geographies.

#### **Regional Insights:**

##### **1. Latin America (LATAM)**

- Dispatches to Latin American countries increased by an impressive 41% in FY24, with strong performances from Mexico, Guatemala, the Dominican Republic, and Nicaragua.
- Colombian market declined by 12%, impacting overall dispatches, however the industry is expected to bounce back in FY25.
- Appointment of a new distributor in Costa Rica showed promising results, with expectations of reaching a 4% market share in FY25.
- The Board of Hero MotoCorp has approved to start operations in Brazil, the largest market in Latin America, marking a significant strategic move for the Company.

##### **2. Africa and Middle East (AFRICA & ME)**

###### **Turkey:**

- Turkey's performance in FY24 was exceptional, with dispatches growing by 357%. The popularity of the Xpulse and the Dash 125 has significantly bolstered Hero's brand in Turkey.
- With new product launches anticipated in FY25, the momentum is expected to continue, with exponential growth in retail sales.

###### **Nigeria:**

- In Nigeria, Hero MotoCorp partnered with the Tolaram Group, a diversified conglomerate known for its operations in consumer goods, infrastructure, and digital services.
- This collaboration is expected to enhance Hero's two-wheeler market penetration in Africa's largest two-wheeler market.

#### **3. ASIA**

###### **Bangladesh**

- Bangladesh remains the largest contributor to Hero MotoCorp's global business, accounting for 27% of total dispatches.
- Bangladesh has been facing economic challenges, including high inflation and a slowdown, which have adversely impacted the entry segment—a segment where Hero MotoCorp traditionally holds a strong position.
- To mitigate these challenges, Hero MotoCorp is aligning its strategies to make two-wheelers more accessible to potential buyers across all economic strata.
- Additionally, to gain market share in the premium category, Hero MotoCorp launched two new products in Bangladesh: The Karizma XMR and the Thriller 160 4V.

###### **Nepal**

- In Nepal, Hero MotoCorp collaborated with the Chaudhary Group of Nepal to continue its operations.
- The Chaudhary Group is a diversified conglomerate with businesses spanning across sectors such as FMCG, hospitality, banking, real estate, and energy. This partnership aims to regain market share and expand Brand Hero in Nepal.

###### **Philippines**

- Hero MotoCorp also commenced dispatches to the Philippines one of the key strategic markets in South East Asia with a market size of 2.25 million in FY24, focusing on promoting scooters and premium models to capture a broader customer base.

#### **Key Initiatives**

##### **Building EV Leadership:**

HMCL has planned major EV launches across key European cities and few select regions, to position itself as a leader in the electric vehicle segment.

###### **Growing the Core:**

The Company has prioritized synergistic efforts to strengthen its core segments in high-performing markets, consolidating its market position and driving sustained growth by launching new product refreshes, increasing market share; strengthening the brand across South Asia, LATAM, African& Middle East region.

###### **Winning in Premium:**

HMCL will continue to invest in brand building and premium product launches to capture a significant share of the premium segment, further boosting export volumes.

###### **Network Expansion:**

Efforts will be directed towards enhancing network infrastructure and expansion to ensure maximum outreach, refreshing customer experience; seamless communication with customers, prioritising customer satisfaction and loyalty.

###### **Driving Revenue Streams:**

HMCL has aimed to revitalize its parts business through the introduction of new accessory lines and market expansions, diversifying its revenue streams and enhancing profitability.

###### **Key Focus Area**

Focus on scaling up market share in Latin American countries such as Colombia, Mexico, Guatemala, Bolivia, and Peru through network expansion, brand building, and product refreshes.

Increasing retail finance in key markets such as Colombia, Bangladesh, Nepal, Mexico, and Africa Cluster to improve affordability and boost sales.

Investing in brand building in important markets to increase brand awareness and visibility.

Expand Premium Product Portfolio across regions through continued refresh and new product launches.

#### **Addressing Market Risks and Strategic Priorities**

One of the major risks for Hero MotoCorp Global Business is market volatility in key regions of operation. Economic changes, forex reserves, high inflation, and high fuel prices can adversely affect market sentiments, potentially impacting retail sales.

To overcome these challenges, Hero MotoCorp will proactively strengthen its product portfolio through diverse offerings including expanding its geographical presence.

Tie up with retail financers in various markets, offering competitive financial deals to maintain retail trends and sustain growth momentum.

Looking ahead to the next financial year, Hero MotoCorp's key priorities include introducing new product lineup to the market.

In FY25, the Company plans to launch several new products, such as the Xtreme 125, Hunk 150, Hunk 160 4V, Karizma XMR and the Mavrick 440 across its Global Markets to further strengthen its premium product portfolio.

#### **The Foreign Exchange earned in terms of actual inflows during the year and the foreign outgo during the year in terms of actual outflows.**

Foreign exchange earnings during FY 2023-24 were ₹1,457.05 crore, as compared to ₹1,008.24 crore in the previous financial year.

On account of Royalty, Technical Guidance Fee, travel and other accounts and advertisement and publicity, the foreign exchange outgo during the FY 2023-24 was ₹ 520.58 crore, as compared to ₹ 457.17 crore in previous FY.

Outgo for Import of Components, spare parts, raw materials and capital goods during the FY 2023-24 was ₹ 960.88 crore, as compared to ₹ 565.80 crore in the previous financial year.

# Independent Auditors' Report

## To The Members of Hero MotoCorp Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Hero MotoCorp Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Loss), the Standalone Statement of Cash Flows and the Standalone 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 (hereinafter referred to as "the standalone financial statements").

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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("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 (the "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.

#### Emphasis of Matter

We draw attention to note 34 in respect of disallowances by the Income Tax authorities of deductions from taxable income in prior periods of certain expenses incurred in those periods. The Company has appealed to the Commissioner of Income Tax- Appeals against these disallowances. The Company based on available information, underlying evidence supporting these disallowed expenses, and supplemented by external legal advice has not made any provision for this demand because it probable that the Company's position will be accepted upon ultimate resolution.

Additionally, as also described in note 34, the Company and its Chairman are under investigation by certain other Government agencies. Pending resolution of these investigations as at the date of this report, there is uncertainty on the ultimate outcome of these investigations. Based on available information and facts as the date of approval of these financial statements, the Company has not identified any adjustment, disclosure or any other effect on these financial statements.

Our opinion is not modified in respect of the above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>Investment in Subsidiaries, Associates and Equity Instruments</b>	<b>Principal audit procedures performed included the following:</b>
The Company holds investment in subsidiaries, associates and equity instruments amounting to ₹ 4,876.46 Crores as at March 31, 2024. At each reporting period, the Company assesses the recoverable amount of the investments in subsidiaries and associates and fair value of equity instruments, respectively, in order to determine (i) whether there is any indication that the investments in subsidiaries and associates have suffered an impairment loss and (ii) changes in fair value of equity instruments.	Obtained understanding of the process and tested the internal controls related to the assumptions used by the management for determination of recoverable value of the investments in subsidiaries and associates and fair value of investments in equity instruments.
To assess the recoverability of investments in subsidiaries and associates and to determine the fair value of equity instruments, management is required to use appropriate methodology and apply significant assumptions relating to discount rate, long term growth rate and revenue multiples.	Challenged management on the appropriateness of the valuation methodology and performed following procedures:
We have identified the valuation methodology and aforementioned assumptions used by the management for estimation of the recoverable value and determination of fair value as the key audit matter because these assumptions are of particular importance due to the level of judgements involved.	<ul style="list-style-type: none"> <li>▪ Assessed the net worth of the subsidiaries and associates based on latest available financial statements;</li> <li>▪ Evaluated the objectivity and competency of the specialist engaged by the Company and reviewed the valuation report issued by such specialist;</li> <li>▪ With the assistance of our valuation specialist, we assessed the reasonableness of the methodology and assumptions used to determine the recoverable value of the investments in subsidiaries and associates and fair value of investments in equity instruments, primarily related to discount rates, long term growth rate and revenue multiples;</li> <li>▪ Tested the arithmetical accuracy of the valuation models; and</li> <li>▪ Assessed appropriateness of disclosures made by the Company.</li> </ul>
Refer note 3.15 and 9 of 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 Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility & Sustainability Report and Corporate Governance 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 do 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 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 loss, 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 judgements 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 standalone 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 intends 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 Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

## Independent Auditors' Report

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 judgement 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.
- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report 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.
  - 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.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Loss, the Standalone Statement of Cash Flows and Standalone 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) 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.
  - g) 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.
  - h) 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 34 (a) and (b) 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.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 45(vi) to the standalone 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, as disclosed in the note 45(vii) to the standalone 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.
- v. As stated in the Note 19 to the standalone financial statements,
- a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

## Independent Auditors' Report

- b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with section 123 of the Act.
- c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The final dividend proposed is in compliance with section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

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)

### Vijay Agarwal

Partner

(Membership No. 094468)

UDIN: 24094468BKCCZZ7370

Place: Shimla

Date: May 08, 2024

**(Referred to in paragraph 1(f) 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 MotoCorp Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone 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 (the "ICAI") 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

## Annexure "A" to the Independent Auditors' Report

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 ICAI.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**Vijay Agarwal**

Partner

(Membership No. 094468)

UDIN: 24094468BKCCZZ7370

Place: Shimla

Date: May 08, 2024

## Annexure "B" to the Independent Auditors' Report

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hero MotoCorp Limited)**

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 to the Company's property, plant and equipment, right-of-use assets 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 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, capital work-in-progress, and right-of-use assets were due for verification and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered title deed including certified true copies provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at the Balance sheet date			Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company*
	Gross Carrying value	Carrying value in the financial statements	Held in the name of			
Apartment 1, Gurugram	18.94	17.95	Registration has been applied for	Not applicable	Since December 2020 till date of audit report	Registration has been applied for
Apartment 2, Gurugram	18.94	17.95	Registration has been applied for	Not applicable	Since December 2020 till date of audit report	

\* Subsequent to the balance sheet date both the Apartments have been registered in the name of the Company.

- (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 March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories except for goods in transit and stock lying with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the 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, majority of written confirmations have been obtained by the management and in respect of goods in transit, majority of 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 books of account.
- (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits, in excess of ₹ 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Hence reporting on the quarterly returns or statements filed by the Company with such banks or financial institutions is not applicable.
- (iii) The Company has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments in companies and other parties (Refer note 9 of Standalone Financial Statements) and has granted unsecured loans to other parties during the year, in respect of which:

## Annexure "B" to the Independent Auditors' Report

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

Particulars	Amount (₹ in crores)
A. Aggregate amount of loans given to employees during the year	43.33
B. Balance outstanding of loans given to employees as at balance sheet date*	45.71

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

The Company has not made any investments in firms or limited liability partnerships and has not granted loans to companies, firms and limited liability partnerships.

- b) The investments made and the terms and conditions of the grant of the loans provided to employees, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

- c) In respect of loans granted provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no amount overdue for more than ninety days at the balance sheet date.

- e) No 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 or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Amount (₹ in Crores)					
Nature of Statute	Nature of dues	Forum where dispute is pending	Period	Amount	Amount paid under protest
The Customs Act, 1982	Customs Duty	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)	FY 2014-15	0.25	0.01
The Central Excise Act, 1944	Excise Duty	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)	FY 2004-05 to FY 2017-18	45.40	1.60
					43.80

- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (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, Customs Duty, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Sales Tax, Service Tax, duty of Excise and Value Added Tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, 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 became payable.

Nature of Statute	Nature of dues	Forum where dispute is pending	Period	Amount	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise Duty	Commissioner Appeal	FY 2014-15 to FY 2017-18	0.27	0.02	0.25
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)	FY 2017-18	0.09	0.01	0.08
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Joint commissioner Appeals	FY 2021-22	0.18	0.18	-
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Commissioner Appeals	FY 2016-17 to FY 2017-18	6.75	0.15	6.60
Finance Act, 1994	Service Tax	CESTAT	FY 2004-05 to FY 2011-12	233.11	24.99	208.13
Finance Act, 1994	Service Tax	Supreme Court	FY 2004-05 to FY 2005-06	0.89	0.45	0.44
Finance Act, 1994	Service Tax	Commissioner Appeals	FY 2016-17	1.99	-	1.99
Income-tax Act, 1961	Income-Tax	Income Tax Appellate Tribunal (ITAT)	FY 2010-11	2336.71	375.51	1961.20
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2013-14 to FY 2018-19	10.85	0.18	10.67
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)*	FY 2013-14 to FY 2018-19	178.00	-	178.00
Indian Stamp Act, 1899	Stamp Duty	Supreme Court	FY 2012-13	15.00	10.00	5.00
Employees State Insurance Act, 1948	Employees State Insurance Contribution	Civil Court, Gurugram	FY 2013-14 to FY 2014-15	10.31	2.32	7.99
Employees State Insurance Act, 1948	Employees State Insurance Contribution	High Court	FY 2013-14	0.19	0.19	-

\*Net of rectification orders under Section 154 received subsequent to the year end and appeal filed by the Company to CIT(A) thereon.

Above excludes an aggregate amount of ₹ 50.87 crores in respect of disputes of Income-tax Act, 1961 which are paid in full.

The following matters have been decided in favour of the Company, but the department has preferred appeals at higher levels:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period	Amount	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise Duty	CESTAT	FY 2010-11, FY 2013-14, FY 2015-16 to FY 2017-18	95.91	-	95.91

The Central Excise Act, 1944	Excise Duty	Supreme Court	FY 2002-03 to FY 2008-09	8.78	-	8.78
Income-tax Act, 1961	Income-Tax	Supreme Court	FY 2005-06	4.10	-	4.10
Income-tax Act, 1961	Income-Tax	High Court	FY 1995-96 to FY 1998-99, FY 2000-01, FY 2002-03, FY 2003-04, FY 2006-07, FY 2009-10 to FY 2012-13	7367.64	-	7367.64

## Annexure "B" to the Independent Auditors' Report

- 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. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3 (ix)(d) of the Order is not applicable to the Company.
- (e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (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. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company 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) We have taken into consideration the whistle blower complaints received by the Company during the year and up to the date of this report and provided to us, when performing our audit.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year covering specific processes and periods scoped in for internal audit as per the internal audit plan in the financial year ended on March 31, 2024.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a), (b) and (c) 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.
- (d) The Group has more than one Core Investment Company ("CIC") as part of the group. There are two CICs forming part of the group as detailed in note 45(vii) to the standalone financial statements.
- 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. 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 provision 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)

**Vijay Agarwal**  
Partner  
(Membership No. 094468)  
UDIN: 24094468BKCCZZ7370

Place: Shimla  
Date: May 08, 2024

## Balance Sheet

as at March 31, 2024  
CIN: L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR		
		As at March 31, 2024	As at March 31, 2023	
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	5	4,933.87	4,868.20	
(b) Capital work-in-progress	6	120.58	128.55	
(c) Right of use assets	7A	371.61	393.03	
(d) Other intangible assets	7	528.55	500.19	
(e) Intangible assets under development	8	359.93	335.24	
(f) Financial assets				
(i) Investments	9	8,811.58	7,372.48	
(ii) Loans	10	21.15	19.87	
(iii) Others	11	188.87	205.65	
(g) Income tax assets (net)	12	312.49	251.72	
(h) Other non-current assets	13	126.90	151.42	
<b>Total non - current assets</b>		<b>15,775.53</b>	<b>14,226.35</b>	
<b>Current assets</b>				
(a) Inventories	14	1,443.76	1,434.09	
(b) Financial assets				
(i) Investments	9	4,274.52	3,637.88	
(ii) Trade receivables	15	2,703.44	2,798.21	
(iii) Cash and cash equivalents	16	539.89	168.37	
(iv) Bank balances other than (iii) above	17	69.04	177.13	
(v) Loans	10	24.56	23.71	
(vi) Others	11	283.51	562.33	
(c) Other current assets	13	457.30	235.07	
<b>Total current assets</b>		<b>9,796.02</b>	<b>9,036.79</b>	
<b>Total assets</b>		<b>25,571.55</b>	<b>23,263.14</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	18	39.98	39.97	
(b) Other equity	19	17,946.20	16,665.12	
<b>Total equity</b>		<b>17,986.18</b>	<b>16,705.09</b>	
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Lease liabilities	7A	111.50	134.29	
(ii) Other financial liabilities	23	178.13	196.29	
(b) Provisions	20	316.66	198.12	
(c) Deferred tax liabilities (net)	21	434.82	405.37	
<b>Total non - current liabilities</b>		<b>1,041.11</b>	<b>934.07</b>	
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Lease liability	7A	26.08	22.02	
(ii) Trade payables				
Total outstanding dues of micro and small enterprises	22	15.79	1.15	
Total outstanding dues of creditors other than micro and small enterprises	22	5,512.36	4,703.31	
(iii) Other financial liabilities	23	250.29	163.97	
(b) Other current liabilities	24	585.60	557.84	
(c) Provisions	20	154.14	175.69	
<b>Total current liabilities</b>		<b>6,544.26</b>	<b>5,623.98</b>	
<b>Total equity and liabilities</b>		<b>25,571.55</b>	<b>23,263.14</b>	
The notes referred to above form an integral part of the standalone financial statements	1-45			

The notes referred to above form an integral part of the standalone financial statements

1-45

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
*Chartered Accountants*  
ICAI Firm's registration number: 117366W/W-100018

**Vijay Agarwal**  
*Partner*  
Membership No: 094468

Place: Shimla  
Date: May 08, 2024

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**Dr. Pawan Munjal**  
*Executive Chairman*  
DIN-00004223

**Niranjan Kumar Gupta**  
*Chief Executive Officer*

Place: Shimla  
Date: May 08, 2024

**Tina Trikha**  
*Chairperson Audit Committee (Director)*  
DIN-02778940

**Vivek Anand**  
*Chief Financial Officer*

Membership No.: F5454

## Statement of Profit and Loss

for the year ended March 31, 2024

CIN: L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR		
		For the year ended March 31, 2024	For the year ended March 31, 2023	
<b>I Income</b>				
(a) Revenue from operations				
	25	37,455.72	33,805.65	
(b) Other income				
	26	892.55	565.16	
<b>Total Income</b>		<b>38,348.27</b>	<b>34,370.81</b>	
<b>II Expenses</b>				
(a) Cost of raw materials consumed	27	24,767.46	24,019.73	
(b) Purchase of stock in trade		484.20	47.43	
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	28	179.11	(209.04)	
(d) Employee benefits expense	29	2,402.34	2,189.83	
(e) Finance costs	30	18.50	19.87	
(f) Depreciation and amortisation expense	5, 7 and 7A	711.41	656.96	
(g) Other expenses	31	4,366.90	3,771.47	
<b>Total expenses</b>		<b>32,929.92</b>	<b>30,496.25</b>	
<b>III Profit before tax (I-II)</b>		5,418.35	3,874.56	
Exceptional item-VRS expenses	37	159.99	-	
<b>Profit before tax-after exceptional item</b>		<b>5,258.36</b>	<b>3,874.56</b>	
<b>IV Tax expense</b>		32		
(a) Current tax		1,260.95	941.90	
(b) Deferred tax charge/(credit)		29.45	22.08	
<b>Total tax expense</b>		<b>1,290.40</b>	<b>963.98</b>	
<b>V Profit after tax (III-IV)</b>		<b>3,967.96</b>	<b>2,910.58</b>	
<b>VI Other comprehensive income/(expense)</b>				
Items that will not be reclassified subsequently to profit or loss:-				
Re-measurement losses on defined benefit plans		(29.87)	(12.52)	
Income tax effect		7.52	3.15	
<b>Other comprehensive income/(loss) for the year</b>		<b>(22.35)</b>	<b>(9.37)</b>	
<b>VII Total comprehensive income for the year, net of income tax</b>		<b>3,945.61</b>	<b>2,901.21</b>	
<b>VIII Earnings per share (Nominal value of ₹ 2 each) in ₹</b>		33		
(a) Basic		198.53	145.66	
(b) Diluted		198.18	145.52	
The notes referred to above form an integral part of the standalone financial statements	1-45			

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
*Chartered Accountants*  
ICAI Firm's registration number: 117366W/W-100018

**Vijay Agarwal**  
*Partner*  
Membership No: 094468

Place: Shimla  
Date: May 08, 2024

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**Dr. Pawan Munjal**  
*Executive Chairman*  
DIN-00004223

**Niranjan Kumar Gupta**  
*Chief Executive Officer*

Place: Shimla  
Date: May 08, 2024

**Tina Trikha**  
*Chairperson Audit Committee (Director)*  
DIN-02778940

**Vivek Anand**  
*Chief Financial Officer*

Place: Shimla  
Date: May 08, 2024

**Pradeep Dinodia**  
*Non-Executive Director*  
DIN-00027995

**Dhiraj Kapoor**  
*Company Secretary & Compliance Officer*  
Membership No.: F5454

## Statement Of Cash Flows

for the year ended March 31, 2024

CIN: L35911DL1984PLC017354

Particulars	Amount in crores of INR	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit after tax	<b>3,967.96</b>	<b>2,910.58</b>
Adjustments for:		
Add: Depreciation and amortisation	711.41	656.96
Tax expense	1,290.40	963.98
Loss on property, plant and equipment sold/ discarded	5.55	4.72
Finance cost	18.50	19.87
Employee Stock Compensation Cost	23.74	16.04
Loss allowance on trade receivables	17.71	4.80
	<b>2,067.31</b>	<b>1,666.37</b>
Less: Interest income on financial assets carried at amortised cost	296.22	256.10
Dividend income	59.35	0.28
Profit on sale of investments	120.39	111.79
Gain on investments carried at fair value through profit or loss	406.99	191.43
Profit on sale of property, plant and equipment	6.27	5.56
	<b>889.22</b>	<b>565.16</b>
<b>Operating profit before working capital changes</b>	<b>5,146.05</b>	<b>4,011.79</b>
Changes in working capital:		
<b>Adjustment for (increase)/decrease in operating assets:</b>		
Inventories	(9.67)	(311.44)
Trade receivables	77.06	(498.74)
Loans-Current	(0.85)	(0.90)
Loans-Non-Current	(1.28)	(2.44)
Other financial assets	295.60	(281.58)
Other current assets	(222.23)	(37.42)
Other non-current assets	7.74	12.97
	<b>146.37</b>	<b>(1,119.55)</b>
<b>Adjustment for increase/(decrease) in operating liabilities:</b>		
Trade payables	823.69	444.12
Other financial liabilities-Current	9.74	3.75
Other current liabilities	27.76	65.72
Current provisions	(21.55)	15.27
Non-current provisions	88.67	7.53
	<b>928.31</b>	<b>536.39</b>
<b>Cash generated from operations</b>	<b>6,220.73</b>	<b>3,428.63</b>
Less: Direct tax paid (net of refund)	1,314.20	849.55
<b>Net cash from operating activities</b>	<b>4,906.53</b>	<b>2,579.08</b>

## Statement Of Cash Flows

for the year ended March 31, 2024

CIN: L35911DL1984PLC017354

Particulars	Amount in crores of INR	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment and intangible assets, capital work in progress and intangible assets under development including capital advances		(719.50)
Proceeds from sale of property, plant & equipment	9.31	10.16
Deposits (made)/withdrawn	101.10	(102.83)
Sale of investments other than associates	45,713.23	45,340.83
Purchase of investments other than associates	(46,584.68)	(44,433.15)
Investment in associates	(639.41)	(962.50)
Investment in subsidiaries	(37.50)	-
Interest income on financial assets carried at amortised cost	296.22	256.10
Dividend income	59.35	0.28
<b>Net cash (used) in investing activities</b>	<b>(1,801.88)</b>	<b>(468.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid		(18.50)
Repayment of lease liabilities		(26.37)
Dividends paid		(2,698.67)
Proceeds from issue of equity share capital (including share premium)	10.41	3.24
<b>Net cash (used) in financing activities</b>	<b>(2,733.13)</b>	<b>(2,040.58)</b>
<b>D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>371.52</b>	<b>69.69</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>168.37</b>	<b>98.68</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>539.89</b>	<b>168.37</b>

Also, refer to note 7A for reconciliation of cash flows from financial liabilities

The Statement of Cash Flows has been prepared in accordance with "Indirect method" as set out in Ind AS 7 on "Statement of Cash Flows", as notified under Section 133 of the Companies Act, 2013, read with relevant rules thereunder.

The notes referred to above form an integral part of the standalone financial statements 1-45

As per our report of even date

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

<b>For Deloitte Haskins &amp; Sells LLP</b> Chartered Accountants ICAI Firm's registration number: 117366W/W-100018	<b>Dr. Pawan Munjal</b> Executive Chairman DIN-00004223	<b>Tina Trikha</b> Chairperson Audit Committee (Director) DIN-02778940	<b>Pradeep Dinodia</b> Non-Executive Director DIN-00027995
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<b>Vijay Agarwal</b> Partner Membership No: 094468	<b>Niranjan Kumar Gupta</b> Chief Executive Officer	<b>Vivek Anand</b> Chief Financial Officer	<b>Dhiraj Kapoor</b> Company Secretary & Compliance Officer Membership No.: F5454
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Place: Shimla  
Date: May 08, 2024

Place: Shimla  
Date: May 08, 2024

## Statement of Changes in Equity

for the year ended March 31, 2024  
CIN: L35911DL1984PLC017354

### A. Equity Share Capital

Particulars	Amount in crores of INR			
	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Opening balance</b>	<b>19,98,39,718</b>	<b>39.97</b>	<b>19,98,11,941</b>	<b>39.96</b>
Issue of equity shares under employee share option plan (# ₹ 1,64,046) (31 March 2023: ₹ 55,554) (Note 40)	82,023	0.02	27,777	0.01
<b>Closing balance</b>	<b>19,99,21,741</b>	<b>39.98</b>	<b>19,98,39,718</b>	<b>39.97</b>

### B. Other Equity\*

Particulars	Reserves and surplus				
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings
					Total
<b>Balance as at March 31, 2022</b>	#	41.12	2,645.79	24.45	13,031.60
Profit for the year	-	-	-	-	2,910.58
Other comprehensive income for the year, net of income tax	-	-	-	-	(9.37)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>2,901.21</b>
Charge against share-based payments	-	-	-	16.04	-
Transferred to share premium on issue of shares	-	4.86	-	(4.86)	-
Payment of dividends	-	-	-	-	(1,998.33)
Issue of equity shares under employee share option plan	-	3.24	-	-	3.24
<b>Balance as at March 31, 2023</b>	#	<b>49.22</b>	<b>2,645.79</b>	<b>35.63</b>	<b>13,934.48</b>
Profit for the year	-	-	-	-	3,967.96
Other comprehensive income for the year, net of income tax	-	-	-	-	(22.35)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>3,945.61</b>
Charge against share-based payments	-	-	-	23.74	-
Transferred to share premium on issue of shares	-	13.74	-	(13.74)	-
Payment of dividends	-	-	-	-	(2,698.67)
Issue of equity shares under employee share option plan	-	10.40	-	-	10.40
<b>Balance as at March 31, 2024</b>	#	<b>73.36</b>	<b>2,645.79</b>	<b>45.63</b>	<b>15,181.42</b>

\*Purpose of each reserve within Other Equity has been disclosed under Note 19.

# on shares forfeited (₹ 4,250 in absolute INR) and share premium account on forfeited shares reissued (₹ 25,500 in absolute INR)

The notes referred to above form an integral part of the standalone financial statements 1-45

As per our report of even date

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**For Deloitte Haskins & Sells LLP**  
*Chartered Accountants*  
ICAI Firm's registration number: 117366W/W-100018

<b>Dr. Pawan Munjal</b> <i>Executive Chairman</i> DIN-00004223	<b>Tina Trikha</b> <i>Chairperson Audit Committee (Director)</i> DIN-02778940	<b>Pradeep Dinodia</b> <i>Non-Executive Director</i> DIN-00027995
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**Vijay Agarwal**  
*Partner*  
Membership No: 094468

<b>Niranjan Kumar Gupta</b> <i>Chief Executive Officer</i>	<b>Vivek Anand</b> <i>Chief Financial Officer</i>	<b>Dhiraj Kapoor</b> <i>Company Secretary &amp; Compliance Officer</i> Membership No.: F5454
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Place: Shimla  
Date: May 08, 2024

Place: Shimla  
Date: May 08, 2024

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

### 1. General Information

Hero MotoCorp Limited (the Company) is a public company domiciled and incorporated under the provisions of the Companies Act, 1956 on January 19, 1984. The Company's registered office and principal place of business is The Grand Plaza, Plot No.2, Nelson Mandela Road, Vasant Kunj – Phase II, New Delhi – 110070, India. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services. The Company is a leading two wheeler manufacturer and has a dominant presence in domestic market.

The standalone financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 08, 2024.

### 2. Basis of preparation and presentation

#### 2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

#### 2.2 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments, net defined benefit asset/liability and liabilities for equity settled share based payment arrangements that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. These standalone financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores, up to two decimals unless otherwise stated.

#### 2.3 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as less than 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 3. Material Accounting Policies

#### 3.1 Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue excludes taxes or duties collected on behalf of the government.

- Revenue from sale of goods is recognised when control of goods has been transferred to the buyer and performance obligation has been achieved, as per the terms of the sales. The Company also arranges transportation and insurance at the time of dispatch and recover it from the customers and accordingly recognize it as revenue.
- Revenue from providing services is recognized in the accounting period in which services are rendered.
- Revenue from service is based on number of services provided to the end of reporting period as a proportion of the total number services to be provided.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A liability is recognised where payments are received from customers before transferring control of the goods being sold or providing services to the customer.

The Company disaggregates revenue from contracts with customers by nature of goods and service.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Royalty income is recognized on accrual basis in accordance with the substance of their relevant agreements.

#### 3.2 Leasing

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.

#### The 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 recognises a right-of-use asset ("ROU") and a corresponding

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

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 recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes 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, using the incremental borrowing rates in the country of domicile of these leases. 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 flows.

Refer note 7A for other disclosures.

### 3.3 Foreign currencies

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-

monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

### 3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

### 3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of profit and loss on a systematic basis over the periods in which the Company recognises the related costs as expenses, if any, for which the grants are intended to compensate.

### 3.6 Employee benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Statement of profit and loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item Employee benefit expense and third components is present in other comprehensive income.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

#### Short-term employee benefits

Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

#### Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year-end. Re measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

### 3.7 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share option's outstanding account.

### 3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they are related to income taxes levied by the same tax authority.

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

### 3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment and capitalised borrowing cost. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method based on the useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II to the Companies Act, 2013, other than moulds and dies which are depreciated over a period of 3-8 years grouped under property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and loss.

### 3.10 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

#### Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

recognised in the Statement of profit and loss when the asset is derecognised.

#### Useful lives of intangible assets

Intangible assets such as expenditure on model fee etc. are amortised on a straight line method over a period of 5 years and computer software are amortised on a straight line method over a period of 6 years.

### 3.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For impairment testing, assets that don't generate independent cash flows are grouped together into cash generating units (CGU's). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGU's.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of

any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

### 3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. 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. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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).

### Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency, average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise-being typically two to five years.

### 3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets except for trade receivables that do not have a significant financing component which are measured at transaction price and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate,

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Statement of profit and loss are recognised immediately in the Statement of profit and loss.

### 3.15 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in the Statement of profit and loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of profit and loss and is included in the "Other income" line item.

#### Financial assets at fair value through the Statement of profit and loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of profit and loss. The net gain or loss recognised in the Statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### Investments in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost in the standalone financial statements.

#### Impairment of financial assets

The Company applies the expected credit loss for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

### 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 net basis or to realise the assets and settle the liabilities simultaneously.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### 3.16 Financial liabilities and equity instruments

#### Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

### 3.17 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, option contracts, etc.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

### 3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 3.19 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax 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 equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### 3.20 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 are neither recognised nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

### 4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements:-

#### (a) Recoverability of intangible asset

Capitalisation of cost in intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Company's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

#### (b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### (c) Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are

not disclosed in the financial statements. Contingent gain are not recognized until the contingency has been resolved and amounts are received or receivable.

#### (d) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2024 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

#### (e) Impairment of investment in equity instruments of subsidiary and associate companies

During the year, the Company assessed the investment in equity instrument of subsidiary and associate companies carried at cost for impairment testing. Some of these companies are start-ups or are at early stage of their operations and are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

#### (f) Government grant

During the year, management has assessed the conditions attached to grants which have been met and has assessed whether the grants will be received or not and the period in which it will be received. Basis assessment, the Company has recognised the government grants in the Statement of profit and loss and accordingly classified as current and non-current assets.

#### (g) Investment in compulsory convertible debentures

The classification of compulsory convertible debentures, as equity or debt instrument, is based on management's judgement and evaluation of applicable criteria.

#### 4.1 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 5. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data Processing equipment	Total
<b>Gross carrying amount</b>								
<b>At April 1, 2022</b>	153.40	2,949.72	6,427.01	56.73	50.60	95.34	255.81	9,988.61
Additions	-	21.16	270.10	3.00	11.92	4.74	34.57	345.49
Disposals	0.19	-	71.14	1.23	7.62	1.37	6.35	87.90
<b>At March 31, 2023</b>	<b>153.21</b>	<b>2,970.88</b>	<b>6,625.97</b>	<b>58.50</b>	<b>54.90</b>	<b>98.71</b>	<b>284.03</b>	<b>10,246.20</b>
Additions	0.08	85.38	460.07	16.54	23.18	8.31	40.80	634.36
Disposals	0.16	0.27	122.83	0.38	4.14	0.46	6.05	134.29
<b>At March 31, 2024</b>	<b>153.13</b>	<b>3,055.99</b>	<b>6,963.21</b>	<b>74.66</b>	<b>73.94</b>	<b>106.56</b>	<b>318.78</b>	<b>10,746.27</b>
<b>Accumulated depreciation</b>								
<b>At April 1, 2022</b>	-	<b>609.60</b>	<b>3,972.32</b>	<b>31.96</b>	<b>29.69</b>	<b>65.84</b>	<b>184.81</b>	<b>4,894.22</b>
Depreciation expense	-	88.14	433.10	4.40	4.72	9.34	25.74	565.44
Disposals	-	-	(66.75)	(1.15)	(6.44)	(1.30)	(6.02)	(81.66)
<b>At March 31, 2023</b>	-	<b>697.74</b>	<b>4,338.67</b>	<b>35.21</b>	<b>27.97</b>	<b>73.88</b>	<b>204.53</b>	<b>5,378.00</b>
Depreciation expense	-	88.51	423.61	5.25	6.02	8.25	29.58	561.22
Disposals	-	(0.26)	(117.09)	(0.35)	(3.24)	(0.45)	(5.43)	(126.82)
<b>At March 31, 2024</b>	-	<b>785.99</b>	<b>4,645.19</b>	<b>40.11</b>	<b>30.75</b>	<b>81.68</b>	<b>228.68</b>	<b>5,812.40</b>
<b>Net carrying amount</b>								
<b>At March 31, 2023</b>	<b>153.21</b>	<b>2,273.14</b>	<b>2,287.30</b>	<b>23.29</b>	<b>26.93</b>	<b>24.83</b>	<b>79.50</b>	<b>4,868.20</b>
<b>At March 31, 2024</b>	<b>153.13</b>	<b>2,270.00</b>	<b>2,318.02</b>	<b>34.55</b>	<b>43.19</b>	<b>24.88</b>	<b>90.10</b>	<b>4,933.87</b>

Note:- The title deeds of immovable properties are held in the name of the Company as at the balance sheet date except for following two, which are yet to be registered in the name of the Company.

Description of property*	Gross carrying value (₹ In crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Apartment 1, Gurgaon	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for
Apartment 2, Gurgaon	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for

\* Subsequent to the balance sheet date both the apartments have been registered in the name of the company.

### 6. Capital work-in-progress

Particulars		As at March 31, 2024	As at March 31, 2023
Capital work-in-progress*		120.58	128.55
		<b>120.58</b>	<b>128.55</b>

#### Ageing of capital work-in-progress:

Particulars	Amount in Capital Work in Progress for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as at March 31, 2024	102.73	12.58	4.16	1.11	120.58
Projects in progress as at March 31, 2023	95.38	30.61	1.40	1.16	128.55

\*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 7. Other intangible assets

Particulars	Model fee/brand license/Product designs and development	Computer softwares	Technical know-how/export licenses	Total
<b>Gross carrying amount</b>				
<b>At April 1, 2022</b>	1,049.51	200.33	2,895.67	4,145.51
Additions	257.33	4.54	-	261.87
Disposals	-	-	-	-
<b>At March 31, 2023</b>	<b>1,306.84</b>	<b>204.87</b>	<b>2,895.67</b>	<b>4,407.38</b>
Additions	103.84	46.77	-	150.61
Disposals	-	0.82	-	0.82
<b>At March 31, 2024</b>	<b>1,410.68</b>	<b>250.82</b>	<b>2,895.67</b>	<b>4,557.17</b>
<b>Accumulated amortisation</b>				
<b>At April 1, 2022</b>	808.30	143.04	2,895.67	3,847.01
Amortisation expense	43.42	16.76	-	60.18
Disposals	-	-	-	-
<b>At March 31, 2023</b>	<b>851.72</b>	<b>159.80</b>	<b>2,895.67</b>	<b>3,907.19</b>
Amortisation expense	104.21	18.04	-	122.25
Disposals	-	0.82	-	0.82
<b>At March 31, 2024</b>	<b>955.93</b>	<b>177.02</b>	<b>2,895.67</b>	<b>4,028.62</b>
<b>Net carrying amount</b>				
<b>At March 31, 2023</b>	<b>455.12</b>	<b>45.07</b>	<b>-</b>	<b>500.19</b>
<b>At March 31, 2024</b>	<b>454.75</b>	<b>73.80</b>	<b>-</b>	<b>528.55</b>

### 7A. Right of use assets

Particulars	Leasehold land right	Right of Use assets (buildings)	Total
<b>Gross carrying amount</b>			
<b>At April 1, 2022</b>	277.25	254.35	531.60
Additions	-	13.86	13.86
Disposals	-	(4.85)	(4.85)
<b>At March 31, 2023</b>	<b>277.25</b>	<b>263.36</b>	<b>540.61</b>
Additions	-	7.64	7.64
Disposals	-	(65.51)	(65.51)
<b>At March 31, 2024</b>	<b>277.25</b>	<b>205.49</b>	<b>482.74</b>
<b>Accumulated depreciation</b>			
<b>At April 1, 2022</b>	9.78	108.23	118.01
Depreciation expense during the year	3.18	28.16	31.34
Disposals	-	(1.77)	(1.77)
<b>At March 31, 2023</b>	<b>12.96</b>	<b>134.62</b>	<b>147.58</b>
Depreciation expense during the year	3.17	24.77	27.94
Disposals	-	(64.39)	(64.39)
<b>At March 31, 2024</b>	<b>16.13</b>	<b>95.00</b>	<b>111.13</b>
<b>Net carrying amount</b>			
<b>At March 31, 2023</b>	<b>264.29</b>	<b>128.74</b>	<b>393.03</b>
<b>At March 31, 2024</b>	<b>261.12</b>	<b>110.49</b>	<b>371.61</b>

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

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	26.08	22.02
Non-current lease liabilities	111.50	134.29
<b>Total</b>	<b>137.58</b>	<b>156.31</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 7A. Right of use assets(Contd.)

#### The following is the movement in lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	156.31	168.07
Additions/deletion	6.11	10.58
Finance cost accrued during the year	11.09	12.97
Payment of lease liabilities accrued during the year	(35.93)	(35.31)
<b>Closing balance</b>	<b>137.58</b>	<b>156.31</b>

#### The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	35.59	32.93
One to five years	119.04	137.95
More than five years	37.30	53.70
<b>Total</b>	<b>191.93</b>	<b>224.58</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases is ₹ 37.96 crores during year ended March 31, 2024 (March 31, 2023: ₹ 38.25 crores).

### 8. Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development**	359.93	335.24
<b>Total</b>	<b>359.93</b>	<b>335.24</b>

#### Ageing of intangible assets under development :

Particulars	Amount in Intangible Assets under development for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as at March 31, 2024	122.46	67.09	37.81	132.57	359.93
Projects in progress as at March 31, 2023	112.01	61.68	48.32	113.23	335.24

\*\* Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments

Particulars	Units As at March 31,2024	Units As at March 31,2023	As at March 31,2024		As at March 31,2023	
			Current	Non Current	Current	Non Current
<b>Category-wise investments</b>						
Investment in equity instruments			-	3,962.51	-	3,324.19
Investment in preference shares			-	913.95	-	808.47
Investment in debentures/bonds			146.91	1,543.93	76.25	1,378.87
Investment in mutual funds			4,127.61	2,391.20	3,561.63	1,860.95
	<b>4,274.52</b>	<b>8,811.58</b>	<b>3,637.88</b>	<b>7,372.48</b>		
<b>Investment in equity instruments carried at cost</b>						
<b>Unquoted Investments</b>						
<b>Investment in subsidiaries</b>						
Hero Tech Centre Germany GMBH (Face Value of EUR 1 each)	25,25,000	25,25,000	-	19.56	-	19.57
HMCL Netherlands B.V (Face Value of USD 1 each)	4,79,27,971	4,52,07,971	-	318.69	-	296.19
HMCL Americas INC (Face Value of USD 1,000 each)	3,500	3,500	-	22.22	-	22.22
HMC MM Auto Limited (Face Value of ₹ 10 each)	6,29,99,993	4,79,99,993	-	63.00	-	48.00
			<b>- 423.48</b>	<b>- 385.98</b>		
<b>Investment in Associates</b>						
<b>Ather Energy Private Limited</b>						
Equity shares Face Value of ₹ 1 each	100	100	-	0.20	-	0.20
Equity shares Face Value of ₹ 1 each	998	998	-	0.00	-	0.00
Preference shares of Face Value of ₹ 10 each (Compulsory convertible in equity instruments)	3,672	-	-	16.19	-	-
Preference shares Series B of Face Value of ₹ 10 each (Compulsory convertible in equity instruments)	1,28,533	1,28,533	-	330.38	-	330.38
Preference shares Series C Face Value of ₹ 10 each (Compulsory convertible in equity instruments)	7,759	-	-	34.21	-	-
Preference shares Series C 1 of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	20,688	20,688	-	84.00	-	84.00
Preference shares Series D Face Value of ₹ 10 each (Compulsory convertible in equity instruments)	20,189	-	-	89.01	-	-
Preference shares Series D 1 of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	30,475	30,475	-	90.00	-	90.00
Preference shares Series E of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	84,310	84,310	-	412.50	-	412.49
Preference shares Series E2 of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	1,13,404	-	-	500.00	-	-
0.001% Series Bonus Pref 06DC43	6,420	-	-	-	-	-
<b>Hero FinCorp Limited</b>						
Equity shares of Face Value of ₹ 10 each	5,24,31,893	5,24,31,893	-	1,469.04	-	1,469.04
			<b>- 3,025.52</b>	<b>- 2,386.11</b>		
<b>Investments carried at fair value through profit or loss (FVTPL)</b>						
<b>Investment in equity instruments of Other Entities</b>						
<b>Quoted Investments</b>						
Bombay Stock Exchange Limited						
Face Value of ₹ 2 each	2,10,600	2,10,600	-	52.98	-	9.08
Gogoro Inc.						
Face Value of USD 0.0001 each	15,00,000	15,00,000	-	23.02	-	49.92
			<b>- 76.00</b>	<b>- 59.00</b>		
<b>Unquoted Investments</b>						
Zero Motorcycles Inc.						
Face Value of USD 0.001 each	55,81,395	55,81,395	-	437.51	-	493.10
			<b>- 3,962.51</b>	<b>- 3,324.19</b>		
<b>Investment in equity instruments</b>						

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Units As at March 31,2024	Units As at March 31,2023	As at March 31,2024		As at March 31,2023			
			Current	Non Current	Current	Non Current		
<b>Investments carried at fair value through profit or loss (FVTPL)</b>								
<b>Unquoted Investments</b>								
<b>Investment in Associates</b>								
<b>Hero FinCorp Limited</b>								
Investment in Preference Shares of Hero FinCorp Limited (Financial Instrument) of Face Value of ₹ 550 each	1,27,27,272	1,27,27,272	-	913.95	-	808.47		
<b>Investment in Preference shares</b>								
<b>Investment in mutual funds</b>								
{include funds which are listed but not quoted}								
<b>Debt fund</b>								
<b>Units of the face value of ₹ 10 each</b>								
<b>ICICI Prudential Mutual Fund</b>								
Blended Plan B- Direct Plan- Growth Option (Merged with Banking and PSU Debt Fund Direct Plan Growth)	3,25,95,446	3,25,95,446	100.33	-	92.88	-		
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	44.49	-	41.14	-		
<b>Aditya Birla Sunlife Mutual Fund</b>								
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	34,19,78,125	-	384.65	-	358.67		
<b>Nippon India Mutual Fund (Formerly Reliance Mutual Fund)</b>								
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	3,90,79,742	133.82	-	122.91	-		
Corporate Bond Fund -Direct Plan Growth Plan	98,39,711	98,39,711	55.49	-	51.28	-		
<b>SBI Mutual Fund</b>								
Conservative Hybrid Fund Direct Plan Growth	43,82,290	43,82,290	30.67	-	26.57	-		
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	19,63,39,110	-	219.26	-	204.49		
Savings Fund - Direct-Growth	3,03,65,254	-	122.80	-	-	-		
<b>Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)</b>								
Banking & PSU Debt Fund - Direct Plan - Growth (erstwhile IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	2,86,29,997	2,86,29,997	65.58	-	61.13	-		
<b> HDFC Mutual Fund</b>								
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	63.15	-	58.52	-		
Credit Risk Debt Fund -Direct -Growth	8,55,79,216	8,55,79,216	199.97	-	184.78	-		
<b>Axis Mutual Fund</b>								
Short Term - Direct Plan - Growth	2,03,55,074	2,03,55,074	61.53	-	57.04	-		
<b>DSP Mutual Fund</b>								
Low Duration Fund- Direct Plan - Growth	1,03,95,299	1,03,95,299	19.35	-	18.00	-		
<b>Edelweiss Mutual Fund</b>								
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	78,38,10,661	-	930.58	-	867.70		
<b>Units of the face value of ₹ 100 each</b>								
<b>ICICI Prudential Mutual Fund</b>								
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	257.53	-	238.48	-		
Money Market Fund Direct Plan Growth	-	34,00,869	-	-	110.29	-		
<b>Aditya Birla Sunlife Mutual Fund</b>								
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	287.61	-	266.80	-		
Money Manager Fund-Growth- Direct Plan	-	56,23,024						

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Units As at March 31,2024	Units As at March 31,2023	As at March 31,2024		As at March 31,2023	
			Current	Non Current	Current	Non Current
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	6,29,377	164.80	-	153.30	-
Corporate Bond Fund - Direct Plan Growth	1,39,843	1,39,843	42.78	-	39.73	-
<b>Kotak Mutual Fund</b>						
Low Duration Fund Direct Growth	3,80,566	3,80,566	125.45	-	116.48	-
<b>Axis Mutual Fund</b>						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	110.23	-	102.80	-
<b>HDFC Mutual Fund</b>						
Money Market Fund Direct Plan Growth	2,25,849	2,03,805	119.70	-	100.31	-
<b>UTI Mutual Fund</b>						
Money Market Fund Direct Plan Growth	-	7,30,675	-	-	192.52	-
<b>TATA Mutual Fund</b>						
Money Market Fund Direct Plan Growth	5,42,592	2,47,900	236.98	-	100.35	-
<b>Edelweiss Mutual Fund</b>						
Edelweiss Mutual Bharat Bond ETF	33,03,209	30,00,000	-	395.49	368.72	-
<b>Equity fund</b>						
<b>Edelweiss Mutual Fund</b>						
Arbitrage Fund -Direct Plan Growth	11,24,78,381	3,07,32,730	212.75	-	53.63	-
<b>Invesco Mutual Fund</b>						
Arbitrage Fund - Direct Plan Growth	7,64,34,768	2,71,92,928	239.78	-	78.74	-
<b>Kotak Mutual Fund</b>						
Kotak Equity Arbitrage Fund- Direct Plan-Growth	3,22,89,129	-	117.49	-	-	-
<b>DSP Mutual Fund</b>						
DSP Arbitrage Fund- Direct- Growth	7,21,91,741	-	102.92	-	-	-
<b>Axis Mutual Fund</b>						
Axis Arbitrage Fund- Direct Growth	5,56,70,608	-	102.88	-	-	-
<b>Liquid/OVERNIGHT fund</b>						
<b>Units of the face value of ₹ 1000 each</b>						
<b>Axis Mutual Fund</b>						
Liquid Fund- Direct Growth	8,02,242	7,04,167	215.30	-	176.10	-
<b>Kotak Mutual Fund</b>						
Liquid Fund Direct Plan Growth	6,15,712	-	300.41	-	-	-
<b>HDFC Mutual Fund</b>						
Overnight Fund- Direct Plan- Growth Option	6,63,956	3,00,667	235.92	-	100.08	-
<b>Kotak Mutual Fund</b>						
Overnight Fund-Direct Plan-Growth	14,49,822	25,97,869	185.18	-	310.65	-
<b>Investment in mutual funds</b>						
<b>Investments carried at amortised cost</b>						
<b>Quoted Investments</b>						
<b>Investment in bonds/debentures</b>						
<b>Face Value of ₹ 1000 each</b>						
8.18% NHPC Tax Free Bonds-Maturity-02.11.2023	-	1,61,050	-	-	17.42	-
8.51% HUDCO Tax Free Bonds-Maturity-13.01.2024	-	2,50,000	-	-	25.45	-
8.18% PFC Tax Free Bonds-Maturity-16.11.2023	-	3,23,890	-	-	33.38	-
8.00% Aditya Birla Finance Limited 2026-Maturity-09.10.2026	3,50,000	-	-	36.15	-	-
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,49,300	-	-	15.04	-	-
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,50,000	-	-	15.11	-	-
7.75% Muthoot Finance Limited OP I TR II-Maturity-04.10.2026	1,20,000	-	-	12.09	-	-
<b>Face Value of ₹ 1,00,000 each</b>						
7.9050% Tata Capital Financial Services Limited 2026-Maturity-03.12.2026	3,000	-	-	31.37	-	-
8.25% Mahindra & Mahindra Financial Services Limited 2026-Maturity-26.03.2026	2,000	-	-	20.03	-	-

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Units As at March 31,2024	Units As at March 31,2023	As at March 31,2024		As at March 31,2023	
			Current	Non Current	Current	Non Current
8.25% Mahindra & Mahindra Financial Services Limited 2026-Maturity-26.03.2026	1,500	-	-	-	15.02	-
8.30% Tata Capital Financial Services Limited 13 Mar 2026-Maturity-13.03.2026	2,500	-	-	-	25.24	-
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	4,000	-	-	-	43.05	-
<b>Face Value of ₹ 10,00,000 each</b>						
8.50% SBI Series II BD Perpetual-Maturity-22.11.24	250	250	25.79	-	-	25.83
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	250	250	-	25.48	-	25.51
7.73% State Bank Of India SR II BD Perpetual-Maturity-24.11.2025	250	250	-	25.84	-	25.93
7.99% LIC Housing Finance Limited -Maturity-12.07.2029	500	500	-	54.28	-	54.49
6.83% Housing Development Finance Corporation Ltd -Maturity-08.01.2031	-	500	-	-	-	49.37
6.83% HDFC Bank Limited -Maturity-08.01.2031	500	-	-	49.52	-	-
6.65% Food Corporation Of India Sr. IX -Maturity-23.10.2030	500	500	-	50.01	-	49.84
7.92% REC Limited Series 189-Maturity-31.03.2030	350	350	-	38.71	-	36.05
7.79% REC Limited Series 198B-Maturity-21.05.2030	150	150	-	16.37	-	16.41
6.39% National Bank For Agriculture And Rural Development-Maturity-19.11.2030	250	250	-	24.79	-	24.69
6.42% National Bank For Agriculture And Rural Development -Maturity-25.11.2030	200	200	-	19.84	-	19.77
7.25% Housing Development Finance Corporation Ltd Series X-006-Maturity-17.06.2030	-	500	-	-	-	52.87
7.25% HDFC Bank Limited Series X-006-Maturity-17.06.2030	500	-	-	52.87	-	-
7.54% National Highways Authority Of India Series VIII-Maturity-27.01.2030	500	500	-	51.58	-	51.70
7.05% LIC Housing Finance Limited-Maturity-21.12.2030	250	250	-	25.45	-	25.45
7.70% LIC Housing Finance Limited Sr 2-Maturity-10.03.2031	250	250	-	25.91	-	26.00
7.05% Housing Development Finance Corporation Ltd SR AA-Maturity-01.12.2031	-	500	-	-	-	51.13
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	500	-	-	51.14	-	-
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.29	-	26.30
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.29	-	26.30
7.10% Tata Capital Financial Services Limited SR H-Maturity-29.09.2031	500	500	-	51.49	-	51.45
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.93	-	25.91
7.05% Housing Development Finance Corporation Ltd SR AA-Maturity-01.12.2031	-	500	-	-	-	50.43
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	500	-	-	50.49	-	-
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.90	-	25.88
7.05% Housing Development Finance Corporation Ltd SR AA-Maturity-01.12.2031	-	250	-	-	-	25.14
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	250	-	-	25.18	-	-
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.28	-	15.30
7.79% REC Limited Series 198B-Maturity-21.05.2030	100	100	-	10.98	-	11.02
6.80% REC Limited SR 203A-Maturity-20.12.2030	200	200	-	20.00	-	19.96
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.86	-	25.83
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	350	350	-	36.98	-	36.91
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	150	150	-	15.85	-	15.82
7.34% National Housing Bank-Maturity-07.08.2025	250	250	-	26.49	-	26.48
6.50% Power Finance Corporation Ltd.SR 208-Maturity-17.09.2025	350	350	-	35.76	-	35.49

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Units As at March 31,2024	Units As at March 31,2023	As at March 31,2024		As at March 31,2023	
			Current	Non Current	Current	Non Current
8.39% Power Finance Corporation Ltd.SR-130C-Maturity-19.04.2025	250	250	-	25.31	-	25.52
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	250	-	25.81	-	26.00
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	250	-	25.81	-	26.00
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	250	-	25.30	-	25.29
6% Housing Development Finance Corporation Ltd Z-001-Maturity-29.05.2026	-	250	-	-	-	25.03
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	-	-	25.39	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	250	-	25.32	-	25.33
5.70% National Bank For Agriculture And Rural Development SR22D-Maturity-31.07.2025	250	250	-	25.43	-	25.08
7.90% LIC Housing Finance Limited TR 421-Maturity-23.06.2027	500	500	-	53.02	-	53.01
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	300	300	-	30.37	-	30.37
6% Housing Development Finance Corporation Ltd Z-001-Maturity-29.05.2026	-	250	-	-	-	25.08
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	-	-	25.42	-	-
7.40% Housing Development Finance Corporation Ltd SR AA-006-Maturity-02.06.2025	-	250	-	-	-	26.42
7.40% HDFC Bank Limited SR AA-006-Maturity-02.06.2025	250	-	-	26.47	-	-
6.01% LIC Housing Finance Limited TR 409- Maturity-19.05.2026	100	100	-	10.19	-	10.05
7.70% Tata Steel Limited -Maturity-13.03.2025	250	250	25.09	-	-	25.09
7.75% Small Industries Development Bank Of India SRVI-Maturity-27.10.2025	250	250	-	25.97	-	26.01
7.95% ICICI Home Finance Company Limited SRHDB Nov221 TR 2-Maturity-24.11.2025	250	250	-	25.68	-	25.67
L&T Finance Limited SR K BR-Int payable on Maturity-27.12.2024	250	250	27.66	-	-	25.66
7.49% HDB Financial Services Limited 2025-Maturity-24.01.2025	250	-	25.20	-	-	-
6.00% HDB Financial Services Limited 2025-Maturity-19.06.2025	250	-	-	24.79	-	-
7.08% Cholamandalam Investment & Finance Company Limited 2025-Maturity-11.03.2025	350	-	34.73	-	-	-
10% Shriram Finance Limited SR-B6 10-Maturity-13.11.2024	81	-	8.43	-	-	-
<b>Investment in debentures/bonds</b>			<b>146.91</b>	<b>1,543.93</b>	<b>76.25</b>	<b>1,378.87</b>
<b>Total Investments*</b>			<b>4,274.52</b>	<b>8,811.58</b>	<b>3,637.88</b>	<b>7,372.48</b>

\* All investments are fully paid up.

Particulars	As at March 31,2024		As at March 31,2023	
	Current	Non Current	Current	Non Current
Aggregate book value of quoted investments	146.91	1,619.93	76.25	1,437.87
Aggregate market value of quoted investments	145.91	1,555.29	81.29	1,389.62
Aggregate carrying value of unquoted investments	4,127.61	7,191.65	3,561.63	5,934.61

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

#### Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31,2024		As at March 31,2023	
	Current	Non Current	Current	Non Current
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>				
<b>Unquoted</b>				
Investment in Mutual Funds	4,127.61	2,391.20	3,561.63	1,860.95
Investment in debentures/bonds	-	-	-	-
Investment in Preference Shares	-	913.95	-	808.47
Investment in Equity Shares	-	437.51	-	493.10
<b>Quoted</b>				
Investment in equity instruments	-	76.00	-	59.00
<b>Financial assets carried at amortised cost</b>				
<b>Quoted</b>				
Investment in debentures/bonds	146.91	1,543.93	76.25	1,378.87

Note: The above does not include investments in subsidiaries and associates amounting to ₹ 3449.00 crores (as at March 31,2024) and ₹ 2772.09 crores (as at March 31, 2023) carried at cost.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 41.

### 10. Loans

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non - current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	21.15	19.87
<b>Total</b>	<b>21.15</b>	<b>19.87</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	24.56	23.71
<b>Total</b>	<b>24.56</b>	<b>23.71</b>

Note :- These financial assets are carried at amortised cost unless otherwise stated.

Note :- The Company's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 41.

### 11. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non - current</b>		
<b>Unsecured, considered good</b>		
Security deposits	38.87	37.49
Incentive from State Government	185.06	185.06
Less: Loss allowance	(35.06)	(16.90)
Accrual of incentive from State Government (Net)	150.00	168.16
<b>Total</b>	<b>188.87</b>	<b>205.65</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest accrued on deposits and others	11.07	19.09
Incentive from State Government*	230.38	504.72
Other recoverables	36.65	32.34
Security deposits	5.41	6.18
<b>Total</b>	<b>283.51</b>	<b>562.33</b>

Note :- These financial assets are carried at amortised cost unless otherwise stated.

Note :- The Company's exposure to credit and currency risks, and impairment allowances related to Financial assets is disclosed in Note 41.

\* Including FAME subsidy of ₹ 46.86 crore (previous year ₹ 8.55 crore)

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 12. Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Tax assets</b>		
Advance income tax	1,565.92	1,190.47
Less : Provision for taxation	1,253.43	938.75
<b>Total</b>	<b>312.49</b>	<b>251.72</b>

### 13. Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	105.61	122.39
Prepaid expenses	8.41	9.91
<b>Balance with government authorities</b>		
- Excise duty and others	2.88	9.12
- VAT/sales tax and others	10.00	10.00
<b>Total</b>	<b>126.90</b>	<b>151.42</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	73.52	49.17
Advance to suppliers	334.77	211.45
Less: Loss allowance	(50.14)	(55.25)
Advance to suppliers (Net)	284.63	156.20
Other advances	14.02	7.06
<b>Balance with Government authorities</b>		
- VAT/sales tax and others	62.43	9.11
- Goods and service tax (GST)	7.03	1.28
- Export incentive receivable	15.67	12.25
<b>Total</b>	<b>457.30</b>	<b>235.07</b>

### 14. Inventories

(lower of cost or net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and components	757.91	627.13
Goods in transit of raw materials and components	99.42	50.25
Work in progress (Two wheelers)	111.54	39.36
Finished goods		
Two wheelers	233.66	494.07
Spare parts	82.38	73.35
Stock in trade	25.06	24.97
Stores and spares	110.54	101.93
Loose tools	23.25	23.03
<b>Total</b>	<b>1,443.76</b>	<b>1,434.09</b>

The mode of valuation of inventories has been stated in note no. 3.12.

The value of inventories above is stated after provisions (net of reversal) ₹ 80.42 crore (previous year ₹ 14.27 crore) for write-down to net realisable value and provisions for slow-moving and obsolete items.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 15. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Trade Receivables considered good - (Secured) **		41.78
Trade Receivables considered good - (Unsecured) **		2,661.66
Trade Receivables credit impaired		138.97
<b>Total</b>	<b>2,842.41</b>	<b>2,919.47</b>
Less: Allowance for expected credit loss	138.97	121.26
<b>Total</b>	<b>2,703.44</b>	<b>2,798.21</b>

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 41

\*\* Include receivables from related parties (refer note 36)

#### Trade receivables ageing as on March 31, 2024:

Particulars	Outstanding from due date of payment					
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade Receivables - considered good	1,216.90	1,448.74	28.04	9.76	-	-
Undisputed Trade Receivables - credit impaired	3.02	25.26	5.51	13.14	7.71	53.53
Disputed Trade Receivables - credit impaired	0.01	0.02	0.55	5.58	0.19	24.45
<b>Total</b>						<b>2,842.41</b>

#### Trade receivables ageing as on March 31, 2023:

Particulars	Outstanding from due date of payment					
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade Receivables - considered good	1,319.24	1,422.15	56.33	0.49	-	-
Undisputed Trade Receivables - credit impaired	0.58	20.93	7.07	9.33	9.50	37.03
Disputed Trade Receivables - credit impaired	0.01	-	0.09	0.18	1.71	34.83
<b>Total</b>						<b>2,919.47</b>

### 16. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
In current accounts	539.89	168.37
<b>Total</b>	<b>539.89</b>	<b>168.37</b>

### 17. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
In dividend current accounts (earmarked accounts)	27.24	34.23
In deposit accounts*	41.80	142.90
<b>Total</b>	<b>69.04</b>	<b>177.13</b>

\* Includes fixed deposits aggregating ₹ 25.00 crores with Dena Bank on February 18, 2014. Subsequent thereto, it was brought to the notice of the Company that money had been fraudulently withdrawn by pledging fictitious copies of such fixed deposit receipts with concerned bank by some individuals. The Company has filed a recovery suit which is pending in the honorable Delhi High Court against the bank. The Bank has renewed the deposits (along with interest earned thereon). During the year the company has not recognised any interest income.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 18. (a) Equity Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
250,000,000 (as at March 31, 2023 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>
<b>Issued, subscribed and fully paid up</b>		
199,921,741 (as at March 31, 2023: 199,839,718) Equity shares of ₹ 2 each	39.98	39.97
<b>Total</b>	<b>39.98</b>	<b>39.97</b>

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	₹ in crores	Nos.	₹ in crores
Opening Balance	19,98,39,718	39.97	19,98,11,941	39.96
Issued during the Current year ₹ 1,64,046 (previous year ₹ 55,554)- Employee Stock Option Plan (refer note 40)	82,023	0.01	27,777	0.01
<b>Closing Balance</b>	<b>19,99,21,741</b>	<b>39.98</b>	<b>19,98,39,718</b>	<b>39.97</b>

#### (ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding in the class	Nos.	% holding in the class
Pawan Munjal,Renu Munjal and Suman Kant Munjal ( On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.97%	2,79,27,058	13.97%
M/S Bahadur Chand Investments (P) Ltd	4,00,33,238	20.02%	4,00,33,238	20.04%
Life Insurance Corporation of India	1,69,63,373	8.49%	2,20,37,338	11.03%
<b>Shares held by promoters at the end of the year March 31, 2024</b>			<b>% change during the year</b>	
<b>Promoter name</b>	<b>No. of shares</b>	<b>% of total shares</b>		
Pawan Munjal	43,364	0.02%		0.00%
Pawan Munjal (As Karta Of HUF)	32,500	0.02%		0.00%
Pawan Munjal,Renu Munjal and Suman Kant Munjal ( On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.97%		-0.01%
Renu Munjal	1,11,482	0.06%		0.00%
Renuka Munjal	32,480	0.02%		0.00%
Suman Kant Munjal	91,250	0.05%		0.00%
Suman Kant Munjal (As Karta Of HUF)	10,833	0.01%		0.00%
Bahadur Chand Investments Private Ltd	4,00,33,238	20.02%		-0.01%
Hero Investcorp Private Limited	8,73,766	0.44%		0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%		0.00%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%		0.00%

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 18. (Contd.)

Promoter name	Shares held by promoters at the end of the year March 31, 2023		% change during the year
	No. of shares	% of total shares	
Pawan Munjal	43,364	0.02%	0.00%
Pawan Munjal (As Karta Of HUF)	32,500	0.02%	0.00%
Pawan Munjal,Renu Munjal and Suman Kant Munjal ( On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.98%	0.00%
Renu Munjal	1,11,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta Of HUF)	10,833	0.01%	0.00%
Bahadur Chand Investments Private Ltd	4,00,33,238	20.03%	0.00%
Hero Investcorp Private Limited	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%	0.00%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%

#### (iii) Shares options granted under the Company's employee share option plan

Plan	Share Options Outstanding (In Nos.)		
	As at March 31, 2024	As at March 31, 2023	Expiry Date
ESOP 2016	-	8,599	August 21, 2023
ESOP 2017	6,523	10,879	October 30, 2024
ESOP 2018	19,400	46,660	March 24, 2026
ESOP 2019	5,050	26,970	October 21, 2026
ESOP 2020	31,545	49,915	October 26, 2027
RSU 2020	-	624	October 26, 2027
RSU 2021	8,442	22,100	August 10, 2025
PRSU 2021	21,374	25,820	August 10, 2025
RSU 2022	40,714	66,656	December 27, 2026
PRSU 2022	1,17,737	1,34,721	December 27, 2026
RSU 2023	66,777	-	December 25, 2027
PRSU 2023	1,25,316	-	December 25, 2027
RSU 2023 (1)	9,116	-	February 08, 2028
PRSU 2023 (1)	34,992	-	February 08, 2028
ESOP 2023	30,000	5,16,986	August 08, 2030
<b>Total</b>		<b>5,16,986</b>	<b>3,92,944</b>

Also refer details of the employee stock option plan are provided in Note 40.

### b) Preference share capital

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised Preference share capital</b>		
4,00,000 (as at 31 March 2023 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at 31 March 2023 - 4,00,000) Cumulative redeemable preference shares of ₹ 100 each	4.00	4.00
<b>Total</b>	<b>8.00</b>	<b>8.00</b>

Note:- The Company has not issued preference share capital.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 19. Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserves (#₹ 29,750 in absolute INR)	#	#
Securities premium	73.36	49.22
General reserve	2,645.79	2,645.79
Share options outstanding account	45.63	35.63
Retained earnings	15,181.42	13,934.48
<b>Total</b>	<b>17,946.20</b>	<b>16,665.12</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Capital Reserves</b>		
On shares forfeited (#₹ 4,250 in absolute INR)	#	#
Securities premium account on forfeited shares reissued (#₹ 25,500 in absolute INR)	##	##
<b>B. Securities premium</b>		
Opening balance	49.22	41.12
Add : Premium on equity shares issued @	24.14	8.10
<b>Closing balance</b>	<b>73.36</b>	<b>49.22</b>

@ Addition in securities premium represents premium of equity shares under various schemes amounting to ₹10.40 crores (Previous year ₹ 3.24 crores) and ₹ 13.74 crores (Previous year ₹ 4.86 crores) transferred from share option outstanding account on 82,023 equity shares (Previous year 27,777 equity shares) issued and allotted during the year under ESOP scheme. Also refer Note 40.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>C. General Reserve</b>		
General reserve at the beginning and end of the year	2,645.79	2,645.79
<b>D. Share options outstanding account *</b>		
Opening balance	35.63	24.45
Add: Net charge during the year	23.74	16.04
Less: Transferred to securities premium on issue of shares	(13.74)	(4.86)
<b>Closing balance</b>	<b>45.63</b>	<b>35.63</b>
* Also refer note 40		
<b>E. Retained earnings</b>		
<b>Opening balance</b>		
Add: Profit for the year	13,934.48	13,031.60
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	3,967.96	2,910.58
Less: Appropriations	(22.35)	(9.37)
Final dividend	699.45	699.37
Interim dividend	1,999.22	1,298.96
<b>Total appropriations</b>	<b>2,698.67</b>	<b>1,998.33</b>
<b>Balance at end of year</b>	<b>15,181.42</b>	<b>13,934.48</b>

In respect of the year ended March 31, 2024, the directors propose that a dividend of ₹ 40 per share (March 31, 2023 : ₹ 35 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 799.72 crores (March 31, 2023 : ₹ 699.45 crores).

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 19. Other equity (Contd.)

#### Nature and Description

- (i) **Capital reserves:-** The Company had transferred forfeited share application money to Capital reserve in accordance with the provision of the Companies Act, 1956. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) **Securities premium:-** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) **General reserve:-** General Reserves are free reserves of the Company which are kept aside out of Company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (iv) **Share options outstanding account:-** Stock option outstanding account is used to record the impact of employee stock option scheme. Refer note 40 for further detail of this plan.
- (v) **Retained earnings:-** Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

### 20. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Employee benefits (Refer note (i) below)		
Compensated absences	32.08	41.08
Other employee benefits	14.18	13.76
<b>Sub-total (A)</b>	<b>46.26</b>	<b>54.84</b>
Warranties (Refer note (ii) below)	270.40	143.28
<b>Sub-total (B)</b>	<b>270.40</b>	<b>143.28</b>
<b>Total (A+B)</b>	<b>316.66</b>	<b>198.12</b>
<b>Current</b>		
Employee benefits (Refer note (i) below)		
Compensated absences	7.37	9.15
Other employee benefits	0.64	0.72
<b>Sub-total (A)</b>	<b>8.01</b>	<b>9.87</b>
Warranties (Refer note (ii) below)	146.13	165.82
<b>Sub-total (B)</b>	<b>146.13</b>	<b>165.82</b>
<b>Total (A+B)</b>	<b>154.14</b>	<b>175.69</b>

- (i) The provision for employee benefits includes sick leave, gratuity, earned leave and vested long term service reward .
- (ii) Movement in warranties provisions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	309.10	287.49
Additions during the year	259.97	179.40
Amount utilised during the year	(152.54)	(157.79)
<b>Closing balance</b>	<b>416.53</b>	<b>309.10</b>

The provision for warranty claims represents the present value as best estimate of the future economic outflows that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

As at March 31, 2024, this particular provision had a carrying amount of ₹ 416.53 crores (March 31, 2023: ₹ 309.10 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹ 41.65 crores higher or lower (March 31, 2023 - ₹ 30.91 crores higher or lower).

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 21. Deferred tax (assets)/liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities</b>		
Property, plant and equipments and intangible assets	480.08	469.19
Financial assets carried at fair value through profit or loss	114.56	63.02
<b>Sub-total (A)</b>	<b>594.64</b>	<b>532.21</b>
<b>Less: Deferred tax assets</b>		
Deferred revenue	56.93	55.87
Accrued expenses deductible on payment	61.83	60.00
Voluntary retirement scheme (VRS) expenses u/s 35DDA	32.21	3.03
Right of use assets and lease liabilities	8.85	7.94
<b>Sub-total (B)</b>	<b>159.82</b>	<b>126.84</b>
<b>Total (A-B)</b>	<b>434.82</b>	<b>405.37</b>

#### Movement of Deferred tax (assets)/liabilities as at March 31, 2024

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
<b>Deferred tax liabilities</b>				
Property, plant and equipments and intangible assets	469.19	10.89	-	480.08
Financial assets carried at fair value through profit or loss	63.02	51.54	-	114.56
<b>Sub-total (A)</b>	<b>532.21</b>	<b>62.43</b>	-	<b>594.64</b>
<b>Less: Deferred tax assets</b>				
Deferred revenue	55.87	1.06	-	56.93
Accrued expenses deductible on payment	60.00	1.83	-	61.83
Voluntary retirement scheme (VRS) expenses u/s 35DDA	3.03	29.18	-	32.21
Right of use assets and lease liabilities	7.94	0.91	-	8.85
<b>Sub-total (B)</b>	<b>126.84</b>	<b>32.98</b>	-	<b>159.82</b>
<b>Deferred tax liabilities (net)</b>	<b>405.37</b>	<b>29.45</b>	-	<b>434.82</b>

#### Movement of Deferred tax (assets)/liabilities as at March 31, 2023

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
<b>Deferred tax liabilities</b>				
Property, plant and equipments and intangible assets	427.79	41.40	-	469.19
Financial assets carried at fair value through profit or loss	71.72	(8.70)	-	63.02
Others	3.14	(3.14)	-	-
<b>Sub-total (A)</b>	<b>502.65</b>	<b>29.56</b>	-	<b>532.21</b>
<b>Less: Deferred tax assets</b>				
Deferred revenue	52.34	3.53	-	55.87
Accrued expenses deductible on payment	55.44	4.56	-	60.00
Voluntary retirement scheme (VRS) expenses u/s 35DDA	6.06	(3.03)	-	3.03
Right of use assets and lease liabilities	5.52	2.42	-	7.94
<b>Sub-total (B)</b>	<b>119.36</b>	<b>7.48</b>	-	<b>126.84</b>
<b>Deferred tax liabilities (net)</b>	<b>383.29</b>	<b>22.08</b>	-	<b>405.37</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 22. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables##		
Total outstanding dues of micro and small enterprises (MSME)	15.79	1.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,512.36	4,703.31
<b>Total</b>	<b>5,528.15</b>	<b>4,704.46</b>

## Include payables to related parties (refer note 36)

#### Ageing of trade payables as on March 31, 2024:

Particulars	Outstanding for following periods from the due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(1) MSME	6.22	9.57	-	-	-
(2) Others - Trade payables	3,345.06	342.72	2.40	2.83	8.07
(3) Others - Accruals					1,811.28
<b>Total</b>					<b>5,528.15</b>

#### Ageing of trade payables as on March 31, 2023:

Particulars	Outstanding for following periods from the due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(1) MSME	1.09	0.06	-	-	-
(2) Others - Trade payables	3,651.11	202.88	5.18	3.83	3.02
(3) Others - Accruals					837.29
<b>Total</b>					<b>4,704.46</b>

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.

Disclosure in respect of the amounts payable to Micro and Small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	15.79	1.15
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
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 MSME	-	-
The amount of interest accrued for unpaid principal at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 23. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Capital creditors	178.13	196.29
<b>Total</b>	<b>178.13</b>	<b>196.29</b>
<b>Current</b>		
Capital creditors	146.61	63.04
Security deposits dealers and others	76.42	66.68
Unclaimed dividend*	27.26	34.25
<b>Total</b>	<b>250.29</b>	<b>163.97</b>

\* Does not include any amounts outstanding as at 31 March 2024 (March 31, 2023: NIL) which are required to be credited to Investor Education and Protection Fund.

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.

### 24. Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Statutory remittances (contributions to provident fund and employee state insurance, withholding taxes, GST etc.)	284.00	254.73
Advance from customers	72.97	78.25
Deferred revenue	226.20	221.98
Others	2.43	2.88
<b>Total</b>	<b>585.60</b>	<b>557.84</b>

### Contract balances

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as advance from customers disclosed as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	72.97	78.25
Deferred revenue	226.20	221.98

Revenue recognised from amount included in contract liabilities-deferred revenue amounts to ₹ 328.21 crores (previous year ₹ 327.69 crores).

### 25. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Sale of products</b>		
Two wheelers (56.21 lakh units (previous year 53.29 lakh units))	31,448.85	28,115.74
Spare parts	5,386.77	4,835.23
	<b>36,835.62</b>	<b>32,950.97</b>
<b>(b) Income from services</b>		
Dealers support services	74.53	73.79
Dealer/Customer Program	57.63	58.79
Services - others	322.34	322.66
	<b>454.50</b>	<b>455.24</b>
<b>(c) Other operating revenue</b>		
Duty drawback and other incentives	36.86	31.21
Incentive from State Government	44.15	297.41
Miscellaneous income	84.59	70.82
	<b>165.60</b>	<b>399.44</b>
<b>Total</b>	<b>37,455.72</b>	<b>33,805.65</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 25. Revenue from operations (Contd.)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Reconciliation of Revenue from sale of products with the contracted price</b>		
Contracted Price	37,459.50	33,602.14
Less: Trade discounts, volume rebates, etc:-	(623.88)	(651.17)
	<b>36,835.62</b>	<b>32,950.97</b>

### 26. Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Interest income on financial assets carried at amortised cost</b>		
Tax free bonds, debentures and other instruments classified as debt	114.92	105.17
Deposit with bank and others	181.30	150.93
<b>(b) Dividend income</b>		
Dividend received on investments carried at fair value through profit or loss	59.35	0.28
<b>(c) Profit on sale of investments<sup>#</sup></b>		
<b>(d) Gain on investments carried at fair value through profit or loss</b>		
<b>(e) Other non-operating income</b>		
Exchange fluctuation-net	3.33	-
Profit on sale of property, plant and equipments	6.27	5.56
	<b>892.55</b>	<b>565.16</b>

<sup>#</sup> Net off fair value adjustment upto previous year

### 27. Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Raw materials and components consumed:</b>		
<b>Opening stock</b>		
Add: Purchase of raw materials and components	677.38	573.45
	<b>24,976.26</b>	<b>24,149.90</b>
	<b>25,653.64</b>	<b>24,723.35</b>
<b>Less: closing stock</b>		
	857.33	677.38
	<b>24,796.31</b>	<b>24,045.97</b>
<b>Less: Cash discount</b>		
	28.85	26.24
<b>Consumption of raw materials and components</b>		
	<b>24,767.46</b>	<b>24,019.73</b>

### 28. Changes in inventory of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Opening stock (Refer note 14)</b>		
Two wheelers	494.07	317.86
Stock in trade	24.97	11.84
Spare parts	73.35	56.19
Work in progress	39.36	36.82
	<b>631.75</b>	<b>422.71</b>
<b>(b) Closing stock (Refer note 14)</b>		
Two wheelers	233.66	494.07
Stock in trade	25.06	24.97
Spare parts	82.38	73.35
Work in progress	111.54	39.36
	<b>452.64</b>	<b>631.75</b>
<b>Net decrease/(increase)</b>		
	<b>179.11</b>	<b>(209.04)</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 29. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	2,082.36	1,923.17
Contribution to provident and other funds	139.68	130.88
Employee stock compensation cost (refer note 40)	23.74	16.04
Staff welfare expenses	156.56	119.74
<b>Total</b>	<b>2,402.34</b>	<b>2,189.83</b>

#### Employee benefit plans

The details of various employee benefits provided to employees are as under:

#### A. Defined benefit, contribution and other plans

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Employer's contribution to provident fund and labour welfare fund	94.16	85.74
b) Employer's contribution to superannuation fund	17.70	18.78
c) Employer's contribution to gratuity fund *	24.27	23.50
d) Employer's contribution to employee state insurance	3.55	2.86
<b>Total</b>	<b>139.68</b>	<b>130.88</b>

\* In addition to this contribution made amounting to ₹ 29.87 crore (previous year: ₹ 12.52 crore) is recognised in other comprehensive income.

#### B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation

The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 29. Employee benefits expense (Contd.)

**The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows:**

Principal assumptions:	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
Discount rate	7.00%	7.30%
Future salary increase	7.00%	6.50%
Retirement age	58 Years	58 years
Withdrawal rate	Upto 30 Years: 3% from 31 to 44 Years:2% After 44 Years:1%	Upto 30 years: 3% from 31 to 44 years:2% After 44 years: 1%
In service mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

**Amounts recognized in statement of profit and loss in respect of this defined benefit plan are as follows:**

Particulars	Gratuity For the year ended March 31, 2024	Gratuity For the year ended March 31, 2023
<b>Service cost:</b>		
Current service cost	26.25	24.74
Net Interest expense/(income)	(1.98)	(1.24)
<b>Components of defined benefit costs recognized in profit or loss</b>	<b>24.27</b>	<b>23.50</b>
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	1.47	0.71
Actuarial (gains)/losses arising from changes in financial assumptions	25.09	(12.15)
Actuarial (gains)/losses arising from experience adjustments	3.30	23.96
<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>29.86</b>	<b>12.52</b>
<b>Total</b>	<b>54.13</b>	<b>36.02</b>

**The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

Particulars	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
Present Value of funded defined benefit obligation	449.48	427.19
Fair value of plan assets	449.48	427.19
<b>Net liability arising from defined benefit obligation</b>	<b>-</b>	<b>-</b>

**Movements in the present value of the defined benefit obligation are as follows:**

Particulars	Gratuity For the year ended March 31, 2024	Gratuity For the year ended March 31, 2023
Opening defined obligation	427.19	395.90
Current service cost	26.25	24.74
Interest cost	28.95	26.23
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in financial assumptions	25.09	(12.15)
Actuarial (gains)/losses arising from experience adjustments	3.30	23.96
Benefits paid	(61.30)	(31.48)
<b>Closing defined benefit obligation</b>	<b>449.48</b>	<b>427.20</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 29. Employee benefits expense (Contd.)

#### Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	427.20	395.90
Interest income	30.92	27.47
<b>Remeasurement gain/(loss):</b>		
Return on plan assets (excluding amounts included in net interest expense)	(1.47)	(0.70)
Contribution	54.13	36.01
Benefit paid	(61.30)	(31.48)
<b>Closing fair value of plan assets</b>	<b>449.48</b>	<b>427.20</b>

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 15.92 crore (increase by ₹ 17.04 crore) (as at March 31, 2023: decrease by ₹ 14.30 crore (increase by ₹ 15.29 crore)).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 16.97 crores (decrease by ₹ 15.99 crores) (as at March 31, 2023: increase by ₹ 16.04 crores (decrease by ₹ 15.12 crores).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

#### Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting year, which is same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

#### Maturity profile of defined benefit obligation

Particulars	As at March 31, 2024		As at March 31, 2023	
Weighted Average duration of the defined benefit obligation (in years)	8.0 years		8.0 years	

The Company expects to make a contribution of ₹ 29.72 crore (as at March 31, 2023 ₹ 26.24 crore) to the defined benefit plans during the next financial year.

#### Defined benefit liability and employer contribution

The Expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at 31 March 2024	80.63	27.01	98.17	274.83	<b>480.63</b>
As at 31 March 2023	78.07	37.70	97.62	234.09	<b>447.48</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 30. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest cost on financial liabilities at amortised cost		
- On dealers security deposits	3.03	2.83
- On others	0.27	0.12
- Unwinding of discount on provisions and lease liability	15.20	16.92
<b>Total</b>	<b>18.50</b>	<b>19.87</b>

### 31. Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Stores and tools consumed	114.06	83.64
Packing, forwarding, freight etc.	961.91	962.10
Power and fuel	118.00	112.96
Rent (Refer note 7A)	37.96	38.25
Repairs and maintenance		
- Buildings	26.58	25.52
- Plant and machinery	130.33	115.79
- Others	12.38	11.32
Insurance charges	75.62	75.35
Rates and taxes	8.97	17.31
Advertisement and publicity	1,053.97	863.04
Donations#	0.03	20.00
Expenditure on corporate social responsibility	73.89	77.83
Payment to auditors (Refer below)	2.86	1.80
Exchange fluctuation	-	19.75
Loss on sale of property, plant and equipments	5.55	4.72
Loss allowance on trade receivables	17.71	4.80
Miscellaneous expenses	1,727.08	1,337.29
<b>Total</b>	<b>4,366.90</b>	<b>3,771.47</b>

# The company made political contribution amounting to ₹ Nil (previous year ₹ 20 crore) by way of electoral bonds. The Company based on its internal assessment, has considered the Hon'ble Supreme Court's judgement dated February 15, 2024, including directions to State Bank of India and Election commission of India on furnishing and public disclosure of information in respect of the electoral bonds.

#### Payment to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) As Statutory Audit		
- Audit fee	1.69	0.95
- Limited Review of unaudited financial results	0.81	0.75
- Other certifications	0.16	0.04
b) Tax audit fees	0.05	-
c) Out of pocket expenses	0.15	0.06
<b>Total</b>	<b>2.86</b>	<b>1.80</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 32. Income tax expense

#### (a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current Tax</b>		
In respect of the current year	1,260.95	941.90
<b>Deferred tax charge</b>		
In respect of the current year	29.45	22.08
<b>Total income tax expense recognised in the Statement of profit and loss</b>	<b>1,290.40</b>	<b>963.98</b>

#### (b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligations	7.52	3.15
<b>Total income tax benefit recognised in other comprehensive income</b>	<b>7.52</b>	<b>3.15</b>

#### (c) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Profit before tax</b>	5,258.36	3,874.56
Income tax expense calculated at 25.168%	1,323.42	975.15
Effect of income exempt/taxed on lower rate	(68.36)	(29.57)
Others	35.34	18.40
<b>Income tax expense recognised in the Statement of profit and loss</b>	<b>1,290.40</b>	<b>963.98</b>

### 33. Earning per share

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Basic earnings per share (in ₹) (A/B)</b>	198.53	145.66
<b>Diluted earnings per share (in ₹) (A/C)</b>	198.18	145.52
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
<b>Profit for the year, per statement of profit and loss (₹ in crores) (A)</b>	3,967.96	2,910.58
<b>Opening Balance</b>	<b>19,98,39,718</b>	<b>19,98,11,941</b>
Effect of share options exercised	31,992	13,120
<b>Weighted average number of equity shares for the purposes of basic earnings per share (B)</b>	<b>19,98,71,710</b>	<b>19,98,25,061</b>
Effect of share options	3,52,633	1,89,104
<b>Weighted average number of equity shares for the purposes of diluted earnings per share (C)</b>	<b>20,02,24,343</b>	<b>20,00,14,165</b>

### 34. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Contingent liabilities</b>		
In respect of excise and other matters		
In respect of income tax matters (refer note (b) below)	178	-

The various matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company.

Additionally, the Company is involved in other disputes, lawsuits, claims, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 34. Contingent liabilities and commitments (to the extent not provided for) (Contd.)

b) In the quarter ended March 31, 2024, the Income Tax Authorities disallowed certain expenses incurred in prior periods and made a demand of ₹ 178 crores. The Company has evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information has filed an appeal with the Commissioner of Income Tax – Appeals, and has concluded that there is no provision required for this demand as it is probable that the Company's position will be accepted upon ultimate resolution.

Further, the Company and its Chairman are under investigation by certain other Government agencies. These investigations have not been concluded. While uncertainty exists regarding the ultimate outcome of the investigation, the Company after considering available information and facts, as of the date of approval of these financial results, has not identified any adjustments, disclosures or any effect to financial statements or financial information.

c) Commitments	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to ₹ 105.61 crores (March 31, 2023 ₹ 122.39 crores)	253.37	291.36

35. The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely automotive segment.

#### Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

##### Revenue from operations from external customers for the year ended March 31, 2024

Particulars	Domestic	Overseas	Total
2023-24	35,983.48	1,472.24	37,455.72

##### Revenue from operations from external customers for the year ended March 31, 2023

Particulars	Domestic	Overseas	Total
2022-23	32,654.30	1,151.35	33,805.65

##### Disclosure as per the requirement of Ind AS 115, Revenue : For the year ended March 31, 2024

Particulars	India	Outside India	Total
Sale of products	35,375.53	1,460.09	36,835.62
Income from services	442.35	12.15	454.50
Other operating revenue	165.60	-	165.60
<b>Total</b>	<b>35,983.48</b>	<b>1,472.24</b>	<b>37,455.72</b>

##### Disclosure as per the requirement of Ind AS 115, Revenue : For the year ended March 31, 2023

Particulars	India	Outside India	Total
Sale of products	31,816.89	1,134.08	32,950.97
Income from services	437.97	17.27	455.24
Other operating revenue	399.44	-	399.44
<b>Total</b>	<b>32,654.30</b>	<b>1,151.35</b>	<b>33,805.65</b>

- a) Domestic segment includes sales and services to customers domiciled in India.
- b) Overseas segment includes sales and services rendered to customers domiciled outside India.
- c) There are no material non-current assets and post employment benefits domiciled outside India.
- d) There is no major individual customer whose revenue exceeds more than 10% of the entity's revenue.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 36. Related party disclosures under Ind AS 24

#### A. Parties in respect of which the Company is an associate

Bahadur Chand Investments Private Limited - Core Investment Company  
Brijmohan Lal Om Parkash-Partnership firm

#### B. Parties over which the Company has control

##### Subsidiaries

HMCL Americas Inc. USA  
HMCL Netherlands B.V.  
HMC MM Auto Limited  
Hero Tech Centre Germany GmbH

##### Subsidiaries of HMCL Netherlands B.V.

HMCL Colombia S.A.S.  
HMCL Niloy Bangladesh Limited

##### Associate of the Company

Hero FinCorp Limited  
Ather Energy Private Limited

#### C. Key management personnel and their relatives

Mr. Pawan Munjal	- Executive Chairman
Mr. Vikram Sitaram Kasbekar	- Executive Director
Mr. Niranjan Kumar Gupta	- Chief Executive Officer (w.e.f May 01, 2023) - Chief Financial Officer (till February 29, 2024)
Mr. Vivek Anand	- Chief Financial Officer (w.e.f March 01, 2024)
Mr. Dhiraj Kapoor	- Company Secretary and Compliance Officer
Mr. Annuvrat Munjal	- Assistant General Manager

##### Non Executive and Independent Directors

Mr. Pradeep Dinodia  
Mr. Suman Kant Munjal  
Mr. M.Damodaran (till May 04, 2022)  
Dr. Jagmohan Singh Raju  
Ms. Tina Trikha  
Mr. B.S. Dhanoa  
Ms. Camille Tang  
Mr. Rajnish Kumar  
Ms. Vasudha Dinodia

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 36. Related party disclosures under Ind AS 24 (Contd.)

#### Enterprises over which key management personnel and their relatives are able to control:

A.G. Industries Private Limited, A.G. Industries (Bawal) Private Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero Mindmine Institute Private Limited, Hero InvestCorp Private Limited, Hero Solar Energy Private Limited, BML Munjal University, Raman Kant Munjal Foundation, Excellence Enablers Private Limited and Raman Munjal Vidya Mandir

#### Transactions with the above related parties:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Parties in respect of which the Company is an associate</b>		
<b>Dividend paid</b>		
Brijmohan Lal Om Parkash (Partnership firm)	377.02	279.27
Bahadur Chand Investments Private Limited	540.45	400.33
<b>Rental Income</b>		
Brijmohan Lal Om Parkash (Partnership firm)	0.02	0.02
Bahadur Chand Investments Private Limited	0.02	0.02
<b>b) Parties over which the Company has control</b>		
<b>Investment in equity instruments during the year</b>		
<b>Subsidiaries</b>		
HMCL Netherlands B.V.	22.50	-
HMC MM Auto Limited	15.00	-
<b>Sales*</b>		
HMCL Colombia S.A.S.	190.95	226.97
HMCL Niloy Bangladesh Limited	289.54	353.78
<b>Other operating revenues</b>		
HMCL Colombia S.A.S.	5.95	6.55
HMCL Niloy Bangladesh Limited	6.20	10.72
<b>Purchases of goods/services</b>		
HMC MM Auto Limited	351.48	252.16
Hero Tech Centre Germany GmbH	121.82	105.91
<b>Purchase of Assets</b>		
HMC MM Auto Limited	2.47	2.25
<b>Expenses reimbursed</b>		
HMCL Colombia S.A.S.	20.74	18.08
HMCL Niloy Bangladesh Limited	7.14	8.08

\* Net of reimbursements amounting to ₹ 17.36 crore (March 31, 2023: ₹ 20.93 crore)

#### Balance outstanding at the year end

Particulars	As at March 31, 2024	As at March 31, 2023
<b>-Trade Receivable</b>		
HMCL Colombia S.A.S.	138.75	86.31
HMCL Niloy Bangladesh Limited	121.13	107.32
<b>-Trade Payable</b>		
HMC MM Auto Limited	17.69	25.41
Hero Tech Centre Germany GmbH	33.49	27.33

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 36. Related party disclosures under Ind AS 24 (Contd.)

#### c) Associate of the Company

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Hero FinCorp Limited</b>		
Lease rental expenses	-	0.18
Dividend received	59.10	-
Dividend paid	0.02	0.01
Miscellaneous expenses	14.00	10.07
Investment	-	700.00
<b>Ather Energy Private Limited</b>		
Investment (refer note 9)	639.41	262.50
Service Income	0.09	-
Service Expenses	0.04	-

#### Balance outstanding at the year end

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade payable</b>		
Hero FinCorp Limited	-	-
<b>Trade receivable</b>		
Ather Energy Private Limited	0.03	-

#### d) Key management personnel and their relatives

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Managerial Remuneration/Sitting fees</b>		
Mr. Pawan Munjal	109.41	99.55
Mr. Vikram Sitaram Kasbekar	12.11	8.13
Mr. Suman Kant Munjal	0.24	0.32
Mr. Niranjan Kumar Gupta	10.84	7.89
Mr. Vivek Anand (w.e.f 01 <sup>st</sup> March, 2024)	2.84	-
Mr. Dhiraj Kapoor	1.24	1.35
Relative of KMP	0.22	-
<b>Dividend paid to KMP and their relatives</b>		
Lease rent recovery	9.42	5.09
<b>Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors</b>		
Mr. Pradeep Dinodia	2.02	0.81
Mr. M.Damodaran (till May 04, 2022)	1.87	1.39
Dr. Jagmohan Singh Raju	-	0.38
Mr. B. S. Dhanoa	1.13	0.90
Ms. Tina Trikha	1.55	1.04
Ms. Camille Tang	1.33	0.98
Mr. Rajnish Kumar	0.48	0.38
Ms. Vasudha Dinodia	0.48	0.38
	0.36	0.32

#### Balance outstanding at the year end

Particulars	As at March 31, 2024	As at March 31, 2023
-Payables (including commission)	44.86	40.64

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 36. Related party disclosures under Ind AS 24 (Contd.)

#### Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Managerial remuneration*</b>		
Short-term benefits	127.63	110.64
Post-employment benefits	5.40	4.79
Share-based payments	3.41	1.49

\* Does not include provisions for incremental gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

#### e) Enterprises over which key management personnel and their relatives are able to exercise control

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of raw materials and components etc.	1,605.73	1,860.56
Purchase of property, plant and equipments	25.88	27.68
Payment towards services etc.	7.05	5.72
Expenditure towards Corporate Social Responsibility (CSR)	23.70	18.34
Rental income	0.04	0.04
Dividend paid	11.80	8.74

#### Balance outstanding as at the year end

Particulars	As at March 31, 2024	As at March 31, 2023
- Payables	285.63	295.95

#### Significant related party transactions included in the above are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Purchase of raw materials and components etc.</b>		
A. G. Industries Private Limited	742.30	913.52
Rockman Industries Limited	749.81	795.10
A. G. Industries (Bawali) Private Limited	113.62	151.94
<b>Purchase of Assets</b>		
Rockman Industries Limited	15.38	12.10
A.G. Industries Private Limited	10.37	15.58
A. G. Industries (Bawali) Private Limited	0.13	-
<b>Payment for services etc.</b>		
BML Munjal University	1.63	2.15
Hero Solar Energy Private Limited	0.38	0.34
Cosmic Kitchen Private Limited	4.44	3.06
Raman Munjal Vidyा Mandir	0.62	0.68
<b>CSR</b>		
Raman Kant Munjal Foundation	3.70	3.34
BML Munjal University	20.00	15.00
<b>Rental Income</b>		
Munjal ACME Packagin Systems Private Ltd	0.02	0.02
Hero InvestCorp Private Limited	0.02	0.02
<b>Dividend paid</b>		
Hero InvestCorp Private Limited	11.80	8.74

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 36. Related party disclosures under Ind AS 24 (Contd.)

**Significant closing balances of related parties are as under:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>- Trade Payables</b>		
A. G. Industries Private Limited	119.72	144.91
Rockman Industries Limited	145.88	111.51
A. G. Industries (Bawal) Private Limited	19.14	39.33

### D. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.

**37.** During the current year ended March 31, 2024, the Company had introduced a voluntary retirement scheme (VRS) and the Company had considered an expense of ₹ 159.99 crore for employees who have accepted to be part of VRS as exceptional item in the standalone financial statements.

### 38. Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) Order, 2020 in respect of disputed dues, not deposited as at March 31, 2024, pending with various authorities:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period	Amount	Amount paid under protest	Amount unpaid
The Customs Act, 1982	Customs Duty	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)	FY 2014-15	0.25	0.01	0.24
The Central Excise Act, 1944	Excise Duty	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)	FY 2004-05 to FY 2017-18	45.40	1.60	43.80
The Central Excise Act, 1944	Excise Duty	Commissioner Appeal	FY 2014-15 to FY 2017-18	0.27	0.02	0.25
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)	FY 2017-18	0.09	0.01	0.08
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Joint commissioner Appeals	FY 2021-22	0.18	0.18	-
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Commissioner Appeals	FY 2016-17 to FY 2017-18	6.75	0.15	6.60
Finance Act, 1994	Service Tax	CESTAT	FY 2004-05 to FY 2011-12	233.11	24.99	208.13
Finance Act, 1994	Service Tax	Supreme Court	FY 2004-05 to FY 2005-06	0.89	0.45	0.44
Finance Act, 1994	Service Tax	Commissioner Appeals	FY 2016-17	1.99	-	1.99
Income-tax Act, 1961	Income-Tax	Income Tax Appelate Tribunal (ITAT)	FY 2010-11	2,336.71	375.51	1,961.20
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2013-14	10.85	0.18	10.67
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)*	FY 2013-14	178	-	178
			FY 2014-15			
			FY 2015-16			
			FY 2016-17			
			FY 2018-19			
Indian Stamp Act, 1899	Stamp Duty	Supreme Court	FY 2012-13	15.00	10.00	5.00
Employees State Insurance Act, 1948	Employees State Insurance Contribution	Civil Court, Gurugram	FY 2013-14, FY 2014-15	10.31	2.32	7.99
Employees State Insurance Act, 1948	Employees State Insurance Contribution	High Court	FY 2013-14	0.19	0.19	-

\* Net of rectification orders under Section 154 received subsequent to the year end and appeal filed by the Company to CIT(A) thereon.

Above excludes an aggregate amount of ₹ 50.87 crores in respect of disputes of Income-tax Act, 1961 which are paid in full.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 38. Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) Order, 2020 in respect of disputed dues, not deposited as at March 31, 2024, pending with various authorities: (Contd.)

**The following matters have been decided in favour of the Company but the department has preferred appeals at higher levels:**

Nature of Statute	Nature of dues	Forum where dispute is pending	Period	Amount	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise Duty	CESTAT	FY 2010-11, FY 2013-14, FY 2015-16 to 2017-18	95.91	-	95.91
The Central Excise Act, 1944	Excise Duty	Supreme Court	FY 2002-03 to FY 2008-09	8.78	-	8.78
Income-tax Act, 1961	Income-Tax	Supreme Court	FY 2005-06	4.10	-	4.10
Income-tax Act, 1961	Income-Tax	High Court	FY 1995-96, FY 1996-97, FY 1997-98, FY 1998-99, FY 2000-01, FY 2002-03, FY 2003-04, FY 2006-07, FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13	7,367.64	-	7,367.64

### 39. Research and development expenses:

**Expenses charged to revenue account**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material consumption	48.74	18.19
Consumables	5.21	6.82
Employee Benefits	314.90	285.33
Depreciation and amortisation	158.36	124.34
Others*	105.92	98.20
<b>Total</b>	<b>633.13</b>	<b>532.88</b>

\* Includes intangible asset under development amounting to ₹ 0.94 Cr (previous year ₹ 1.40 Crores) expensed off during the year.

### Capital expenditure

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Building	8.26	-
Equipments	31.54	13.99
Furniture and fixtures	2.97	1.16
Software	1.95	3.38
Vehicles	2.87	1.90
Data processing equipments	2.72	3.45
Intangible assets	141.50	86.41
<b>Capital Work-in-progress</b>	<b>191.81</b>	<b>110.29</b>
<b>Total</b>	<b>193.09</b>	<b>227.06</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 40. Share-based payments

#### Employee Stock Option Plan

The Employee Stock Options Scheme titled "Employee Incentive Scheme 2014 - Options and Restricted Stock Unit" hereafter referred to as "Employee Incentive Scheme 2014" or "the Scheme" was approved by the shareholders of the Company through postal ballot on September 22, 2014. The Scheme covered 49,90,000 options/restricted units for 49,90,000 equity shares. The Scheme allows the issue of options/restricted stock units (RSU)/performance linked restricted stock units (PRSUs) to employees of the Company which are convertible to one equity share of the Company. As per the Scheme, the Nomination and Remuneration Committee grants the Options/RSU/PRSUs to the employees deemed eligible. The options and RSU/PRSUs granted vest over a period of 4 and 3 years respectively from the date of the grant in proportions specified in the respective ESOP Plans. The fair value as on the date of the grant of the options/RSU/PRSUs, representing Stock compensation charge, is expensed over the vesting period.

#### Details of the Stock Option/RSU/PRSUs issued under the Scheme

Plan	Number of Options/RSU/PRSUs	Grant date	Expiry date	Exercise Price ₹	Weighted Average Fair value of the Options at grant date ₹
ESOP 2014	23,110	22-Oct-14	21-Oct-21	2,159	1,228
ESOP 2016	41,290	22-Aug-16	21-Aug-23	2,469	1,324
RSU 2016	11,194	22-Aug-16	21-Aug-23	2	3,290
ESOP 2017	29,800	31-Oct-17	30-Oct-24	2,818	1,615
RSU 2017	15,769	31-Oct-17	30-Oct-24	2	3,663
ESOP 2018	1,25,000	25-Mar-19	24-Mar-26	2,033	1,138
RSU 2018	17,760	31-Jan-19	30-Jan-26	2	2,672
ESOP 2019	98,750	22-Oct-19	21-Oct-26	1,745	1,067
RSU 2019	5,210	22-Oct-19	21-Oct-26	2	2,308
ESOP 2020	1,01,375	27-Oct-20	26-Oct-27	2,085	1,200
RSU 2020	1,560	27-Oct-20	26-Oct-27	2	2,686
RSU 2021	39,210	11-Aug-21	10-Aug-25	2	2,699
PRSUs 2021	34,895	11-Aug-21	10-Aug-25	2	2,439
RSU 2022	72,023	28-Jun-22	27-Dec-26	2	2,447
PRSUs 2022	1,43,125	28-Jun-22	27-Dec-26	2	2,328
RSU 2023	72,169	26-Jun-23	25-Dec-27	2	2,584
PRSUs 2023	1,36,381	26-Jun-23	25-Dec-27	2	2,321
RSU 2023(1)	9,641	09-Aug-23	08-Feb-28	2	2,773
PRSUs 2023(1)	36,043	09-Aug-23	08-Feb-28	2	2,511
ESOP 2023	30,000	09-Aug-23	08-Aug-30	1,974	1,318

#### Fair value of share options/RSU granted during the year

The fair value of options/RSU granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options/RSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

#### Fair value of PRSU granted during the year

The fair value of PRSU granted is estimated using the Monte Carlo simulation model for performance based conditions, after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life PRSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 40. Share-based payments (Contd.)

#### Inputs in to the pricing model

Particulars	Option Plan						
	RSU 2023	PRSUs 2023	RSU 2023 (1)	PRSUs 2023 (1)	ESOP 2023	RSU 2022	PRSUs 2022
Weighted Average Fair value of option/RSU/PRSUs	2,584	2,321	2,773	2,511	1,318	2,447	2,328
Spot share price	2,851	2,851	3,060	3,060	3,060	2,760	2,756
Exercise price	2	2	2	2	1,974	2	2
Expected average volatility	27.10%	38.15%	27.60%	38.50%	31.50%	32.86%	34.00%
Option life	4.5 years	4.5 years	4.5 years	4.5 years	7 years	4.5 years	4.5 years
Dividend yield	3.58%	3.58%	3.58%	3.58%	3.58%	4.38%	3.42%
Average risk-free interest rate	7.09%	7.14%	7.25%	7.28%	7.29%	7.49%	7.23%

#### Movements in share options during the year

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	1,43,023	2,083	1,93,341	2,065
Granted during the year	30,000	1,974	-	-
Forfeited during the year	27,642	2,223	33,596	2,052
Exercised during the year	52,863	1,968	16,722	1,940
Outstanding at the end of year	92,518	2,071	1,43,023	2,083
Exercisable at the end of year	49,761	2,126	94,228	2,131

#### Movements in RSU/PRSUs during the year

Particulars	Number of RSU/PRSUs	Weighted average exercise price ₹	
		Number of RSU/PRSUs	Weighted average exercise price ₹
Outstanding at the beginning of the year	2,49,920	2.00	64,318
Granted during the year	2,54,234	2.00	2,15,148
Forfeited during the year	50,527	2.00	18,491
Exercised during the year	29,160	2.00	11,055
Outstanding at the end of year	4,24,467	2.00	2,49,920
Exercisable at the end of year	3,652	2.00	3,193

#### Share options exercised during the year

Option Plan	For the year ended 31 March 2024		For the year ended 31 March 2023	
	No. of options exercised	Weighted Share price at exercise date ₹	No. of options exercised	Weighted Share price at exercise date ₹
ESOP 2016	850	3,108	-	-
ESOP 2017	2,103	4,108	-	-
ESOP 2018	18,500	3,568	5,590	2,536
RSU 2018	-	-	2,232	2,362
ESOP 2019	20,840	3,712	6,252	2,644
RSU 2019	-	-	2,084	2,728
ESOP 2020	10,570	3,721	4,880	2,657
RSU 2020	624	4,138	468	2,728
RSU 2021	10,562	3,270	6,271	2,597
RSU 2022	17,974	3,302	-	-
<b>TOTAL</b>	<b>82,023</b>	<b>-</b>	<b>27,777</b>	<b>-</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 40. Share-based payments (Contd.)

#### Share options/RSU/PRSU outstanding at end of the year

Options/RSU/PRSU Plans	Options outstanding as at March 31, 2024	Options outstanding as at March 31, 2023	Remaining contractual life (in Years) as on March 31, 2024	Remaining contractual life (in Years) as on March 31, 2023	Exercise Price ₹
ESOP 2014	-	-	-	-	2,159
ESOP 2016	-	8,599	-	0.39	2,469
RSU 2016	-	-	-	0.39	2
ESOP 2017	6,523	10,879	0.59	1.59	2,818
RSU 2017	-	-	0.59	1.59	2
ESOP 2018	19,400	46,660	1.98	2.99	2,033
RSU 2018	-	-	1.84	2.84	2
ESOP 2019	5,050	26,970	2.56	3.56	1,745
RSU 2019	-	-	2.56	3.56	2
ESOP 2020	31,545	49,915	3.58	4.58	2,085
RSU 2020	-	624	3.58	4.58	2
RSU 2021	8,442	22,100	1.36	2.37	2
PRSU 2021	21,374	25,820	1.36	2.37	2
RSU 2022	40,714	66,656	2.74	3.75	2
PRSU 2022	1,17,737	1,34,721	2.74	3.75	2
RSU 2023	66,777	-	3.74	-	2
PRSU 2023	1,25,316	-	3.74	-	2
RSU 2023 (1)	9,116	-	3.86	-	2
PRSU 2023 (1)	34,992	-	3.86	-	2
ESOP 2023	30,000	-	6.36	-	1,974
<b>TOTAL</b>	<b>5,16,986</b>	<b>3,92,944</b>			

During the year ended March 31, 2024, the Company recorded an employee stock compensation expense of ₹ 23.74 crore (previous year ₹ 16.04 crore) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2024 is ₹ 45.63 crore (March 31, 2023: ₹ 35.63 crore)

### 41. Financial instruments

#### 41.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have debts and meets its capital requirement through equity and internal accruals.

The Company is not subject to any externally imposed capital requirements

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

**The following table summarises the capital of the Company:**

Particulars	As at March 31, 2024	As at March 31, 2023
Share capital	39.98	39.97
Equity reserves	17,946.20	16,665.12
<b>Total Equity</b>	<b>17,986.18</b>	<b>16,705.09</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 41. Financial instruments (Contd.)

#### Categories of financial instruments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Non-current		
Investments	3,818.66	3,221.52
Current		
Investments	4,127.61	3,561.63
<b>Financial assets at amortised cost</b>		
Non-current		
Investments	1,543.93	1,378.87
Loans	21.15	19.87
Others	188.87	205.65
Current		
Investments	146.91	76.25
Trade receivables	2,703.44	2,798.21
Cash and bank balances	608.93	345.50
Loans	24.56	23.71
Others	283.51	562.33
<b>Total</b>	<b>13,467.56</b>	<b>12,193.54</b>
<b>Financial liabilities at amortised cost</b>		
Non-Current		
Lease Liability	111.50	134.29
Other financial liabilities	178.13	196.29
Current		
Lease Liability	26.08	22.02
Trade payables	5,528.15	4,704.46
Other financial liabilities	250.29	163.97
<b>Total</b>	<b>6,094.15</b>	<b>5,221.03</b>

#### 41.2 Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 41. Financial instruments (Contd.)

#### Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

Particulars	Fair value as at March 31, 2024		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	-	2,391.20	-
Investments in equity instruments	76.00	-	437.51
Investments in preference shares	-	913.95	-
<b>Current</b>			
Investments in mutual funds	4,127.61	-	-
<b>Particulars</b>			
<b>Fair value as at March 31, 2023</b>			
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	-	1,860.95	-
Investments in equity instruments	59.00	-	493.10
Investments in Debenture	-	808.47	-
<b>Current</b>			
Investments in mutual funds	3,561.63	-	-

#### Fair value of the Company's financial assets that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial instruments approximate their fair values:

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at amortised cost</b>				
<b>Non-current</b>				
Investments in bonds	1,543.93	1,479.29	1,378.87	1,331.60
<b>Current</b>				
Investments in bonds	146.91	145.91	76.25	81.29
<b>Particulars</b>				
<b>Fair value hierarchy</b>				
	March 31, 2024 Level 2	March 31, 2023 Level 2		
<b>Financial assets at amortised cost</b>				
<b>Non-current</b>				
Investments in bonds	1,479.29	1,331.60		
<b>Current</b>				
Investments in bonds	145.91	81.29		

The fair value of the financial assets and financial liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between the market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions:- Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.
- The fair value of bonds is based on quoted prices and market observable inputs.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 41. Financial instruments (Contd.)

- The fair value of unquoted equity shares is determined on the basis of valuation arrived at considering income approach (discounted cash flow) and market approach (comparable companies).
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current lease liabilities and other current financial liabilities: Fair value approximate their carrying amounts largely due to short-term maturities of these instruments.
- The Company's non current lease liabilities and non current financial assets are measured at amortised cost, which approximates the fair value as on the reporting date.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. as such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2024 and March 31, 2023

### 41.3 Financial risk management objectives and Policies

#### Financial risk management objectives

The Company's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments, diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Company's policies on foreign exchange risk and the investment. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity which impact returns on investments. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including export receivables and import payables. Future specific market movements cannot be normally predicted with reasonable accuracy.

Market risk exposures are measured using sensitivity analysis.

#### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

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

Foreign Currency Exposure as on March 31, 2024	EUR	USD	JPY	GBP	CNY	COP	RMB
Trade Receivables	0.02	5.47	0.14	-	-	-	-
Trade Payables	0.39	0.65	0.05	0.00	2.48	-	0.32
Capital Creditors	0.02	-	0.59	0.00	-	32.06	-
<b>Foreign currency exposure as at March 31, 2023</b>							
Trade Receivable	0.06	3.07	1.19	0.00	0.00	0.47	0.08
Trade Payables	0.30	0.61	-	-	-	-	-
Capital Creditors	0.35	0.00	(1.80)	-	0.00	64.83	-

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 41. Financial instruments (Contd.)

#### Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. (+)(-)5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens (+)(-)5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive or negative.

Currency	2023-24		2022-23	
	5% increase	5% decrease	5% increase	5% decrease
<b>Receivable</b>				
USD	22.83	(22.83)	12.63	(12.63)
JPY	0.00	(0.00)	0.04	(0.04)
EUR	0.09	(0.09)	0.26	(0.26)
GBP	-	-	0.01	(0.01)
CHF	-	-	0.01	(0.01)
COP	-	-	0.00	(0.00)
RMB	-	-	0.05	(0.05)
<b>Trade Payable</b>				
USD	(2.69)	2.69	(2.51)	2.51
EUR	(1.73)	1.73	(1.34)	1.34
JPY	(0.00)	0.00	-	-
GBP	(0.00)	0.00	-	-
RMB	(0.19)	0.19	-	-
CNY	(1.43)	1.43	-	-
SGD	-	-	(0.01)	0.01
THB	-	-	(0.00)	0.00
<b>Capital Creditors</b>				
USD	0.41	(0.41)	(0.01)	0.01
EUR	(0.10)	0.10	(1.55)	1.55
CHF	-	-	(0.02)	0.02
GBP	(0.00)	0.00	-	-
COP	(0.35)	0.35	(0.06)	0.06
JPY	(0.02)	0.02	0.06	(0.06)
Impact on profit or loss as at the end of the reporting period	<b>16.82</b>	<b>(16.82)</b>	<b>7.56</b>	<b>(7.56)</b>
Impact on total equity as at the end of the reporting period	<b>12.69</b>	<b>(12.69)</b>	<b>5.68</b>	<b>(5.68)</b>

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/in future years.

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, mutual funds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

The Company write off the receivables in case of certainty of irrecoverability.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 41. Financial instruments (Contd.)

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no. 15 above.

The Company has used a practical expedient and analysed the recoverable amount of receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience.

#### Movement in the expected credit loss allowance of financial assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	121.26	116.86
Add: Provided during the year	35.47	24.01
Less: Reversals of provision	17.76	19.21
Less: Amounts written back	-	0.40
<b>Balance at the end of the year</b>	<b>138.97</b>	<b>121.26</b>

#### Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds/debentures, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

#### NAV price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

- profit for the year ended March 31, 2024 would increase/decrease by ₹ 65.19 Crores (for the year ended March 31, 2023 ₹ 54.23 crores).

#### Interest rate risk

The Company has lease liabilities which have been accounted with incremental borrowing rate and are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Liquidity risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time. To mitigate this risk, the Company maintains sufficient liquidity by way of readily convertible instruments and working capital limits from banks.

#### Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date on undiscounted basis.

Particulars	As at March 31, 2024			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Trade payables	5,528.15	-	-	5,528.15
(ii) Other financial liabilities	189.00	155.66	-	344.66
(iii) Lease liabilities	35.59	119.04	37.30	191.93

Particulars	As at March 31, 2023			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Trade payables	4,704.46	-	-	4,704.46
(ii) Other financial liabilities	186.44	173.82	-	360.26
(iii) Lease liabilities	32.93	137.95	53.70	224.58

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 42. Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the Company during the year	72.70	77.11
Amount of expenditure incurred	73.89	77.83
Total of previous years shortfall	-	-
Shortfall at the end of the year	-	-
Nature of CSR activities	Promoting education; promoting gender equality and empowering women; disaster management including relief, rehabilitation and reconstruction activities; ensuring environmental sustainability and ecological balance; rural development projects; eradicating hunger, poverty and malnutrition	
Details of related party transactions (Refer Note 36 Related Party Transactions)	23.70	18.34
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

**43.** The Company has sanctioned borrowing facilities, comprising fund based and non-fund based limits from various bankers on unsecured basis.

### 44. Following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance
Current ratio	Current assets	Current liabilities	1.50	1.61	-6.84%
Debt equity ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.01	0.01	-18.25%
Debt service coverage ratio*	Earnings available for debt service = Net profit after taxes + Depreciation + Finance cost+Loss on sale of property, plant and equipments	Debt service including lease payments during the year	130.91	101.74	28.68%
Return on equity*	Net profit after taxes	Average shareholder's equity	22.88%	17.92%	27.67%
Inventory turnover ratio	Cost of goods sold includes cost of raw material consumed, purchase of stock in trade and change in inventories of finished goods, stock in trade and work-in-progress	Average Inventory	17.67	18.66	-5.30%
Trade receivables turnover ratio	Gross sale of products + Gross income from services	Average Trade receivables	17.34	16.75	3.55%
Trade payables turnover ratio	Purchase of stock in trade + Purchase raw material and components - cash discount + Other expenses	Average Trade Payables	5.72	6.13	-6.70%
Net capital turnover ratio#	Revenue from operations	Average Working capital (Current assets - current liabilities)	11.24	8.00	40.57%
Net profit ratio *	Net profit after taxes	Total income	10.35%	8.47%	22.19%
Return on capital employed (ROCE)**	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + deferred tax liability	28.43%	22.55%	26.07%
Return on investment (ROI)##	Income generated from investments carried at FVTPL and amortised cost	Investments carried at FVTPL and amortised cost	8.21%	5.51%	49.16%

\* Higher on account of increase in Profit After tax (PAT).

\*\* Due to increase in Earning before interest and taxes & capital employed.

# Due to increase in revenue from operations and decrease in average working capital

## Increase in primarily on account of other income and average investment

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 45. Additional information:

- (i) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (iii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (v) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vi) There are no funds which 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (viii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one register CIC and one unregistered CIC as part of the Group
- (ix) As required by provisions of Rule 3 of the Companies (Accounts) Rule, 2013, as amended, the Company has taken all back up of the books and papers of the Company maintained in electronic mode in server physically located in India on daily basis during the financial year ended March 31, 2024.

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**Dr. Pawan Munjal**  
Executive Chairman  
DIN-00004223

**Tina Trikha**  
Chairperson Audit Committee (Director)  
DIN-02778940

**Pradeep Dinodia**  
Non-Executive Director  
DIN-00027995

**Niranjan Kumar Gupta**  
Chief Executive Officer

**Vivek Anand**  
Chief Financial Officer

**Dhiraj Kapoor**  
Company Secretary & Compliance Officer  
Membership No.: F5454

Place: Shimla  
Date: May 08, 2024

# Independent Auditors' Report

## To The Members of Hero MotoCorp Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Hero MotoCorp Limited** ("the Parent") and its subsidiaries, (the Parent, its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), 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 consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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/financial information of such subsidiaries and associate audited by the other auditors, 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 and its associates 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 other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter

We draw attention to note 36 in respect of disallowances by the Income Tax authorities of deductions from taxable income in prior periods of certain expenses incurred in those periods. The Parent Company has appealed to the Commissioner of Income Tax - Appeals against these disallowances. The Parent Company based on available information, underlying evidence supporting these disallowed expenses, and supplemented by external legal advice has not made any provision for this demand because it is probable that the Parent Company's position will be accepted upon ultimate resolution.

Additionally, as also described in note 36, the Parent Company and its Chairman are under investigation by certain other Government agencies. Pending resolution of these investigations as at the date of this report, there is uncertainty on the ultimate outcome of these investigations. Based on available information and facts as at the date of approval of these financial statements, the Parent Company has not identified any adjustment, disclosure or any other effect on these financial statements.

Our opinion is not modified in respect of the above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Investment in Associates and Equity Instruments	Principal audit procedures performed included the following:
The Group holds investment in associates and equity instruments amounting to ₹ 4,511.05 Crores as at March 31, 2024. At each reporting period, the group assesses the recoverable amount of the investment in associates and fair value of equity instruments, respectively, in order to determine (i) whether there is any indication that the investment in associates have suffered an impairment loss and (ii) changes in fair value of equity instruments.	Obtained understanding of the process and tested the internal controls related to the assumptions used by the management for determination of recoverable value of the investment in associates and fair value of investments in equity instruments.
To assess the recoverability of investment in associates and to determine the fair value of equity instruments, management is required to use appropriate methodology and apply significant assumptions relating to discount rate, long term growth rate and revenue multiples.	Challenged management on the appropriateness of the valuation methodology and performed following procedures:
We have identified the valuation methodology and aforementioned assumptions used by the management for estimation of the recoverable value and determination of fair value as the key audit matter because these assumptions are of particular importance due to the level of judgements involved.	<ul style="list-style-type: none"> <li>▪ Assessed the net worth of associates based on latest available financial statements;</li> <li>▪ Evaluated the objectivity and competency of the specialist engaged by the group and reviewed the valuation report issued by such specialist;</li> <li>▪ With the assistance of our valuation specialist, we assessed the reasonableness of the methodology and assumptions used to determine the recoverable value of the investment in associates and fair value of investment in equity instruments, primarily related to discount rates, long term growth rate and revenue multiples;</li> <li>▪ Tested the arithmetical accuracy of the valuation models; and</li> <li>▪ Assessed appropriateness of disclosures made by the group.</li> </ul>
Refer note 3.15 and 9B of the Consolidated Financial Statements.	and associate, is traced from their financial statements audited by other auditors.

#### 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 Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility & Sustainability Report and Corporate Governance 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 do 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, compare with the financial statements of the subsidiaries and associate 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

#### 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 and presentation 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 including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and

## Independent Auditors' Report

for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 of the companies included in the Group and of its associates 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 intends 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 and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibilities 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 judgement 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 control 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 and its associates 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 and its associates 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 and its associates 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 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 control 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 1,088.12 crores as at March 31, 2024, total revenues of ₹ 947.26 crores and net cash inflows amounting to ₹ 6.91 crores for the year ended on

that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 268.38 crores for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. 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 associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

- (b) Certain of these subsidiaries are located outside India whose financial statements 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 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 other auditors on the separate financial statements of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable that:

## Independent Auditors' Report

- 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 and its associates 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 in relation to compliance with the requirements of audit trail, in respect of two associates and one subsidiary, refer paragraph (h)(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 and associate companies incorporated in India, none of the directors of the Group companies and its associate 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) 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, subsidiary and associate 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.
- g) 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 and associate companies incorporated in India, the remuneration paid by the Parent, its subsidiary and the associate company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 and its associates - Refer Note 36 to the consolidated financial statements;
  - ii) The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Based on the report of the other auditor in case of one associate company, provision has been made, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as at March 31, 2024.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and the associate company based on the report of the other auditor, incorporated in India. The subsidiary and the associate company, incorporated in India are not required to transfer any amounts to the Investor Education and Protection Fund.
  - iv) (a) The respective Managements of the Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of an associate respectively that, to the best of their knowledge and belief, as disclosed in the note 44(vi) 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 its subsidiary and associate 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 Parent or any of its subsidiary and associate ("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 and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of an associate respectively that, to the best of their knowledge and belief, as disclosed in the note 44(vii) to the consolidated financial statements, no funds have been received by the Parent or any of its subsidiary and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of its subsidiary and associate 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.
- v) As stated in the note 19 to the consolidated financial statements,
- a. The final dividend proposed in the previous year, declared and paid by the Parent, whose financial statements have been audited under the act, where applicable, during the year is in accordance with section 123 of the Act, as applicable. Based on the report of other auditor, the dividend declared during the year by the associate is in compliance with Section 123 of the Act
  - b. The interim dividend declared and paid by the Parent during the year and until the date of this audit report is in compliance with Section 123 of the Act.
  - c. The Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The 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 associate company incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiary company and associate companies incorporated in India have used accounting software for maintaining their respective books of

## Independent Auditors' Report

account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except for the instances mentioned below;

**A. In case of a subsidiary company:**

- a. In case an accounting software, the audit trail (edit log) facility at the database level was not enabled to log any direct data changes/logs of application-level changes.

**B. In case of an associate company:**

- a. In case an accounting software, the audit trail (edit log) facility was not enabled for certain tables and for direct changes at the database level.
- b. In respect of an accounting software operated by a third party software service provider for maintaining payroll records and based on the independent auditor's system and organisation controls report covering the requirement of audit trail, the associate company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level and the same has operated during the period April 1, 2023 till December 31, 2023. No instance of audit trail feature being tampered with. In the absence of an independent auditor's system and organisation controls report covering the audit trail requirement for the remaining period, we are unable to comment whether the audit trail feature of the said software was enabled and operated post December 31, 2023, for all relevant transactions recorded in the software or whether there was any

instance of the audit trail feature been tampered with.

**C. In case of an associate company, audited by the other auditor:**

- a. In respect of one accounting software of the associate company the audit log feature is not maintained in case of modification by certain users with specific access (debug).
- b. In respect of three accounting software in the associate company no audit trail feature has been enabled at the database level to log any direct data changes.
- c. In respect of the payroll processing software, which is operated by a third party software service provider, for maintaining its books of account and in the absence of SOC 1 Type 2 report, other auditor is unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

Further, during the course of our audit, we and the respective other auditor, whose reports have been furnished to us by the Management of the Parent Company, did not come across any instance of the audit trail feature being tampered with in respect of the accounting software for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 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 respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Ather Energy Private Limited	U40100KA2013PTC093769	Associate	Clause xvii <sup>1</sup> of Annexure B to the Independent Auditor's report.
Hero FinCorp Limited	U74899DL1991PLC046774	Associate	Clause iii (d) <sup>2</sup> , vii (a) <sup>3</sup> , vii (b) <sup>4</sup> , ix(c) <sup>5</sup> and xi (a) <sup>6</sup> of Annexure B to the Independent Auditors' Report.

<sup>1</sup>Clause pertains to cash losses incurred.

<sup>2</sup>Clause pertains to amount overdue for more than ninety days.

<sup>3</sup>Clause pertains to undisputed statutory dues.

<sup>4</sup>Clause pertains to disputed statutory dues.

<sup>5</sup>Clause pertains to application of term loans availed.

<sup>6</sup>Clause pertains to fraud noticed or reported during the year.

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

**Vijay Agarwal**  
Partner  
(Membership No. 094468)  
UDIN: 24094468BKCDAB5410

Place: Shimla  
Date: May 08, 2024

## Annexure "A" to the Independent Auditors' Report

**(Referred to in paragraph 1(f) 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 of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Hero MotoCorp Limited (hereinafter referred to as "Parent") its subsidiary and associate companies which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary and its associate 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 (the "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, its subsidiary and its associate 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 ICAI 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 auditor of the associate, 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, its subsidiary and associate companies, which are companies incorporated in India

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A Group'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 Group are being made only in accordance with authorisations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group'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 report of other auditor referred to in the Other Matter paragraph below, the Parent, its subsidiary and its associate 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 ICAI.

**Other Matter**

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 one associate company, which is company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Vijay Agarwal**

Partner

(Membership No. 094468)

UDIN: 24094468BKCDAB5410

Place: Shimla

Date: May 08, 2024

## Balance Sheet

as at March 31, 2024  
CIN: L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR		
		As at March 31, 2024	As at March 31, 2023	
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	5	5,212.58	5,159.42	
(b) Capital work-in-progress	6	127.16	122.09	
(c) Right of use assets	7	475.97	481.28	
(d) Other Intangible assets	7A	543.65	518.50	
(e) Intangible assets under development	8	356.90	331.62	
(f) Equity accounted investments in associates	9A	3,083.59	2,618.70	
(g) Financial assets				
(i) Investments	9B	5,362.57	4,600.38	
(ii) Loans	10	21.15	19.87	
(iii) Others	11	189.44	206.09	
(h) Income tax assets (net)	12	335.68	270.69	
(i) Other non-current assets	13	128.65	153.06	
<b>Total non - current assets</b>		<b>15,837.34</b>	<b>14,481.70</b>	
<b>Current assets</b>				
(a) Inventories	14	1,755.90	1,756.39	
(b) Financial assets				
(i) Investments	9B	4,305.08	3,671.85	
(ii) Trade receivables	15	2,630.22	2,719.47	
(iii) Cash and cash equivalents	16	604.91	226.30	
(iv) Bank balances other than (iii) above	17	91.56	196.50	
(v) Loans	10	24.56	23.71	
(vi) Others	11	423.53	571.65	
(c) Other current assets	13	479.69	269.46	
<b>Total current assets</b>		<b>10,315.45</b>	<b>9,435.33</b>	
<b>Total assets</b>		<b>26,152.79</b>	<b>23,917.03</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	18	39.98	39.97	
(b) Other equity	19	17,658.94	16,615.60	
<b>Equity attributable to owners of the Company</b>		<b>17,698.92</b>	<b>16,655.57</b>	
Non-controlling interests	20	135.65	125.06	
<b>Total equity</b>		<b>17,834.57</b>	<b>16,780.63</b>	
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	-	20.09	
(ii) Lease liabilities	7	199.13	219.67	
(iii) Other financial liabilities	25	178.13	196.29	
(b) Provisions	22	322.46	201.94	
(c) Deferred tax liabilities (net)	23	570.13	485.79	
<b>Total non - current liabilities</b>		<b>1,269.85</b>	<b>1,123.78</b>	
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	363.43	293.15	
(ii) Lease liabilities	7	43.85	34.63	
(iii) Trade payables	24			
Total outstanding dues of micro and small enterprises		18.74	2.44	
Total outstanding dues of creditors other than micro and small enterprises		5,604.16	4,757.70	
(iv) Other Financial liabilities	25	254.90	169.93	
(b) Other current liabilities	26	603.85	562.09	
(c) Provisions	22	159.44	192.68	
<b>Total current liabilities</b>		<b>7,048.37</b>	<b>6,012.62</b>	
<b>Total equity and liabilities</b>		<b>26,152.79</b>	<b>23,917.03</b>	

The notes referred to above form an integral part of the consolidated financial statements

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As per our report of even date

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

ICAI Firm's registration number: 117366W/W-100018

**Dr. Pawan Munjal**

Executive Chairman

DIN-00004223

**Tina Trikha**

Chairperson Audit

Committee (Director)

DIN-02778940

**Pradeep Dinodia**

Non-Executive Director

DIN-00027995

**Vijay Agarwal**

Partner

Membership No: 094468

**Niranjan Kumar Gupta**

Chief Executive Officer

**Vivek Anand**

Chief Financial Officer

**Dhiraj Kapoor**

Company Secretary &

Compliance Officer

Membership No.: F5454

Place: Shimla

Date: May 08, 2024

Place: Shimla

Date: May 08, 2024

## Statement of Profit and Loss

for the year ended March 31, 2024

CIN: L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR	
		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I INCOME</b>			
(a) Revenue from operations	27	37,788.62	34,158.38
(b) Other income	28	854.54	569.01
<b>Total Income</b>		<b>38,643.16</b>	<b>34,727.39</b>
<b>II EXPENSES</b>			
(a) Cost of materials consumed	29	24,836.89	24,060.29
(b) Purchases of stock in trade		484.20	47.43
(c) Change in inventories of finished goods, stock-in-trade and work-in- progress	30	188.35	(163.69)
(d) Employee benefits expense	31	2,471.55	2,250.05
(e) Finance costs	32	76.37	104.88
(f) Depreciation and amortisation expenses	5, 7 and 7A	757.36	697.39
(g) Other expenses	33	4,458.00	3,870.53
<b>Total expenses</b>		<b>33,272.72</b>	<b>30,866.88</b>
<b>III Profit before share of profit/(loss) of associates, exceptional items and tax (I - II)</b>			
<b>IV Profit/(loss) from associates</b>			
Share in profit/(loss) of associates (net of tax)			(120.25)
<b>V Profit before tax and exceptional items (III+IV)</b>		<b>5,250.19</b>	<b>3,863.62</b>
<b>VI Exceptional item</b>			
Expense towards VRS			159.99
<b>VII Profit before tax (V-VI)</b>		<b>5,090.20</b>	<b>3,863.62</b>
<b>VIII Tax expense</b>			
Current tax	34	1,264.18	947.69
Deferred tax charge/(credit)		83.86	116.03
<b>Total tax expense</b>		<b>1,348.04</b>	<b>1,063.72</b>
<b>IX Net profit after taxes (VII - VIII)</b>		<b>3,742.16</b>	<b>2,799.90</b>
<b>X Other comprehensive income/(loss)</b>			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans			(30.00)
Income tax effect			7.51
Share of Other comprehensive income/(loss) of associates, to the extent not be reclassified to profit or loss			(1.55)
<b>Items that will be reclassified to profit or loss:</b>			
Exchange differences in translating the financial statements of foreign operations			1.92
Income tax effect			(0.48)
Share of Other comprehensive income/(loss) of associates, to the extent reclassified to profit or loss			(10.26)
<b>Other comprehensive income for the year</b>			
(8.82)			(25.94)
<b>XI Total comprehensive income for the year (net of tax) (IX + X)</b>		<b>3,709.30</b>	<b>2,765.03</b>
<b>Net Profit/(loss) for the year attributable to:</b>			
-Owners of the Company			3,744.83
-Non-controlling interests			(2.67)
<b>Other comprehensive income for the year attributable to:</b>			
-Owners of the Company			(32.76)
-Non-controlling interests			(34.87)
<b>Total comprehensive income for the year attributable to:</b>			
-Owners of the Company			3,712.07
-Non-controlling interests			(2.77)
<b>Earnings per share (Nominal Value of ₹ 2 each) in ₹</b>			
(a) Basic			187.36
(b) Diluted			187.04
The notes referred to above form an integral part of the consolidated financial statements			1 - 44

As per our report of even date

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

ICAI Firm's registration number: 117366W/W-100018

**Dr. Pawan Munjal**

Executive Chairman

DIN-00004223

**Tina Trikha**

Chairperson Audit

Committee (Director)

DIN-02778940

**Pradeep Dinodia**

## Statement Of Cash Flows

for the year ended March 31, 2024

CIN: L35911DL1984PLC017354

Particulars	Amount in crores of INR	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit after tax and share in profit/(loss) of associates	<b>3,742.16</b>	<b>2,799.90</b>
Adjustments for:		
Add: Depreciation and amortisation expense	757.36	697.39
Tax expense	1,348.04	1,063.72
Loss on property, plant and equipments sold/discharged	5.57	4.83
Finance cost	76.37	104.88
Employee stock compensation cost	23.74	16.04
Loss allowance on trade receivables	19.66	10.33
	<b>2,230.74</b>	<b>1,897.19</b>
Less: Interest income on financial assets carried at amortised cost	301.31	260.81
Dividend income	18.59	2.28
Profit on sale of investments	120.82	111.80
Gain on investments carried at fair value through profit or loss	403.01	188.51
Share of profit in associates	(120.25)	3.11
Profit on sale of property, plant and equipments	6.27	5.56
Net Foreign currency translation	(1.92)	34.43
	<b>727.83</b>	<b>606.50</b>
<b>Operating profit before working capital changes</b>	<b>5,245.07</b>	<b>4,090.59</b>
Changes in working capital:		
<b>Adjustment for (increase)/decrease in operating assets:</b>		
Inventories	0.49	(283.98)
Trade receivables	69.59	(571.31)
Loans-Current	(0.85)	(0.90)
Loans-Non-Current	(1.28)	(2.44)
Other financial assets	164.78	(277.24)
Other current assets	(210.23)	4.00
Other non-current assets	7.05	2.97
	<b>29.55</b>	<b>(1,128.90)</b>
<b>Adjustment for increase/(decrease) in operating liabilities:</b>		
Trade payables	862.72	417.05
Other financial liabilities-Current	8.35	4.19
Other current liabilities	41.76	65.77
Current provisions	(33.24)	0.89
Non-Current provisions	98.03	20.81
	<b>977.62</b>	<b>508.71</b>
<b>Cash generated from operating activities</b>	<b>6,252.24</b>	<b>3,470.40</b>
Less: Direct taxes paid (net of refund)	1,329.17	856.56
<b>Net cash generated from operating activities</b>	<b>4,923.07</b>	<b>2,613.84</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment, intangible assets, capital work-in-progress and intangible assets under development including capital advances and capital creditors	(787.89)	(604.25)
Proceeds from sale of property, plant and equipment	10.70	42.88
Deposits (made)/withdrawn	97.96	(79.92)
Sale of investments other than associates	45,306.67	45,336.01
Purchase of investments other than associates	(46,178.27)	(44,433.15)
Dividend income received from associates	42.47	-
Investment in associates	(639.41)	(962.50)
Interest income on financial assets carried at amortised cost	301.31	277.32
Dividend income	18.59	2.28
<b>Net cash (used) in investing activities</b>	<b>(1,827.87)</b>	<b>(421.33)</b>

## Statement Of Cash Flows

for the year ended March 31, 2024

CIN: L35911DL1984PLC017354

Particulars	Amount in crores of INR	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid		(76.37)
Payment of lease liabilities		(11.32)
Dividend paid		(2,702.09)
Additions to minority interest		12.58
Proceeds from issue of equity share capital (including securities premium)		10.41
(Repayment)/proceeds of non-current borrowings		(20.09)
(Repayment)/proceeds from current borrowings		70.29
<b>Net cash (used) in financing activities</b>	<b>(2,716.59)</b>	<b>(2,147.23)</b>
<b>D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>378.61</b>	<b>45.28</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>226.30</b>	<b>181.02</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>604.91</b>	<b>226.30</b>
<b>Movement of Borrowings</b>	<b>Non-Current Borrowings</b>	<b>Current Borrowings (including current maturities)</b>
<b>As on March 31, 2023</b>	20.09	293.15
Cash Flows (net)	(20.09)	70.28
<b>Non Cash:</b>		
Interest expenses	-	-
<b>As on March 31, 2024</b>	<b>-</b>	<b>363.43</b>
		<b>2.52</b>
		<b>365.94</b>

**Notes:**

- The consolidated statement of cash flow 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 the relevant rules there under.
- Refer Note 33 for the disclosure related to corporate social responsibility expense.
- Also refer to Note 7 for reconciliation of cash flows from lease liabilities.

The notes referred to above form an integral part of the consolidated financial statements 1 - 44

As per our report of even date	For and on behalf of the Board of Directors of <b>Hero MotoCorp Limited</b>
<b>For Deloitte Haskins &amp; Sells LLP</b>	<b>Dr. Pawan Munjal</b>
Chartered Accountants	Executive Chairman
ICAI Firm's registration number: 117366W/W-100018	DIN-00004223
	DIN-02778940
<b>Vijay Agarwal</b>	<b>Niranjan Kumar Gupta</b>
Partner	Chief Executive Officer
Membership No: 094468	
Place: Shimla	<b>Vivek Anand</b>
Date: May 08, 2024	Chief Financial Officer
Place: Shimla	<b>Dhiraj Kapoor</b>
Date: May 08, 2024	Company Secretary & Compliance Officer
	Membership No.: F5454

## Statement of Changes in Equity

for the year ended March 31, 2024  
CIN: L35911DL1984PLC017354

Amount in crores of INR									
<b>A. Equity Share Capital</b>									
Particulars	Number of Shares		Amount						
<b>Balance as at March 31, 2022</b>	19,98,11,941		39.96						
Changes in equity share capital during the year									
Issue of equity shares under employee share option plan (in absolute INR 55,554 (Note 41))	27,777		0.01						
<b>Balance as at March 31, 2023</b>	<b>19,98,39,718</b>		<b>39.97</b>						
Changes in equity share capital during the year									
Issue of equity shares under employee share option plan (in absolute INR 164,046 (Note 41))	82,023		0.01						
<b>Balance as at March 31, 2024</b>	<b>19,99,21,741</b>		<b>39.98</b>						
<b>B. Other Equity*</b>									
	Reserves and Surplus				Exchange differences in translating the financial statements of foreign operations				
Particulars	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Total attributable to the owners of Company	Attributable to non controlling interest	Total	
<b>Balance as at March 31, 2022</b>	# 41.12	2,676.34	24.45	13,060.05	4.73	15,806.69	148.05	15,954.74	
Profit for the year				2,809.96	-	2,809.96	(10.06)	2,799.90	
Other comprehensive income for the year (net of income tax)				(8.89)	(13.06)	(21.95)	(12.92)	(34.87)	
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>2,801.07</b>	<b>(13.06)</b>	<b>2,788.01</b>	<b>(22.98)</b>	<b>2,765.03</b>	
<b>Transaction with owners, recorded directly in equity</b>									
Charge against share-based payments	-	-	-	16.04	-	(0.05)	15.99	(0.01)	15.98
Transferred to securities premium on issue of shares	-	8.10	-	(4.86)	-	-	3.24	-	3.24
Payment of dividends	-	-	-	-	(1,998.33)	-	(1,998.33)	-	(1,998.33)
Issue of equity shares under employee share option plan	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	# 49.22	2,676.34	35.63	<b>13,862.79</b>	<b>(8.38)</b>	<b>16,615.60</b>	<b>125.06</b>	<b>16,740.66</b>	
Profit for the year	-	-	-	-	3,744.83	-	3,744.83	(2.67)	3,742.16
Other comprehensive income for the year (net of income tax)	-	-	-	-	(34.24)	1.48	(32.76)	(0.10)	(32.86)
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>3,710.59</b>	<b>1.48</b>	<b>3,712.07</b>	<b>(2.77)</b>	<b>3,709.30</b>	

## Statement of Changes in Equity

for the year ended March 31, 2024  
CIN: L35911DL1984PLC017354

Particulars	Reserves and Surplus					Exchange differences in translating the financial statements of foreign operations	Total attributable to the owners of Company	Attributable to non controlling interest	Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings				
<b>Transaction with owners, recorded directly in equity</b>									
Addition during the year	-	-	-	-	-	-	-	-	12.58
Charge against share-based payments	-	-	-	-	23.74	-	-	23.74	-
Transferred to securities premium on issue of shares	-	24.14	-	(13.74)	-	-	10.40	-	10.40
Payment of dividends	-	-	-	-	(2,698.67)	-	(2,698.67)	(3.42)	(2,702.09)
Adjustment on account of change in controlling interest	-	-	-	-	(4.20)	-	(4.20)	4.20	-
<b>Balance as at March 31, 2024</b>	#	<b>73.36</b>	<b>2,676.34</b>	<b>45.63</b>	<b>14,870.51</b>	<b>(6.90)</b>	<b>17,658.94</b>	<b>135.65</b>	<b>17,794.59</b>

\* Purpose of each reserve within Other Equity has been disclosed under Note 19.

# on shares forfeited (in absolute INR 4,250) and share premium account on forfeited share reissued (in absolute INR 25,500)

The notes referred to above form an integral part of the consolidated financial statements 1-44

As per our report of even date

For Deloitte Haskins & Sells LLP <i>Chartered Accountants</i> ICAI Firm's registration number: 117366W/W-100018	Dr. Pawan Munjal <i>Executive Chairman</i> DIN-00004223	Tina Trikha <i>Chairperson Audit Committee (Director)</i> DIN-02778940	Pradeep Dinodia <i>Non-Executive Director</i> DIN-00027995
Vijay Agarwal <i>Partner</i> Membership No: 094468	Niranjan Kumar Gupta <i>Chief Executive Officer</i>	Vivek Anand <i>Chief Financial Officer</i>	Dhiraj Kapoor <i>Company Secretary &amp; Compliance Officer</i> Membership No.: F5454
Place: Shimla Date: May 08, 2024	Place: Shimla Date: May 08, 2024		

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

### 1. General Information

Hero MotoCorp Limited (the "Company" or the "Holding Company"), its subsidiaries (collectively called as "Group") and its associates are engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services along with providing non-banking financial services. The Company is a public company domiciled and incorporated in India under the provisions of the Companies Act, 1956 on January 19, 1984. The Company's registered office and principal place of business is The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj – Phase II, New Delhi – 110070, India. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The consolidated financial statements (or 'financial statements') for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 08, 2024.

### 2. Basis of preparation and presentation

#### 2.1 Statement of Compliance

The consolidated financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 issued thereunder and other relevant provisions of the Companies Act, 2023 (the Act) as amended from time to time.

#### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments, net defined benefit asset/liability and liabilities for equity settled share based payment arrangement that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

These financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional currency. All amounts have been rounded-off to the nearest crores, up to two decimals unless otherwise stated.

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.

### 2.3 Operating Cycle

Based on the nature of products/activities of the Group and its associates, the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group and its associates have determined its operating cycle as less than 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

#### Non controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of Incorporation and principal place of business	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				March 31, 2024	March 31, 2023
HMCL Americas Inc.	Subsidiary	United States of America	Company	100%	100%
HMC MM Auto Ltd.	Subsidiary	India	Company	66.32%	60%
HMCL Netherlands B.V.	Subsidiary	Netherlands	Company	100%	100%
HMCL Colombia SAS	Subsidiary	Colombia	HMCL Netherlands BV	68%	68%
HMCL Niloy Bangladesh Ltd.	Subsidiary	Bangladesh	HMCL Netherlands BV	55%	55%
Hero Tech Centre Germany GmbH	Subsidiary	Germany	Company	100%	100%

### 2.5 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or, a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### Loss of control

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit or loss.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts

previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associates are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Following associate companies have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of incorporation and principal place of business	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				March 31, 2024	March 31, 2023
Hero FinCorp Ltd.	Associate	India	Company	41.19%	41.19%
Ather Energy Pvt. Ltd.	Associate	India	Company	43.94%	36.54%

## 3. Group Material Accounting Policies

### 3.1 Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the government

- Revenue from sale of goods is recognised when control of goods has been transferred to the buyer and performance obligation has been achieved, as per the terms of the sales. The Group also arranges transportation and insurance at the time of dispatch and recover it from the customers and accordingly recognize it as revenue.
- Revenue from providing services is recognized in the accounting period in which services are rendered.

Revenue from service is based on number of services provided to the end of reporting period as a proportion of the total number services to be provided.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A liability is recognised where payments are received from customers before transferring control of the goods being sold or providing services to the customer.

The Group disaggregates revenue from contracts with customers by nature of goods and service.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

### 3.2 Leasing

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.

#### The Group as lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises 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 Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes 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, using the incremental borrowing rates in the country of domicile of these leases. 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 flows.

Refer Note 7 for other disclosures.

### 3.3 Foreign currencies

In preparing the financial statements of the Group and its associates, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary,

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

### 3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### 3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises the related costs as expenses, if any, for which the grants are intended to compensate.

### 3.6 Employee benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, and the return on plan assets (excluding net interest), is reflected immediately in the

balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefit expenses' and the third component is presented as part of other comprehensive income.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

#### Short-term employee benefits

Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

#### Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year end. Re-measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

### 3.7 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 41.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share option's outstanding account.

### 3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In case of a history of recent losses, the group recognises a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other

## Notes forming part of the Financial Statements

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repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method based on the estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of the Companies Act 2013 other than moulds and dies which are depreciated over a period of 3-8 years grouped under property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

### 3.10 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from which coincides with the useful life as prescribed under Schedule II of the Companies Act, 2013 other than moulds and dies which are depreciated over a period of 3-8 years grouped under property, plant and equipment. use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit and loss when the asset is derecognised.

#### Useful lives of intangible assets

Intangible assets, comprising of software, expenditure on model fee, etc. incurred are amortised on a straight line method over a period of its useful life.

### 3.11 Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of

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the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For impairment testing, assets that don't generate independent cash flows are grouped together into cash generating units (CGU's). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGU's.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

### 3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their present location and condition. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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).

#### Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise-being typically two to five years.

### 3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets except for trade receivables that do not have a significant financing component which are measured at transaction price and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Statement of profit and loss are recognised immediately in the Statement of profit and loss.

### 3.15 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except

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for debt instruments that are designated as at fair value through the statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through the statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit and loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the statement of profit and loss and is included in the "Other income" line item.

### **Financial assets at fair value through the statement of profit and loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value

in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Impairment of financial assets**

The Group applies the expected credit loss for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.

### **Offsetting**

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

### **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially

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all the risks and rewards of ownership of the asset to another party.

### **3.16 Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### **Financial liabilities**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

### **3.17 Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, interest rate including foreign exchange forward contracts, option contracts, etc.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting

gain or loss is recognised in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

### **3.18 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### **3.19 Earnings per share**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax 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 equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### **3.20 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 are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs

### **4. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group accounting policies, which are described in Note 3, the management of the Group are required to make material judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

### (a) Recoverability of intangible asset

Capitalisation of cost in intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Group's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

### (b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (c) Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent gain are not recognized until the contingency has been resolved and amounts are received or receivable.

### (d) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2024 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

### (e) Impairment of investment in associate companies

During the year, the Group assessed the investment in equity instrument associate companies carried at cost for impairment testing. Some of these companies are start-ups or are at early stage of their operations and are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Group is confident that the investments do not require any impairment.

### (f) Government grant

During the year, management has assessed the conditions attached to grants which have been met and has assessed whether the grants will be received or not and the period in which it will be received. Basis assessment, the Group has recognised the government grants in the Statement of profit and loss and accordingly classified as current and non-current assets.

### (g) Investment in compulsory convertible debentures

The classification of compulsory convertible debentures, as equity or debt instrument, is based on management's judgement and evaluation of applicable criteria.

### 4.1 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 5. Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data Processing equipment	Total
<b>Gross carrying amount</b>								
<b>At April 1, 2022</b>	<b>175.15</b>	<b>3,072.34</b>	<b>6,609.89</b>	<b>62.01</b>	<b>60.54</b>	<b>102.35</b>	<b>265.26</b>	<b>10,347.54</b>
Additions	-	-	403.95	3.15	12.67	4.88	36.60	461.25
Disposals/Adjustments	0.19	36.22	71.14	1.23	7.50	1.36	6.12	123.76
Foreign currency translation reserve	-	-	(31.84)	-	-	-	-	(31.84)
<b>At March 31, 2023</b>	<b>174.96</b>	<b>3,036.12</b>	<b>6,910.86</b>	<b>63.93</b>	<b>65.71</b>	<b>105.87</b>	<b>295.74</b>	<b>10,653.19</b>
Additions	0.08	85.38	467.49	16.64	28.36	8.42	41.82	648.19
Disposals/Adjustments	(0.16)	0.37	(123.95)	(0.20)	(4.07)	(0.48)	(5.73)	(134.22)
Foreign currency translation reserve	-	-	7.32	-	-	-	-	7.32
<b>At March 31, 2024</b>	<b>174.88</b>	<b>3,121.87</b>	<b>7,261.72</b>	<b>80.37</b>	<b>90.00</b>	<b>113.81</b>	<b>331.83</b>	<b>11,174.48</b>
<b>Accumulated depreciation</b>								
<b>At April 1, 2022</b>	<b>-</b>	<b>634.14</b>	<b>4,028.47</b>	<b>35.43</b>	<b>32.90</b>	<b>70.59</b>	<b>191.67</b>	<b>4,993.20</b>
Depreciation expenses	-	94.65	448.79	4.60	6.23	10.17	27.47	591.91
Adjustments	-	-	(66.72)	(1.15)	(6.45)	(1.29)	(6.00)	(81.61)
Foreign currency translation reserve	-	-	(9.73)	-	-	-	-	(9.73)
<b>At March 31, 2023</b>	<b>-</b>	<b>728.79</b>	<b>4,400.81</b>	<b>38.88</b>	<b>32.67</b>	<b>79.46</b>	<b>213.15</b>	<b>5,493.77</b>
Depreciation expenses	-	94.75	442.99	5.48	8.76	8.67	31.74	592.39
Disposals/Adjustments	-	(0.29)	(117.68)	(0.33)	(3.04)	(0.44)	(5.41)	(127.19)
Foreign currency translation reserve	-	-	2.93	-	-	-	-	2.93
<b>At March 31, 2024</b>	<b>-</b>	<b>823.25</b>	<b>4,729.05</b>	<b>44.03</b>	<b>38.39</b>	<b>87.69</b>	<b>239.48</b>	<b>5,961.90</b>
<b>Net carrying amount</b>								
<b>At March 31, 2023</b>	<b>174.96</b>	<b>2,307.33</b>	<b>2,510.05</b>	<b>25.05</b>	<b>33.04</b>	<b>26.41</b>	<b>82.59</b>	<b>5,159.42</b>
<b>At March 31, 2024</b>	<b>174.88</b>	<b>2,298.62</b>	<b>2,532.67</b>	<b>36.34</b>	<b>51.61</b>	<b>26.12</b>	<b>92.35</b>	<b>5,212.58</b>

### 6. Capital work-in-progress\*

Particulars	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	127.16	122.09
	<b>127.16</b>	<b>122.09</b>

### Ageing of capital work-in-progress:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress as on March 31, 2024	108.29	13.35	4.41	1.11	127.16
Projects in progress as on March 31, 2023	87.88	31.65	1.40	1.16	122.09

\* Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 7. Right of use of assets

Particulars	Leasehold land right	Right of use assets (Buildings)	Total
<b>Gross carrying amount</b>			
<b>At April 1, 2022</b>	277.25	373.01	650.26
Additions	-	14.48	14.48
Disposals	-	(4.85)	(4.85)
Foreign currency translation reserve	-	(14.82)	(14.82)
<b>At March 31, 2023</b>	<b>277.25</b>	<b>367.82</b>	<b>645.07</b>
Additions	-	13.41	13.41
Disposals	-	(66.56)	(66.56)
Foreign currency translation reserve	-	23.28	23.28
<b>At March 31, 2024</b>	<b>277.25</b>	<b>337.95</b>	<b>615.20</b>
<b>Accumulated depreciation</b>			
<b>At April 1, 2022</b>	9.78	122.58	132.36
Depreciation expense during the year	3.18	35.11	38.29
Disposals	-	(1.77)	(1.77)
Foreign currency translation reserve	-	(5.09)	(5.09)
<b>At March 31, 2023</b>	<b>12.96</b>	<b>150.83</b>	<b>163.79</b>
Depreciation expense during the year	3.17	30.46	33.63
Disposals	-	(64.31)	(64.31)
Foreign currency translation reserve	-	6.12	6.12
<b>At March 31, 2024</b>	<b>16.13</b>	<b>123.10</b>	<b>139.23</b>
<b>Net carrying amount</b>			
<b>At March 31, 2023</b>	<b>264.29</b>	<b>216.99</b>	<b>481.28</b>
<b>At March 31, 2024</b>	<b>261.12</b>	<b>214.85</b>	<b>475.97</b>

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

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	43.85	34.63
Non-current lease liabilities	199.13	219.67
<b>Total</b>	<b>242.98</b>	<b>254.30</b>

#### The following is the movement in lease liabilities:

Particulars	Amount
<b>At April 1, 2022</b>	251.69
Additions/Deletions	43.75
Finance cost accrued during the period	26.25
Payment of lease liabilities during the period	(67.59)
Foreign Currency Translation Reserve	0.20
<b>At March 31, 2023</b>	<b>254.30</b>
Additions/Deletions	12.36
Finance cost accrued during the period	29.31
Payment of lease liabilities during the period	(52.35)
Foreign Currency Translation Reserve	(0.64)
<b>At March 31, 2024</b>	<b>242.98</b>

#### The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	56.03	47.97
One to five years	188.52	201.46
More than five years	54.48	73.77
<b>Total</b>	<b>299.03</b>	<b>323.20</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 7. Right of use of assets (Contd.)

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases is ₹ 42.11 crores during the year ended March 31, 2024 (previous year- ₹ 41.83 crores).

### 7A. Other Intangible Assets

Particulars	Model fee/brand license/Product designs and development	Computer Software	Technical know how/Export licenses	Total
<b>Gross carrying amount</b>				
<b>At April 1, 2022</b>	1,070.67	218.99	2,912.50	4,202.16
Additions	259.90	6.37	-	266.27
Foreign Currency Translation reserve	-	(0.43)	-	(0.43)
<b>At March 31, 2023</b>	<b>1,330.57</b>	<b>224.93</b>	<b>2,912.50</b>	<b>4,468.00</b>
Additions	106.51	49.82	-	156.33
Disposals/Adjustments	-	(0.82)	-	(0.82)
Foreign Currency Translation reserve	-	1.58	-	1.58
<b>At March 31, 2024</b>	<b>1,437.08</b>	<b>275.51</b>	<b>2,912.50</b>	<b>4,625.09</b>
<b>Accumulated amortisation</b>				
<b>At April 1, 2022</b>	820.07	154.97	2,905.82	3,880.86
Amortisation expenses	46.83	20.45	1.68	68.96
Foreign Currency Translation reserve	-	(0.32)	-	(0.32)
<b>At March 31, 2023</b>	<b>866.90</b>	<b>175.10</b>	<b>2,907.50</b>	<b>3,949.50</b>
Amortisation expenses	108.25	21.40	1.69	131.34
Disposals/Adjustments	-	(0.82)	-	(0.82)
Foreign Currency Translation reserve	-	1.42	-	1.42
<b>At March 31, 2024</b>	<b>975.15</b>	<b>197.10</b>	<b>2,909.19</b>	<b>4,081.44</b>
<b>Net block</b>				
<b>At March 31, 2023</b>	<b>463.67</b>	<b>49.83</b>	<b>5.00</b>	<b>518.50</b>
<b>At March 31, 2024</b>	<b>461.93</b>	<b>78.41</b>	<b>3.31</b>	<b>543.65</b>

### 8. Intangible Assets under Development\*\*

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible Assets Under Development	356.90	331.62
<b>Total</b>	<b>356.90</b>	<b>331.62</b>

#### Ageing of intangible assets under development :

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as on March 31, 2024	118.77	67.75	37.81	132.57	356.90
Projects in progress as on March 31, 2023	106.78	63.29	48.32	113.23	331.62

\*\* Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

## **Notes forming part of the Financial Statements**

for the year ended March 31, 2024

(Amount in crores of INR)

## 9. Investments

Particulars	Quantity As at March 31, 2024	Quantity As at March 31, 2023	As at March 31, 2024		As at March 31, 2023	
			Current	Non- Current	Current	Non- Current
<b>9A. Equity accounted investment in Associates</b>						
<b>Investment in equity instruments</b>						
<b>Unquoted Investments</b>						
<b>Investment in Associates (carrying amount determined using equity method of accounting)</b>						
<b>Ather Energy Put. Ltd.</b>						
Equity Shares of Face Value of ₹ 1 each	1,098	1,098	-	139.61	-	0.20
Preference shares of face value of ₹ 10 each (Compulsorily Convertible into equity instruments)##	4,15,450	2,64,006	-	1,416.87	-	916.87
##(including Goodwill on acquisition of interest ₹ 417.31 crores (Previous Year ₹ 183.06 Crores))						
Add: Group's share of profit/(loss)**			-	(899.53)	-	(509.77)
			-	<b>656.95</b>	-	<b>407.30</b>
<b>Hero FinCorp Ltd.</b>						
Equity shares of Face Value of ₹ 10 each fully paid up##	5,24,31,893	5,24,31,893	-	1,469.04	-	1,469.04
##(including Goodwill on acquisition of interest ₹ 51.64 crores (Previous Year ₹ 51.64 Crores))						
Add: Group's share of profit (net of dividend received)**			-	<b>957.60</b>	-	<b>742.36</b>
			-	<b>2,426.64</b>	-	<b>2,211.40</b>
<b>Investment in equity instruments</b>			-	<b>3,083.59</b>	-	<b>2,618.70</b>

**\*\*** All the above associates are accounted for using equity method in these consolidated financial statements as set out in group accounting policies in Note 2.5.

Category-wise investments	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
<b>9B. Investments</b>				
Investment in equity instruments*	30.59	513.51	33.97	552.10
Investment in preference shares	-	913.95	-	808.46
Investment in debentures/bonds	146.90	1,543.92	76.25	1,378.87
Investment in mutual funds	4,127.59	2,391.20	3,561.63	1,860.95
	<b>4,305.08</b>	<b>5,362.57</b>	<b>3,671.85</b>	<b>4,600.38</b>

Particulars	Quantity As at March 31, 2024	Quantity As at March 31, 2023	As at March 31, 2024		As at March 31, 2023	
			Current	Non- Current	Current	Non- Current
<b>Investments carried at fair value through profit or loss (FVTPL)</b>						
<b>Investment in equity instruments of Other Entities</b>						
<b>Quoted investments</b>						
<b>Bombay Stock Exchange Ltd.</b>						
Face Value of ₹ 2 each	2,10,600	2,10,600	-	52.98	-	9.08
<b>Gogoro Inc.</b>						
Face Value of USD 0.0001 each	15,00,000	15,00,000	-	23.02	-	49.92
<b>Face value of Bangladesh Takas 10 each</b>						
ACME Pesticides Ltd.	50,000	50,000	0.10	-	0.14	-
Bangladesh Export Import Company Ltd.	30,500	30,500	0.27	-	0.27	-
Bangladesh Building Systems Ltd.	1,00,000	-	0.13	-	-	-
Baraka Patenga Power Ltd.	1,40,000	1,40,000	0.19	-	0.32	-
Baraka Power Ltd.	1,15,000	1,15,000	0.14	-	0.19	-
BBS Cables Ltd.	1,30,511	1,30,511	0.38	-	0.50	-
Beximo Green-Sukuk al Istisna's	2,89,085	2,89,085	1.74	-	1.90	-
British American Tobacco Bangladesh Company Ltd.	8,000	2,000	0.25	-	0.08	-

## **Notes forming part of the Financial Statements**

for the year ended March 31, 2024

(Amount in crores of INR)

## **9. Investments (Contd.)**

Particulars	Quantity As at March 31, 2024	Quantity As at March 31, 2023	As at March 31, 2024		As at March 31, 2023	
			Current	Non- Current	Current	Non- Current
Coppertech Industries Ltd.	52,000	52,000	0.11	-	0.15	-
City Bank PLC	12,46,862	12,22,414	2.20	-	2.07	-
Delta Brac Housing Finance PLC	44,880	44,000	0.14	-	0.20	-
DBH First Mutual Fund	12,60,695	12,60,695	0.53	-	0.67	-
Export Import (Exim) Bank of Bangladesh Ltd.	18,93,013	18,64,261	1.34	-	1.50	-
GPH Ispat Ltd.	2,19,334	2,08,890	0.49	-	0.73	-
Grameenphone Ltd.	2,84,962	2,18,078	5.17	-	4.84	-
Green Delta Mutual Fund	15,00,000	15,00,000	0.56	-	0.80	-
IFAD Autos Ltd.	3,20,250	3,20,250	0.81	-	1.09	-
IFIC Bank Ltd.	12,02,836	11,73,500	1.02	-	1.05	-
Jamuna Bank Ltd.	3,72,883	6,64,539	0.62	-	1.10	-
JMI Hospital Requisite Manufacturing Ltd.	-	52	-	-	0.00	-
LafargeHolcim Bangladesh Ltd.	3,20,475	1,15,000	1.67	-	0.58	-
Lankabangla Finance Ltd.	75,000	75,000	0.12	-	0.15	-
LR Global Bangladesh Mutual Fund One	8,80,000	8,80,000	0.32	-	0.44	-
Mercantile Bank PLC	7,72,140	7,57,000	0.72	-	0.80	-
Mercantile Insurance Company Ltd.	-	20	-	-	0.00	-
Navana CNG Ltd.	-	1	-	-	0.00	-
Navana Pharmaceuticals Ltd.	-	46	-	-	0.00	-
National Credit and Commerce Bank Ltd.	32,98,260	31,41,200	2.99	-	3.36	-
National Tubes Ltd.	1,05,133	1,05,133	0.54	-	0.65	-
One Bank PLC	4,96,125	4,72,500	0.31	-	0.37	-
Power Grid Company of Bangladesh Ltd.	70,000	70,000	0.24	-	0.28	-
Prime Bank PLC	-	1,50,000	-	-	0.22	-
Ring Shine Textiles Ltd.	-	2,800	-	-	0.00	-
Robi Axiata Ltd.	2,55,000	2,55,000	0.54	-	0.59	-
Rupali Bank Ltd.	-	6,22,200	-	-	1.21	-
Runner Automobiles Ltd.	1,51,800	1,51,800	0.38	-	0.57	-
Singer Bangladesh Ltd.	52,999	52,999	0.58	-	0.62	-
Southeast Bank Ltd.	9,75,936	9,38,400	0.85	-	1.00	-
Square Pharmaceuticals Ltd.	1,00,000	1,00,000	1.66	-	1.63	-
The Premier Bank PLC	7,96,525	9,27,000	0.83	-	0.96	-
United Power Generation & Distribution Company Ltd.	1,37,944	1,28,964	1.52	-	2.34	-
Walton Hi-Tech Industries Ltd.	7,392	7,392	0.37	-	0.60	-
Government Treasury Bond- 2Y BGTB 03/01/2026	50,000	-	0.38	-	-	-
Government Treasury Bond- 2Y BGTB 08/11/2025	50,000	-	0.37	-	-	-
Government Treasury Bond- 5Y BGTB 13/12/2028	1,000	-	0.01	-	-	-
<b>Investments carried at fair value through profit or loss (FVTPL)</b>			<b>30.59</b>	<b>76.00</b>	<b>33.97</b>	<b>59.00</b>

Particulars	Quantity As at March 31, 2024	Quantity As at March 31, 2023	As at March 31, 2024		As at March 31, 2023	
			Current	Non- Current	Current	Non- Current
<b>Investments in equity instruments</b>						
<b>Investments carried at fair value through profit or loss (FVTPL)</b>						
<b>Unquoted investments</b>						
<b>Zero Motorcycles Inc.</b>						
Face Value of USD 0.001 each	55,81,395	55,81,395	-	437.51	-	493.10
<b>Investments in equity instruments carried at cost</b>						
<b>Investment in preference shares</b>						

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Quantity	Quantity	As at		As at	
	As at March 31, 2024	As at March 31, 2023	Current	Non- Current	Current	Non- Current
<b>Investments carried at fair value through profit or loss (FVTPL)</b>						
<b>Unquoted Investments</b>						
<b>Investment in Associates</b>						
<b>Hero FinCorp Ltd.</b>						
Preference shares (Financial Instrument) at the face value of ₹ 550 each	1,27,27,272	1,27,27,272	-	913.95	-	808.46
<b>Investment in preference shares</b>			-	<b>913.95</b>	-	<b>808.46</b>
Particulars	Quantity	Quantity	As at		As at	
	As at March 31, 2024	As at March 31, 2023	Current	Non- Current	Current	Non- Current
<b>Investments carried at amortised cost</b>						
<b>Quoted Investments</b>						
<b>Face Value of ₹ 1000 each</b>						
8.18% NHPC Tax Free Bonds-Maturity-02.11.2023	-	1,61,050	-	-	17.42	-
8.51% HUDCO Tax Free Bonds-Maturity-13.01.2024	-	2,50,000	-	-	25.45	-
8.18% PFC Tax Free Bonds-Maturity-16.11.2023	-	3,23,890	-	-	33.38	-
8.00% Aditya Birla Finance Ltd. 2026-Maturity-09.10.2026	3,50,000	-	-	36.15	-	-
7.75% Muthoot Finance Ltd. 2026-Maturity-04.10.2026	1,49,300	-	-	15.04	-	-
7.75% Muthoot Finance Ltd. 2026-Maturity-04.10.2026	1,50,000	-	-	15.11	-	-
7.75% Muthoot Finance Ltd. OPI I TR II-Maturity-04.10.2026	1,20,000	-	-	12.09	-	-
<b>Face Value of ₹ 1,00,000 each</b>						
7.9050% Tata Capital Financial Services Ltd. 2026-Maturity-03.12.2026	3,000	-	-	31.37	-	-
8.25% Mahindra & Mahindra Financial Services Ltd. 2026-Maturity-26.03.2026	2,000	-	-	20.03	-	-
8.25% Mahindra & Mahindra Financial Services Ltd. 2026-Maturity-26.03.2026	1,500	-	-	15.02	-	-
8.30% Tata Capital Financial Services Ltd.-Maturity-13.03.2026	2,500	-	-	25.24	-	-
8.75% Shriram Finance Ltd. 2026-Maturity-04.05.2026	4,000	-	-	43.05	-	-
<b>Face Value of ₹ 10,00,000 each</b>						
8.50% SBI Series II BD Perpetual-Maturity-22.11.2024	250	250	25.79	-	-	25.83
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	250	250	-	25.46	-	25.51
7.73% State Bank Of India SR II BD Perpetual-Maturity-24.11.2025	250	250	-	25.84	-	25.93
7.99% LIC Housing Finance Ltd. -Maturity-12.07.2029	500	500	-	54.28	-	54.49
6.83% Housing Development Finance Corporation Ltd.-Maturity-08.01.2031	-	500	-	-	-	49.37
6.83% HDFC Bank Ltd. -Maturity-08.01.2031	500	-	-	49.52	-	-
6.65% Food Corporation Of India Sr. IX -Maturity-23.10.2030	500	500	-	50.01	-	49.84
7.92% REC Ltd. Series 189-Maturity-31.03.2030	350	350	-	38.71	-	36.05
7.79% REC Ltd. Series 198B-Maturity-21.05.2030	150	150	-	16.37	-	16.41
6.39% National Bank For Agriculture And Rural Development-Maturity-19.11.2030	250	250	-	24.79	-	24.69
6.42% National Bank For Agriculture And Rural Development-Maturity-25.11.2030	200	200	-	19.84	-	19.77
7.25% Housing Development Finance Corporation Ltd. Series X-006-Maturity-17.06.2030	-	500	-	-	-	52.87
7.25% HDFC Bank Ltd. Series X-006-Maturity-17.06.2030	500	-	-	52.87	-	-
7.54% National Highways Authority Of India Series VIII-Maturity-27.01.2030	500	500	-	51.58	-	51.70
7.05% LIC Housing Finance Limited-Maturity-21.12.2030	250	250	-	25.45	-	25.45

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Quantity	Quantity	As at		As at	
	As at March 31, 2024	As at March 31, 2023	Current	Non- Current	As at March 31, 2024	As at March 31, 2023
7.70% LIC Housing Finance Ltd. Sr 2-Maturity-10.03.2031	250	250	-	25.91	-	26.00
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	-	500	-	-	-	51.13
7.05% HDFC Bank Ltd. SR AA-Maturity-01.12.2031	500	-	-	51.14	-	-
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.29	-	26.30
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.29	-	26.30
7.10% Tata Capital Financial Services Ltd. SR H-Maturity-29.09.2031	500	500	-	51.49	-	51.45
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.93	-	25.91
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	-	500	-	-	-	50.43
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	500	-	-	50.49	-	-
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.90	-	25.88
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	-	250	-	-	-	25.14
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	250	-	-	25.18	-	-
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.28	-	15.30
7.79% REC Ltd. Series 198B-Maturity-21.05.2030	100	100	-	10.98	-	11.02
6.80% REC Ltd. SR 203A-Maturity-20.12.2030	200	200	-	20.00	-	19.96
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.86	-	25.83
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	350	350	-	36.98	-	36.91
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	150	150	-	15.85	-	15.82
7.34% National Housing Bank-Maturity-07.08.2025	250	250	-	26.49	-	26.48
6.50% Power Finance Corporation Ltd. SR 208-Maturity-17.09.2025	350	350	-	35.76	-	35.49
8.39% Power Finance Corporation Ltd.SR-130C-Maturity-19.04.2025	250	250	-	25.31	-	25.52
8.33% Rural Electrification Corporation Ltd. SR-133-Maturity-10.04.2025	250	250	-	25.81	-	26.00
8.33% Rural Electrification Corporation Ltd. SR-133-Maturity-10.04.2025	250	250	-	25.81	-	26.00
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	250	-	25.30	-	25.29
6% Housing Development Finance Corporation Ltd. Z-001-Maturity-29.05.2026	-	250	-	-	-	25.03
6% HDFC Bank Ltd. Z-001-Maturity-29.05.2026	250	-	-	25.39	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	250	-	25.32	-	25.33
5.70% National Bank For Agriculture And Rural Development SR22D-Maturity-31.07.2025	250	250	-	25.43	-	25.08
7.90% LIC Housing Finance Ltd. TR 421-Maturity-23.06.2027	500	500	-	53.02	-	53.01
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	300	300	-	30.37	-	30.37
6% Housing Development Finance Corporation Ltd. Z-001-Maturity-29.05.2026	-	250	-	-	-	25.08
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	-	-	25.42	-	-
7.40% Housing Development Finance Corporation Ltd. SR AA-006-Maturity-02.06.2025	-	250	-	-	-	26.42
7.40% HDFC Bank Ltd. SR AA-006-Maturity-02.06.2025	250	-	-	26.47	-	-
6.01% LIC Housing Finance Ltd. TR 409-Maturity-19.05.2026	100	100	-	10.19	-	10.05
7.70% Tata Steel Ltd. -Maturity-13.03.2025	250	250	25.09	-	-	25.09
7.75% Small Industries Development Bank Of India SRVI-Maturity-27.10.2025	250	250	-	25.97	-	26.01

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Quantity As at March 31, 2024	Quantity As at March 31, 2023	As at March 31, 2024		As at March 31, 2023	
			Current	Non-Current	Current	Non-Current
7.95% ICICI Home Finance Company Ltd. SRHDB Nov221 TR 2-Maturity-24.11.2025	250	250	-	25.68	-	25.67
L&T Finance Ltd. SR K BR-Int payable on Maturity-27.12.2024	250	250	27.66	-	-	25.66
7.49% HDB Financial Services Ltd. 2025-Maturity-24.01.2025	250	-	25.20	-	-	-
6.00% HDB Financial Services Ltd. 2025-Maturity-19.06.2025	250	-	-	24.79	-	-
7.08% Cholamandalam Investment & Finance Company Ltd. 2025-Maturity-11.03.2025	350	-	34.73	-	-	-
10% Shriram Finance Ltd. SR-B6 10-Maturity-13.11.2024	81	-	8.43	-	-	-
<b>Investment in debentures/bonds</b>			<b>146.90</b>	<b>1,543.92</b>	<b>76.25</b>	<b>1,378.87</b>
<b>Investment in mutual funds</b> <i>{include funds which are listed but not quoted}</i>						
<b>Unquoted Investments</b>						
<b>Investments carried at fair value through profit or loss (FVTPL)</b>						
<b>Debt fund</b>						
<b>Units of the face value of ₹ 10 each</b>						
<b>ICICI Prudential Mutual Fund</b>						
Blended Plan B- Direct Plan- Growth Option (Merged with Banking and PSU Debt Fund Direct Plan Growth)	3,25,95,446	3,25,95,446	100.33	-	92.88	-
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	44.49	-	41.14	-
<b>Aditya Birla Sunlife Mutual Fund</b>						
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	34,19,78,125	-	384.65	-	358.67
<b>Nippon India Mutual Fund (Formerly Reliance Mutual Fund)</b>						
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	3,90,79,742	133.82	-	122.91	-
Corporate Bond Fund -Direct Plan Growth Plan	98,39,711	98,39,711	55.49	-	51.28	-
<b>SBI Mutual Fund</b>						
Conservative Hybrid Fund Direct Plan Growth	43,82,290	43,82,290	30.67	-	26.57	-
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	19,63,39,110	-	219.26	-	204.49
Savings Fund - Direct-Growth	3,03,65,254	-	122.80	-	-	-
<b>Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)</b>						
Banking & PSU Debt Fund - Direct Plan - Growth (erstwhile IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	2,86,29,997	2,86,29,997	65.58	-	61.13	-
<b>HDFC Mutual Fund</b>						
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	63.15	-	58.52	-
Credit Risk Debt Fund -Direct -Growth	8,55,79,216	8,55,79,216	199.94	-	184.78	-
<b>Axis Mutual Fund</b>						
Short Term - Direct Plan - Growth	2,03,55,074	2,03,55,074	61.53	-	57.04	-
<b>DSP Mutual Fund</b>						
Low Duration Fund- Direct Plan- Growth	1,03,95,299	1,03,95,299	19.35	-	18.00	-
<b>Edelweiss Mutual Fund</b>						
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	78,38,10,661	-	930.58	-	867.70
<b>Units of the face value of ₹ 100 each</b>						
<b>ICICI Prudential Mutual Fund</b>						
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	257.53	-	238.48	-
Money Market Fund Direct Plan Growth	-	34,00,869	-	-	110.29	-
<b>Aditya Birla Sunlife Mutual Fund</b>						
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	287.61	-	266.80	-
Money Manager Fund-Growth- Direct Plan	-	56,23,024	-	-	177.80	-

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	Quantity As at March 31, 2024	Quantity As at March 31, 2023	As at March 31, 2024		As at March 31, 2023	
			Current	Non-Current	Current	Non-Current
<b>Nippon India Mutual Fund</b>						
ETF NIFTY SDL-2026 Maturity-30.04.2026	3,85,00,000	3,85,00,000	-	-	461.22	-
<b>Units of the face value of ₹ 1000 each</b>						
<b>Nippon India Mutual Fund (Formerly Reliance Mutual Fund)</b>						
Low Duration Fund- Direct Growth Plan Growth Option	1,72,138	1,72,138	61.89	-	57.50	-
<b>Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)</b>						
Short Term Fund-Direct Plan Growth	3,13,044	3,13,044	110.84	-	103.10	-
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	6,29,377	164.80	-	153.30	-
Corporate Bond Fund - Direct Plan Growth	1,39,843	1,39,843	42.78	-	39.73	-
<b>Kotak Mutual Fund</b>						
Low Duration Fund Direct Growth	3,80,566	3,80,566	125.45	-	116.48	-
<b>Axis Mutual Fund</b>						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	110.23	-	102.80	-
<b>HDFC Mutual Fund</b>						
Money Market Fund Direct Plan Growth	2,03,805	2,03,805	119.70	-	100.31	-
<b>UTI Mutual Fund</b>						
Money Market Fund Direct Plan Growth	-	7,30,675	-	-	192.52	-
<b>TATA Mutual Fund</b>						
Money Market Fund Direct Plan Growth	5,42,592	2,47,900	236.98	-	100.35	-
<b>Edelweiss Mutual Fund</b>						
Edelweiss Mutual Bharat Bond ETF	33,03,209	30,00,000	-	395.49	368.72	-
<b>Equity fund</b>						
<b>Units of the face value of ₹ 10 each</b>						
<b>Edelweiss Mutual Fund</b>						
Arbitrage Fund -Direct Plan Growth	11,24,78,381	3,07,32,730	212.75	-	53.63	-
<b>Invesco Mutual Fund</b>						
Arbitrage Fund - Direct Plan Growth	7,64,34,768	2,71,92,928	239.78	-	78.74	-
<b>Kotak Mutual Fund</b>						
Kotak Equity Arbitrage Fund- Direct Plan-Growth	3,22,89,129	-	117.49	-	-	-
<b>DSP Mutual Fund</b>						
DSP Arbitrage Fund- Direct- Growth	7,21,91,741	-	102.92	-	-	-
<b>Axis Mutual Fund</b>						
Axis Arbitrage Fund- Direct Growth	5,56,70,608	-	102.88	-	-	-
<b>Liquid/OVERNIGHT fund</b>						
<b>Units of the face value of ₹ 1000 each</b>						
<b>Axis Mutual Fund</b>						
Liquid Fund- Direct Growth	8,02,242	7,04,167	215.30	-	176.10	-
<b>Kotak Mutual Fund</b>						
Liquid Fund Direct Plan Growth	6,15,712	-	300.41	-	-	-
<b>HDFC Mutual Fund</b>						
Overnight Fund- Direct Plan- Growth Option	6,63,956	3,00,667	235.92	-	100.08	-
<b>Kotak Mutual Fund</b>						
Liquid Fund Direct Plan Growth	14,49,822	25,97,869	185.18	-	310.65	-
<b>Investment in mutual funds</b>						
Total Investments*						
					<b>4,127.59</b>	<b>2,391.20</b>
					<b>4,305.08</b>	<b>5,362.57</b>
					<b>3,561.63</b>	<b>1,860.95</b>
					<b>3,671.85</b>	<b>4,600.38</b>

\* All shares are fully paid-up.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
Aggregate book value of quoted investments	177.49	1,619.92	110.22	1,437.87
Aggregate market value of quoted investments	176.50	1,555.29	115.26	1,390.60
Aggregate carrying value of unquoted investments	4,127.59	6,826.25	3,561.63	5,781.21

### Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
<b>Unquoted</b>				
Investment in Mutual Funds	4,127.59	2,391.20	3,561.63	1,860.95
Investment in debentures	-	-	-	-
Investment in preference shares	-	913.95	-	808.46
Investment in equity instruments	-	437.51	-	493.10
<b>Quoted</b>				
Investment in equity instruments	30.59	76.00	33.97	59.00
<b>Financial assets carried at amortised cost</b>				
<b>Quoted</b>				
Investment in bonds	146.90	1,543.92	76.25	1,378.87

**Note:** The above does not include investments in associates amounting to ₹ 3,083.59 crores (as at March 31, 2024) and ₹ 2,618.70 crores (as at March 31, 2023) being accounted for as per equity method.

Information about the Group's exposure to credit and market risk, and fair value measurement, is included in Note 42.

### Investments in associates

#### Details of investments in associates (carrying amount determined using equity method of accounting)

Name of associate	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company	
			As at March 31, 2024	As at March 31, 2023
Hero FinCorp Ltd.	Non-Banking Financial Company	India	41.19%	41.19%
Ather Energy Pvt. Ltd.	Business of designing and manufacturing smart electric vehicles and associated charging infrastructure	India	43.94%	36.54%

Summarised financial information in respect of the Company's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS.

Hero FinCorp Ltd.	As at March 31, 2024		As at March 31, 2023	
	Non-financial assets	Financial assets	Non-financial liabilities	Financial liabilities
Total non-financial assets	939.73	52,264.92	(185.59)	(47,247.06)
Financial assets	939.73	52,264.92	(185.59)	(47,247.06)
Non-financial liabilities	734.36	42,716.85	(131.16)	(38,072.22)
Financial liabilities	734.36	42,716.85	(131.16)	(38,072.22)
Non-controlling interests	(6.06)	(6.06)	(4.39)	(4.39)

Hero FinCorp Ltd. being a non-banking financial company, does not bifurcate between current and non-current assets or liabilities, its financial statements presents financial and non-financial assets.

Hero FinCorp Ltd.	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Total revenue	Profit/(Loss) for the year	Other comprehensive income for the year	Total Comprehensive income for the year
Total revenue	8,290.90	6,401.60	(25.91)	611.14
Profit/(Loss) for the year	637.05	479.93	0.92	480.86
Other comprehensive income for the year	(25.91)	0.92	42.47	-
Total Comprehensive income for the year	611.14	480.86	42.47	-
Dividends received from the associate during the year	42.47	-	-	-

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 9. Investments (Contd.)

**Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements**

Particulars	As at March 31, 2024	As at March 31, 2023
Total assets of the associate	5,765.94	5,243.44
Proportion of the Group's ownership interest in the associate	41.19%	41.19%
<b>Group's ownership interest in the associate</b>	<b>2,375.00</b>	<b>2,159.76</b>
Add: Goodwill on acquisition	51.64	51.64
<b>Carrying amount of the Group's interest in the associate</b>	<b>2,426.64</b>	<b>2,211.40</b>

Ather Energy Pvt. Ltd.	As at March 31, 2024	As at March 31, 2023
Non-current assets	677.90	668.50
Current assets	1,235.50	1,308.30
Non-current liabilities	(291.20)	(343.60)
Current liabilities	(1,076.30)	(1,019.50)

Ather Energy Pvt. Ltd.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue	1,789.10	1,783.60
Loss for the year	(1,059.70)	(864.50)
Other comprehensive income for the year	(2.60)	0.60
Total Comprehensive income for the year	(1,062.30)	(863.90)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements

Particulars	As at March 31, 2024	As at March 31, 2023
Net assets of the associate	545.90	613.70
Complusory Convertible Debentures investment by the company accounted as per IND AS 109 (refer Note 9B)	-	-
<b>Total</b>	<b>545.90</b>	<b>613.70</b>
Proportion of the Group's ownership interest in the associate	43.94%	36.54%
<b>Group's ownership interest in the associate</b>	<b>239.89</b>	<b>224.24</b>
Add: Goodwill on acquisition	417.31	183.06
Less:- Other Adjustments	(0.25)	-
<b>Carrying amount of the Group's interest in the associate</b>	<b>656.95</b>	<b>407.30</b>

### 10. Loans (financial assets)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non - current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	21.15	19.87
<b>Total</b>	<b>21.15</b>	<b>19.87</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	24.56	23.71
<b>Total</b>	<b>24.56</b>	<b>23.71</b>

Note:

- These financial assets are carried at amortised cost, unless otherwise stated.
- The Company's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 42.

## **Notes forming part of the Financial Statements**

for the year ended March 31, 2024

(Amount in crores of INR)

## **11. Other financial assets**

Particulars		As at March 31, 2024	As at March 31, 2023
<b>Non - current</b>			
<b>Unsecured, considered good</b>			
Security Deposits		39.44	37.93
Accrual of incentive from State Government		185.06	185.06
Less: Loss allowance		(35.06)	(16.90)
Accrual of incentive from State Government (Net)		150.00	168.16
<b>Total</b>		<b>189.44</b>	<b>206.09</b>
<b>Current</b>			
<b>Unsecured, considered good</b>			
Interest accrued on deposits		11.17	19.28
Incentive from State Government*		230.38	504.72
Security Deposit		5.59	7.01
Other recoverables		176.39	40.64
<b>Total</b>		<b>423.53</b>	<b>571.65</b>

## Note

- These financial assets are carried at amortised cost, unless otherwise stated.
  - The Company's exposure to credit and currency risks, and impairment allowances related to other financial assets is disclosed in Note 42.

\* Including FAME Subsidy of ₹ 46.86 crores (March 31, 2023 - ₹ 8.55 crores)

## **12. Income tax assets (net)**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Advance income tax	1,614.37	1,249.40
Less: Provision for taxation	1,278.69	978.71
<b>Total</b>	<b>335.68</b>	<b>270.69</b>

## **13. Other assets**

Particulars		As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
Capital advances		106.34	123.70
Prepaid expenses		9.12	9.93
<b>Balance with government authorities</b>			
- Excise duty and others		3.19	9.43
- VAT/sales tax		10.00	10.00
<b>Total</b>		<b>128.65</b>	<b>153.06</b>
<b>Current</b>			
<b>Unsecured, considered good</b>			
Prepaid expenses		75.97	51.55
Advance to suppliers		339.08	213.83
Less: Loss allowance		(50.14)	(55.25)
Advance to suppliers (Net)		288.94	158.58
Other advances		16.52	8.17
<b>Balance with government authorities</b>			
- Sales tax/VAT/Employee state insurance		75.40	37.55
- Goods and service tax (GST)		7.19	1.36
- Export incentive receivable		15.67	12.25
<b>Total</b>		<b>479.69</b>	<b>269.46</b>

## **Notes forming part of the Financial Statements**

for the year ended March 31, 2024

(Amount in crores of INR)

## 14. Inventories

(lower of cost or net realisable value)

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Raw materials and components	791.96	665.94
Goods in transit of raw materials and components	104.42	51.61
Work in progress (Two Wheelers)	113.86	40.09
Finished goods		
Two wheelers	478.09	744.58
Spare parts	107.92	103.64
Stock In Trade	25.06	24.97
Stores and spares	111.35	102.53
Loose tools	23.24	23.03
<b>Total</b>	<b>1,755.90</b>	<b>1,756.39</b>

Note:

1. The mode of valuation of inventories has been stated in Note 3.12
  2. The value of inventories above is stated after provisions (net of reversals) ₹ 80.42 crores (previous year ₹14.27 crores) for write down to net realisable value and provision for slow moving and obsolete items.

## 15. Trade receivables

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Current</b>		
Trade receivables considered good- (Secured) **	41.78	41.87
Trade receivables considered good- (Unsecured) **	2,588.44	2,677.60
Trade receivables considered doubtful	140.26	121.47
	<b>2,770.48</b>	<b>2,840.94</b>
Less: Allowance for expected credit loss	140.26	121.47
<b>Total</b>	<b>2,630.22</b>	<b>2,719.47</b>

**Note:**

1. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.
  2. The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 42.

**\*\*** Include receivables from related parties (refer Note 38)

**Trade receivables ageing as on 31 March 2024:**

**Trade receivables ageing as on 31 March 2024:**

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 16. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.10	0.09
Balances with banks		
In current accounts	604.81	226.21
<b>Total</b>	<b>604.91</b>	<b>226.30</b>

### 17. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
In dividend current accounts (earmarked accounts)	27.24	34.23
In deposit accounts*	64.32	162.27
<b>Total</b>	<b>91.56</b>	<b>196.50</b>

\* Includes fixed deposits aggregating ₹ 25 crores with Dena Bank on February 18, 2014. Subsequent thereto, it was brought to the notice of the company that money had been fraudulently withdrawn by pledging fictitious copies of such fixed deposit receipts with concerned bank by some individuals. The Company has filed a recovery suit which is pending in the honorable Delhi High Court against the bank. The Bank has renewed the deposits (along with interest earned thereon). During the year the company has not recognised any interest income.

### 18. Share capital

#### (a) Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised Equity shares capital</b>		
250,000,000 (as at March 31, 2023 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>
<b>Issued, subscribed and fully paid up</b>		
199,921,741 (as at March 31, 2023 - 199,839,718) Equity shares of ₹ 2 each	39.98	39.97
<b>Total</b>	<b>39.98</b>	<b>39.97</b>

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amount, in proportion to their shareholding.

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	₹ in crores	Nos.	₹ in crores
Opening Balance	19,98,39,718	39.97	19,98,11,941	39.96
Issued during the year ₹ 1,64,046 (previous year ₹ 55,554) under Employee Stock Option Plan (refer Note 41)	82,023	0.01	27,777	0.01
<b>Closing Balance</b>	<b>19,99,21,741</b>	<b>39.98</b>	<b>19,98,39,718</b>	<b>39.97</b>

#### (ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding in the class	Nos.	% holding in the class
Pawan Munjal, Renu Munjal And Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.97%	2,79,27,058	13.97%
M/S Bahadur Chand Investments Pvt. Ltd.	4,00,33,238	20.02%	4,00,33,238	20.03%
Life Insurance Corporation of India	1,69,63,373	8.49%	2,20,37,338	11.03%

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 18. Share capital (Contd.)

Shares held by promoters at the end of March 31, 2024

Promoter name	No. of shares	% of total shares	% change during the Year
Pawan Munjal	43,364	0.02%	0.00%
Pawan Munjal (As Karta of HUF)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal And Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.97%	-0.01%
Renu Munjal	1,11,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of HUF)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt. Ltd.	4,00,33,238	20.02%	-0.01%
Hero Investcorp Pvt. Ltd.	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%	0.00%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%

Shares held by promoters at the end of March 31, 2023

Promoter name	No. of shares	% of total shares	% change during the Year
Pawan Munjal	43,364	0.02%	0.00%
Pawan Munjal (As Karta of HUF)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal And Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.98%	0.00%
Renu Munjal	1,11,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of HUF)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt. Ltd.	4,00,33,238	20.03%	0.00%
Hero Investcorp Pvt. Ltd.	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%	0.00%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%

#### (iii) Shares options/Restricted stock units granted under the Company's employee share option plan

Option Series	Share Options Outstanding (In Nos.)		
	As at March 31, 2024	As at March 31, 2023	Expiry Date
ESOP 2016	-	8,599	August 21, 2023
ESOP 2017	6,523	10,879	October 30, 2024
ESOP 2018	19,400	46,660	March 24, 2026
ESOP 2019	5,050	26,970	October 21, 2026
ESOP 2020	31,545	49,915	October 26, 2027
RSU 2020	-	624	October 26, 2027
RSU 2021	8,442	22,100	August 10, 2025
PRSU 2021	21,374	25,820	August 10, 2025
RSU 2022	40,714	66,656	December 27, 2026
PRSU 2022	1,17,737	1,34,721	December 27, 2026
RSU 2023	66,777	-	December 25, 2027
PRSU 2023	1,25,316	-	December 25, 2027
RSU 2023 (1)	9,116	-	February 08, 2028
PRSU 2023 (1)	34,992	-	February 08, 2028
ESOP 2023	30,000	-	August 08, 2030
<b>Total</b>	<b>5,16,986</b>	<b>3,92,944</b>	

Note: Refer details of employee stock option plan as provided in Note 41.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 18. Share capital (Contd.)

#### (b) Preference share capital

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised Preference shares capital</b>		
4,00,000 (as at March 31, 2023 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at March 31, 2023 - 4,00,000) Cumulative redeemable preference shares of ₹ 100 each	4.00	4.00
<b>Total</b>	<b>8.00</b>	<b>8.00</b>

Note: The Holding Company has not issued preference share capital.

### 19. Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserves (# ₹29,750 in absolute INR)	#	#
Securities premium	73.36	49.22
General reserve	2,676.34	2,676.34
Share options outstanding account	45.63	35.63
Foreign currency translation reserve	(6.90)	(8.38)
Retained earnings	14,870.51	13,862.79
<b>Total</b>	<b>17,658.94</b>	<b>16,615.60</b>

#### Nature and Description

- (i) **Capital reserves:-** The Group had transferred forfeited share application money to Capital reserve in accordance with the provision of the Companies Act, 1956. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) **Securities premium:-** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) **General reserve:-** General Reserves are free reserves of the group which are kept aside out of company's profits to meet the future requirements as and when they arise. The Group had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (iv) **Share options outstanding account:-** Stock option outstanding account is used to record the impact of employee stock option scheme. Refer Note 41 for further detail of this plan.
- (v) **Foreign currency translation reserve:-** Exchange differences arising on translation of the foreign operations.
- (vi) **Retained earnings:-** Retained earnings are the accumulated profits earned by the Group till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Capital reserves</b>		
On shares forfeited (# in absolute INR 4,250)	#	#
Securities premium account on forfeited shares reissued (## in absolute INR 25,500)	##	##
<b>B. Securities premium</b>		
Opening balance	49.22	41.12
Premium on equity shares issued during the year@	24.14	8.10
<b>Closing balance</b>	<b>73.36</b>	<b>49.22</b>

@ Addition in securities premium represents premium of equity shares under various schemes amounting to ₹ 10.40 crores (Previous year ₹ 3.24 crores) and ₹ 13.74 crores (Previous year ₹ 4.86 crores) transferred from share option outstanding account on 82,023 equity shares (Previous year 27,777 equity shares) issued and allotted during the year under ESOP scheme. Also refer Note 41.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 19. Other equity (Contd.)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>C. General reserve</b>		
General reserve at the beginning and end of the year	2,676.34	2,676.34
<b>Closing balance</b>	<b>2,676.34</b>	<b>2,676.34</b>
<b>D. Share options outstanding account*</b>		
<b>Opening balance</b>	35.63	24.45
Add: Net charge during the year	23.74	16.04
Less: Transferred to securities premium on issue of shares	(13.74)	(4.86)
<b>Closing balance</b>	<b>45.63</b>	<b>35.63</b>
* Also refer Note 41.		
<b>E. Foreign currency translation reserve</b>		
<b>Opening balance</b>	(8.38)	4.73
Exchange differences in translating the financial statements of foreign operations	2.00	(17.37)
Income tax effect	(0.52)	4.26
<b>Closing balance</b>	<b>(6.90)</b>	<b>(8.38)</b>
<b>F. Retained earnings</b>		
<b>Opening balance</b>	13,862.79	13,060.05
Add: Profit for the year	3,744.83	2,809.96
Adjustment on account of change in controlling interest	(4.20)	-
Other Comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(34.24)	(8.89)
Less: Appropriations		
Final dividend	699.45	699.37
<b>Interim dividend</b>	<b>1,999.22</b>	<b>1,298.96</b>
<b>Closing Balance</b>	<b>14,870.51</b>	<b>13,862.79</b>

In respect of the year ended March 31, 2024, the directors propose that a dividend of ₹ 40 per share (March 31, 2023 : ₹ 35 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 799.72 crores (March 31, 2023 : ₹ 699.45 crores).

### 20. Non-controlling interests

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	125.06	148.05
Additions/adjustment during the year	12.58	(0.01)
Dividend paid during the year	(3.42)	-
Share of profit/(loss) for the year	(2.77)	(22.98)
Adjustment on account of change in controlling interest	4.20	-
<b>Closing non-controlling interest</b>	<b>135.65</b>	<b>125.06</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 21. Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
<b>Unsecured - at amortised cost</b>		
Term loan from Banks	-	19.89
<b>Secured - at amortised cost</b>		
Term loan from Banks	-	0.20
<b>Total</b>	<b>-</b>	<b>20.09</b>
<b>Current</b>		
<b>Unsecured - at amortised cost</b>		
Other loans from banks	343.35	266.48
Term loan from Banks	19.89	26.60
<b>Secured - at amortised cost</b>		
Term loan from Banks	0.19	0.07
<b>Total</b>	<b>363.43</b>	<b>293.15</b>

Lender	As at March 31, 2024	As at March 31, 2023	Repayment terms
<b>Unsecured - Non-Current</b>			
Rupee Term Loans from HDFC Bank (Previous year: Rate of Interest range-I-MCLR one year + 05 basis points or 3 Month T-bill plus spread ranging 2.55% to 2.81% or RBI Repo Rate + Spread ranging 2.85% to 3.25%).	-	19.89	14 equal quarterly instalments beginning from September 26, 2021
<b>Total</b>	<b>-</b>	<b>19.89</b>	
<b>Secured - Non-Current</b>			
Loan from ICICI Bank (Secured by charge on vehicles) (Previous year : Rate of Interest - 7.85%)	-	0.20	48 equal monthly instalments beginning from August 01, 2022.
<b>Total</b>	<b>-</b>	<b>0.20</b>	
<b>Unsecured - Current</b>			
Rate of Interest - range RBI Repo rate + spread ranging 1.35% to 2.70%, One month T-bill + spread ranging from 1.54% to 2.28% (Previous year: Rate of Interest range-I-MCLR three month + 60 basis points or RBI Repo rate + spread ranging 1.35% to 2.70%, MCLR three month + 45 basis points or One month T-bill + spread ranging from 1.30% to 2.25% or RBI Repo Rate + spread 2.50%)	79.53	102.42	Repayable on demand.
UPAS Loan from The Hongkong & Shanghai Banking Corporation Limited, Bangladesh Rate of interest - SOFR+3% (Previous year: LIBOR + 2.90%)	0.67	32.43	Repayable within a period of 180 days for materials and within a period of 365 days for machinery (Previous year: Repayable within a period of 90 days).
UPAS loan from Standard Chartered Bank, Bangladesh (Rate of Interest -SOFR+4%) (Previous year- Nil)	28.63	-	Repayable within a period of 90 days.
UPAS loan from Citi Bank, NA, Bangladesh (Rate of Interest -SOFR+3.50%) (Previous year- Nil)	29.00	-	Repayable within a period of 350 days.
UPAS Loan from City Bank, PLC (Rate of Interest -SOFR+4%) (Previous year- LIBOR +2.50%)	43.25	0.69	Repayable within a period of 180 days.
Short term loan from Citibank, NA, Bangladesh (Rate of Interest -12%) (Previous year- Nil)	7.73	-	Repayable within a period of 90 days.
Short term loan from City Bank,PLC (Rate of Interest -SMART+3%) (Previous year- Nil)	26.04	-	Repayable within a period of 90 days.
Short term loan from The Honkong and Shanghai Banking Corporation Limited, Bangladesh (Rate of Interest -8.50%) (Previous year- 4.50%)	21.35	10.07	Repayable within a period of 90 days.
T/R loan from Woori Bank, Bangladesh (Rate of Interest -Woori Bank FDR +5%) (Previous year- Nil)	18.80	-	Repayable within a period of 180 days.
Loan from Bancolombia Rate of Interest - SOFR + 5.90% to 6.90% (Previous year: LIBOR + 5% to 5.70%)	66.67	120.15	Repayable within a period of 180 days.
Loan from Banco de Bogota Rate of Interest - IBR + 1.97% to 5% (Previous year: IBR + 5.50%)	4.01	0.79	Repayable on demand.
Loan from Banco Davivienda Rate of Interest - SOFR + 2% (Previous year: Nil)	12.06	-	Repayable on demand.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 21. Borrowings (Contd.)

Lender	As at March 31, 2024	As at March 31, 2023	Repayment terms
Loan from Banco Bogota Rate of Interest - SOFR + 1.55% to 1.70% (Previous year: Nil)	5.63	-	Repayable on demand.
Rupee Term Loans from HDFC Bank Rate of Interest range - I-MCLR one year + 05 basis points or 3 Month T-bill plus spread ranging 2.55% to 2.81% or RBI Repo Rate + Spread ranging 2.85% to 3.25% (Previous year: Rate of Interest range-I-MCLR one year + 05 basis points or 3 Month T-bill plus spread ranging 2.55% to 2.81% or RBI Repo Rate + Spread ranging 2.85% to 3.25%).	19.89	26.53	14 equal quarterly instalments beginning from 26 September 2021.
<b>Total</b>	<b>363.24</b>	<b>293.08</b>	
<b>Secured - Current</b>			
Loan from ICICI Bank (Secured by charge on vehicles) (Rate of interest - 7.85%) (Previous year - 7.85%)	0.19	0.07	48 equal monthly instalments beginning from 01 August 2022
<b>Total</b>	<b>0.19</b>	<b>0.07</b>	

The Group has not defaulted in repayment of any loan and interest thereon.

### 22. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Employee benefits (Refer Note (i) below)		
Compensated absences	33.28	42.22
Gratuity	1.17	1.14
Other employee benefits	15.00	13.76
<b>Sub-total (A)</b>	<b>49.45</b>	<b>57.12</b>
Warranties (Refer Note (ii) below)	273.01	144.82
<b>Sub-total (B)</b>	<b>273.01</b>	<b>144.82</b>
<b>Total (A+B)</b>	<b>322.46</b>	<b>201.94</b>
<b>Current</b>		
Employee benefits (Refer Note (i) below)		
Compensated absences	7.54	9.60
Gratuity	0.16	0.64
Other employee benefits	2.45	1.83
<b>Sub-total (A)</b>	<b>10.15</b>	<b>12.07</b>
Warranties (Refer Note (ii) below)	149.29	180.61
<b>Sub-total (B)</b>	<b>149.29</b>	<b>180.61</b>
<b>Total (A+B)</b>	<b>159.44</b>	<b>192.68</b>

## Note:

- The provision for employee benefits includes compensated leaves, gratuity and vested long term service reward.
- Movement in warranties provisions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	325.43	305.41
Additions during the year	262.80	183.92
Amount utilised during the year	(165.73)	(163.11)
Unwinding of discount and effect of changes in the discount rate	(0.20)	(0.79)
<b>Closing balance</b>	<b>422.30</b>	<b>325.43</b>

The provision for warranty claims represents the present value as best estimate of the future economic outflow that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. As at March 31, 2024, this particular provision had a carrying amount of ₹ 422.30 crores (March 31, 2023: ₹ 325.43 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹ 42.23 crores higher or lower (March 31, 2023 - ₹ 32.54 crores higher or lower).

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 23. Deferred tax (assets)/liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities</b>		
Property plant and equipments and intangible assets	482.52	471.47
Financial assets carried at fair value through profit and loss	114.56	63.02
Investments in associate	135.61	83.92
<b>Sub-total (A)</b>	<b>732.69</b>	<b>618.41</b>
<b>Less: Deferred tax assets</b>		
Deferred revenue	56.93	55.87
Accrued expenses deductible on payment	61.83	60.00
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	32.21	3.03
Right of use assets and lease liabilities	8.86	7.95
Others	2.73	5.77
<b>Sub-total (B)</b>	<b>162.56</b>	<b>132.62</b>
<b>Total (A-B)</b>	<b>570.13</b>	<b>485.79</b>

#### A. Movement of Deferred tax (assets)/liabilities

For the year ended March 31, 2024

Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing Balance
<b>Deferred tax liabilities</b>				
Property plant and equipments and intangible assets	471.47	11.05	-	482.52
Financial assets carried at fair value through profit and loss	63.02	51.54	-	114.56
Investments in associate	83.92	51.69	-	135.61
<b>618.41</b>	<b>114.28</b>		-	<b>732.69</b>
<b>Deferred tax assets</b>				
Deferred revenue	55.87	1.06	-	56.93
Accrued expenses deductible on payment	60.00	1.83	-	61.83
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	3.03	29.18	-	32.21
Right of use assets and lease liabilities	7.95	0.91	-	8.86
Others	5.77	(2.56)	(0.48)	2.73
<b>132.62</b>	<b>30.42</b>	<b>(0.48)</b>		<b>162.56</b>
<b>Deferred tax liabilities (net)</b>	<b>485.79</b>	<b>83.86</b>	<b>0.48</b>	<b>570.13</b>

For the year ended March 31, 2023

Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing Balance
<b>Deferred tax liabilities</b>				
Property plant and equipments and intangible assets	431.08	40.39	-	471.47
Financial assets carried at fair value through profit and loss	71.72	(8.70)	-	63.02
Investments in associate	111.97	(28.05)	-	83.92
Others	7.74	(7.74)	-	-
<b>622.51</b>	<b>(4.10)</b>		-	<b>618.41</b>
<b>Deferred tax assets</b>				
Deferred revenue	52.34	3.53	-	55.87
Accrued expenses deductible on payment	56.15	3.85	-	60.00
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	6.06	(3.03)	-	3.03
Right of use assets and lease liabilities	5.53	2.42	-	7.95
Others	124.22	(126.92)	8.45	5.77
<b>244.30</b>	<b>(120.15)</b>	<b>8.45</b>		<b>132.62</b>
<b>Deferred tax liabilities (net)</b>	<b>378.21</b>	<b>116.05</b>	<b>(8.45)</b>	<b>485.79</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 23. Deferred tax (assets)/liabilities (net) (Contd.)

#### B. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, as it is not probable that the future taxable profit will be available against which the respective subsidiaries in its jurisdiction can use the benefits therefrom:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses from HMC MM Auto Limited (will expire from March 31, 2025 to March 31, 2032) (previous year: Will expire from March 31, 2022 to March 31, 2029)	36.00	9.36	38.54	10.02
Unabsorbed depreciation losses from HMC MM Auto Limited (can be carried forward for indefinite period)	65.12	16.93	63.19	16.43
Tax losses from HMCL Colombia SAS (tax losses amounting to ₹ 84.70 crores will be carried forward indefinitely, tax losses for ₹ 201.60 crores will expire in the next 12 years) (previous year :tax losses amounting to ₹ 69.33 crores will be carried forward indefinitely, tax losses for ₹ 127.88 crores will expire in the next 12 years)	286.29	94.48	197.21	65.08

### 24. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables##		
Total outstanding dues of micro enterprises and small enterprises (MSME)	18.74	2.44
Total outstanding dues of creditors other than micro enterprises and small enterprises (MSME)	5,604.16	4,757.70
<b>Total</b>	<b>5,622.90</b>	<b>4,760.14</b>

## Include payables to related parties (refer Note 38)

The Company's exposure to currency and liquidity risk related to the above trade payables is disclosed in Note 42.

#### Ageing of trade payables as on 31 March 2024:

Particulars	Outstanding for following periods from the due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(1) MSME	9.17	9.57	-	-	-
(2) Others	3,156.77	622.27	2.40	2.83	8.61
(3) Others - Accruals	1,811.28	-	-	-	-
<b>Total</b>					<b>5,622.90</b>

#### Ageing of trade payables as on 31 March 2023:

Particulars	Outstanding for following periods from the due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(1) MSME	2.38	0.06	-	-	-
(2) Others	3,471.99	368.23	72.21	4.56	3.76
(3) Others - Accruals	836.98	-	-	-	-
<b>Total</b>					<b>4,760.14</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 24. Trade payables (Contd.)

Disclosure in respect of the amounts payable to Micro and Small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	18.74	2.44
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
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 MSMED Act, 2006	-	-
The amount of interest accrued for unpaid principal at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

### 25. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Capital creditors	178.13	196.29
<b>Total</b>	<b>178.13</b>	<b>196.29</b>
<b>Current</b>		
Capital creditors	146.95	63.34
Security deposits dealers and others	76.96	67.51
Unclaimed dividend *	27.26	34.25
Derivative instruments carried at fair value (forward contracts)	3.73	4.83
<b>Total</b>	<b>254.90</b>	<b>169.93</b>

\* Does not include any amounts outstanding as at March 31, 2024 which are required to be credited to Investor Education and Protection Fund.

Note: The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 42.

### 26. Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Statutory remittances (contributions to provident fund, employee state insurance, withholding taxes, goods and service tax etc.)	289.77	257.97
Advance from customers	74.02	79.25
Deferred revenue	226.20	221.98
Others	13.86	2.88
<b>Total</b>	<b>603.85</b>	<b>562.09</b>

### Contract balances

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as advance from customers disclosed as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers – current	74.02	79.25
Deferred revenue	226.20	221.98

Revenue recognised from amount included in contract liabilities- deferred revenue amounts to ₹ 328.21 crores (previous year ₹ 327.69 crores).

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 27. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Sale of products</b>		
Two wheelers	31,326.34	28,400.38
Spare parts	5,829.83	4,899.80
	<b>37,156.17</b>	<b>33,300.18</b>
<b>(b) Income from services</b>		
Dealers support services	75.04	73.41
Dealer/Customer Program	42.43	58.79
Services - others	325.39	305.34
	<b>442.86</b>	<b>437.54</b>
<b>(c) Other operating revenue</b>		
Duty drawback and other incentives	36.86	31.21
Incentive from State Governments	44.15	297.41
Miscellaneous income	108.58	92.04
	<b>189.59</b>	<b>420.66</b>
<b>Total</b>	<b>37,788.62</b>	<b>34,158.38</b>

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Reconciliation of Revenue from sale of products with the contracted price</b>		
Contracted Price	37,787.97	33,956.13
Less: Trade discounts, volume rebates, etc.	(631.80)	(655.95)
<b>Sale of products</b>	<b>37,156.17</b>	<b>33,300.18</b>

### 28. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Interest income on financial assets carried at amortised cost</b>		
Tax free bonds, debentures and other instruments classified as debt	114.92	105.17
Deposit with bank and others	186.39	155.64
<b>(b) Dividend income</b>		
Dividend received on investments carried at fair value through profit or loss	18.59	2.28
<b>(c) Profit on sale of investments#</b>	<b>120.82</b>	<b>111.80</b>
<b>(d) Gain on investments carried at fair value through profit or loss</b>	<b>403.01</b>	<b>188.51</b>
<b>(e) Other non-operating income</b>		
Exchange fluctuation (net)	4.54	0.05
Profit on sale of property, plant and equipments	6.27	5.56
<b>Total</b>	<b>854.54</b>	<b>569.01</b>

# Net off fair value adjustment upto previous year.

### 29. Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Raw materials and components consumed:</b>		
<b>Opening stock</b>	<b>717.12</b>	<b>594.76</b>
Add: Purchase of raw materials, components and packing material	25,044.39	24,208.89
	<b>25,761.51</b>	<b>24,803.65</b>
<b>Less: Closing stock</b>	<b>895.77</b>	<b>717.12</b>
	<b>24,865.74</b>	<b>24,086.53</b>
<b>Less: Cash discount</b>	<b>28.85</b>	<b>26.24</b>
<b>Consumption of raw materials and components</b>	<b>24,836.89</b>	<b>24,060.29</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 30. Changes in inventory of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Opening stock</b>		
Two wheelers	744.58	618.79
Stock in trade	24.97	11.84
Spare parts	103.64	76.52
Work-in-progress	40.09	42.44
	<b>913.28</b>	<b>749.59</b>
<b>(b) Closing stock</b>		
Two wheelers	478.09	744.58
Stock in trade	25.06	24.97
Spare parts	107.92	103.64
Work-in-progress	113.86	40.09
	<b>724.93</b>	<b>913.28</b>
<b>Net (increase)/decrease in inventory</b>	<b>188.35</b>	<b>(163.69)</b>

### 31. Employee benefits expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Employee benefits expenses</b>		
Salaries and wages	2,133.09	1,967.00
Contribution to provident and other funds	153.32	143.26
Employee stock Compensation Cost (refer Note 41)	23.74	16.04
Staff welfare expenses	161.40	123.75
<b>Total</b>	<b>2,471.55</b>	<b>2,250.05</b>

#### Employee benefit plans

The details of various employee benefits provided to employees are as under:

#### A. Defined Benefit, Contribution and other plans

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Employer's contribution to provident fund and labour welfare fund	107.80	97.78
b) Employer's contribution to superannuation fund	17.70	18.78
c) Employer's contribution to gratuity fund *	24.27	23.84
d) Employer's contribution to employee state insurance	3.55	2.86
<b>Total</b>	<b>153.32</b>	<b>143.26</b>

\* In addition to this contribution made amounting to ₹ 30.00 crores (previous year - ₹ 12.64 crores) is recognised as other comprehensive expense.

#### B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Holding company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained and for certain group companies the liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 31. Employee benefits expenses (Contd.)

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk , longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions:	Funded	
	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
Discount rate	7.00%	7.30%
Future salary increase	7.00%	6.50%
Retirement age	58 years	58 years
Withdrawal rate	Upto 30 years:3% From 31 to 44 years:2% After 44 years: 1%	Upto 30 years:3% From 31 to 44 years:2% After 44 years: 1%
In service mortality	Indian Assured Lives Mortality Ult. (2006-08)	Indian Assured Lives Mortality Ult. (2006-08)

Principal assumptions:	Un-Funded	
	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
Discount rate	7.25%	7.39%
Future salary increase	5.50%	5.50%
Retirement age	58 years	58 years
Withdrawal rate	Upto 30 years:3% from 31 to 44 years:2% After 44 years: 1%	Upto 30 years:3% from 31 to 44 years:2% After 44 years: 1%
In service mortality	Indian Assured Lives Mortality Ult. (2012-14)	Indian Assured Lives Mortality Ult. (2012-14)

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 31. Employee benefits expenses (Contd.)

**Amounts recognized in statement of profit and loss in respect of this defined benefit plan are as follows:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity- funded	Gratuity- unfunded	Gratuity- funded	Gratuity- unfunded
<b>Service cost</b>				
Current service cost	26.25	24.74	0.24	0.24
Net Interest expense/(income)	(1.98)	(1.24)	0.13	0.10
<b>Components of defined benefit costs recognized in profit or loss</b>	<b>24.27</b>	<b>23.50</b>	<b>0.37</b>	<b>0.34</b>
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	1.47	0.71	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	25.09	(12.15)	0.02	(0.01)
Actuarial (gains)/losses arising from experience adjustments	3.30	23.96	0.11	0.13
<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>29.86</b>	<b>12.52</b>	<b>0.13</b>	<b>0.12</b>
<b>Total</b>	<b>54.13</b>	<b>36.01</b>	<b>0.50</b>	<b>0.46</b>

**The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity	Gratuity
Present Value of funded defined benefit obligation	449.48	427.21
Fair value of plan assets	449.48	427.21
Net liability arising from defined benefit obligation	-	-
Present Value of unfunded defined benefit obligation	1.33	1.78
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>1.33</b>	<b>1.78</b>

**Net liability disclosed as follows (under Provisions - Note -22):**

Particulars	Gratuity			
	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
Other employee benefits	0.16	1.17	0.64	1.14

**Movements in the present value of the defined benefit obligation are as follows:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity- funded	Gratuity- unfunded	Gratuity- funded	Gratuity- unfunded
Opening defined obligation	427.21	395.90	1.78	1.44
Current service cost	26.25	24.74	0.24	0.24
Interest cost	28.95	26.23	0.13	0.05
Remeasurement (gains)/losses:				
Actuarial (gains)/losses arising from changes in financial assumptions	25.09	(12.15)	0.02	(0.01)
Actuarial (gains)/losses arising from experience adjustments	3.30	23.97	0.11	0.14
Benefits paid	(61.30)	(31.48)	(0.91)	(0.08)
<b>Closing defined benefit obligation</b>	<b>449.50</b>	<b>427.21</b>	<b>1.37</b>	<b>1.78</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 31. Employee benefits expenses (Contd.)

**Movements in the fair value of the plan assets are as follows:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity	Gratuity
Opening fair value of plan assets	427.21	395.90
Interest income	30.92	27.49
<b>Remeasurement gain/(loss):</b>	<b>(1.47)</b>	<b>(0.71)</b>
Return on plan assets (excluding amounts included in net interest expense)	54.13	36.01
Contribution	(61.30)	(31.48)
<b>Closing fair value of plan assets</b>	<b>449.49</b>	<b>427.21</b>

The Holding Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹15.99 crore (increase by ₹ 17.11 crore) (as at March 31, 2023: Decrease by ₹ 14.36 crores (increase by ₹ 15.24 crores)).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 17.05 crores (decrease by ₹ 16.06 crores) (as at March 31, 2023: increase by ₹ 16.10 crores (decrease by ₹15.06 crores)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

#### Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting year, which is same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

#### Other disclosures

##### Maturity profile of defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity	Gratuity
Average duration of the defined benefit obligation (in years)	8.0 years	8.0 years

The Group expects to make a contribution of ₹ 29.72 Crores (as at March 31, 2023 ₹ 26.24 Crores) to the defined benefit plans during the next financial year.

The Expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
As at March 31, 2024	80.79	27.02	98.41	275.74	481.96
As at March 31, 2023	78.07	37.70	97.62	234.09	447.48

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 32. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest cost on financial liability at amortised cost		
- on dealers security deposits	3.03	2.83
- on borrowings	55.08	82.72
- on others	1.95	1.30
Unwinding of discount on provisions and lease liabilities	16.31	18.02
<b>Total</b>	<b>76.37</b>	<b>104.88</b>

### 33. Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Stores and tools consumed	115.32	84.50
Packing, forwarding, freight etc.	970.03	970.25
Power and fuel	120.18	114.56
Rent (Refer note 7)	42.11	41.83
Repairs and maintenance		
- Buildings	26.62	25.59
- Plant and machinery	132.94	117.59
- Others	12.65	11.49
Insurance charges	76.84	76.20
Rates and taxes	9.69	17.49
Royalty	7.99	5.87
Advertisement and publicity	1,089.54	891.76
Donations <sup>#</sup>	0.52	20.30
Expenditure on corporate social responsibility (Refer below)	73.89	77.83
Payment to auditors (Refer below)	5.46	3.64
Exchange fluctuation	(12.21)	47.35
Loss on sale of property, plant and equipment	5.57	4.83
Loss allowance on trade receivables	19.66	10.33
Miscellaneous expenses	1,761.20	1,349.12
<b>Total</b>	<b>4,458.00</b>	<b>3,870.53</b>

\* The Holding Company made political contribution amounting to Rs. Nil (previous year Rs. 20 crores) by way of electrol bonds. The Holding Company, based on its internal assessment, has considered the Hon'ble Supreme Court's judgement dated February 15, 2024 including directions to State Bank of India and Election Commission of India on furnishing and public disclosure of information in respect of the electrol bonds.

### Payment to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) As Statutory Audit		
- Audit fee (including audit fees for the auditors of other entities of Group)*	4.19	2.70
- Limited Review of unaudited financial results	0.87	0.81
- Other certifications	0.16	0.04
b) Tax audit fees	0.07	0.02
c) Out of pocket expenses	0.17	0.07
<b>Total</b>	<b>5.46</b>	<b>3.64</b>

\* Paid to other auditors ₹ 2.60 crores (Previous year - ₹ 0.89 crores).

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 33. Other Expenses (Contd.)

#### Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the company during the year	72.70	77.11
Amount of expenditure incurred	73.89	77.83
Total of previous years shortfall	-	-
Shortfall at the end of the year	-	-
Nature of CSR activities	Promoting education; promoting gender equality and empowering women; disaster management including relief, rehabilitation and reconstruction activities; ensuring environmental sustainability and ecological balance; rural development projects; eradicating hunger, poverty and malnutrition.	
For Related party transactions (Refer Note 38)	23.70	18.34

### 34. Income tax expense

#### (a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current tax</b>		
In respect of the current year	1,264.18	947.69
<b>Deferred tax charge</b>		
In respect of the current year	83.86	116.03
<b>Total income tax expense recognised in the Statement of profit and loss</b>	<b>1,348.04</b>	<b>1,063.72</b>

#### (b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Arising on income and expenses recognised in other comprehensive income</b>		
Re-measurement of defined benefit obligations	7.51	3.15
Others	(0.48)	8.45
<b>Total income tax benefit recognised in other comprehensive income</b>	<b>7.03</b>	<b>11.60</b>

#### (c) The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Profit before tax</b>		
Income tax expense calculated at 25.168%	5,090.20	3,863.62
Effect of income exempt/taxed on lower rate	1,281.10	972.40
Effect of unused tax losses of subsidiaries not recognised as deferred tax assets	(28.41)	(26.93)
Others	96.80	55.78
<b>Income tax expense recognised in the Statement of profit and loss</b>	<b>1348.04</b>	<b>1,063.72</b>
<b>Income Tax recognised in the Statement of profit and loss</b>	<b>1,348.04</b>	<b>1,063.72</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 35. Earnings per share

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Basic earnings per share (in ₹) (A/B)</b>	187.36	140.62
<b>Diluted earnings per share (in ₹) (A/C)</b>	187.04	140.49
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
<b>Profit for the year attributable to owners of the Company (₹ in crores) (A)</b>	3,744.83	2,809.96
<b>Opening Balance</b>	<b>19,98,39,718</b>	<b>19,98,11,941</b>
Effect of share options exercised	31,992	13,120
<b>Weighted average number of equity shares for the purposes of basic earnings per share (B)</b>	<b>19,98,71,710</b>	<b>19,98,25,061</b>
Effect of share options	3,52,633	1,89,104
<b>Weighted average number of equity shares for the purposes of diluted earnings per share (C)</b>	<b>20,02,24,343</b>	<b>20,00,14,165</b>

### 36. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Contingent liabilities</b>		
-In respect of income tax matters (refer note (b) below)	178.00	-
-In respect of excise and other matters#	47.00	128.89

# including proportionate share of contingent liability from associate companies

**b)** In the quarter ended March 31, 2024, the Income Tax Authorities disallowed certain expenses incurred in prior periods and made a demand of ₹ 178 crores. The Company has evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information has filed an appeal with the Commissioner of Income Tax – Appeals, and has concluded that there is no provision required for this demand as it is probable that the Company's position will be accepted upon ultimate resolution.

Further, the Company and its Chairman are under investigation by certain other Government agencies. These investigations have not been concluded. While uncertainty exists regarding the ultimate outcome of the investigation, the Company after considering available information and facts, as of the date of approval of these financial results, has not identified any adjustments, disclosures or any effect to financial statements or financial information.

c) Commitments	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to ₹ 107.87 crores (March 31, 2023 ₹ 123.68 crores))	952.01	836.14

### 37. Segment Reporting

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Holding Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Group's business activity fall within a single operating segment, namely automotive segment.

#### Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from operations	India	Outside India	Total
2023-24	36,005.51	1,783.11	37,788.62
2022-23	32,669.84	1,488.54	34,158.38

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 37. Segment Reporting (Contd.)

#### Disclosure as per the requirement of Ind AS 115, Revenue:

For the year ended March 31, 2024:

Particulars	India	Outside India	Total
Sale of products	35,397.33	1,758.84	37,156.17
Income from services	442.35	0.51	442.86
Other operating revenue	165.83	23.76	189.59
<b>Total</b>	<b>36,005.51</b>	<b>1,783.11</b>	<b>37,788.62</b>

For the year ended March 31, 2023:

Particulars	India	Outside India	Total
Sale of products	31,832.66	1,467.52	33,300.18
Income from services	437.54	-	437.54
Other operating revenue	399.64	21.02	420.66
<b>Total</b>	<b>32,669.84</b>	<b>1,488.54</b>	<b>34,158.38</b>

Non current segment assets	India	Outside India	Total
As at March 31, 2024	6,874.35	306.24	7,180.59
As at March 31, 2023	6,758.13	278.53	7,036.66

- a) Domestic segment includes sales and services to customers domiciled in India.
- b) Overseas segment includes sales and services rendered to customers domiciled outside India.
- c) There are no material non-current assets and post employment benefits domiciled outside India.
- d) There is no major individual customers whose revenue exceeds more than 10% of the Group's revenue.

### 38. Related party disclosures under Ind AS 24

#### A. Parties in respect of which the Holding Company is an associate

Brijmohan Lal Om Parkash (Partnership firm)

Bahadur Chand Investments Pvt. Ltd.- Core Investment Company

#### B. Parties in respect of which the other Group Companies are associate

Marelli Europe S.p.A.

Marelli UM Electronics Systems Pvt. Ltd.

(Formerly known as Magnetti Marelli UM Electronics Systems Pvt. Ltd.)

Marelli Powertrain India Pvt. Ltd.

Marelli (India) Pvt. Ltd.

Marelli (China) Co. Ltd.

Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda

Niloy Motors Ltd.; Bangladesh

Nitol Motors Ltd.; Bangladesh

Nitol Electronics Ltd.; Bangladesh

Nitol Machineries Ltd; Bangladesh

Nitol Insurance Company Ltd; Bangladesh

Woven Holdings LLC

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 38. Related party disclosures under Ind AS 24 (Contd.)

#### C. Associate of the Group

Hero FinCorp Ltd.

Ather Energy Pvt. Ltd.

#### D. For subsidiaries of the Holding Company - Refer Note 2.4

#### E. Key management personnel and their relatives of Holding company

Mr. Pawan Munjal - Executive Chairman

Mr. Vikram Sitaram Kasbekar - Executive Director

Mr. Niranjan Kumar Gupta - Chief Executive Officer (w.e.f. May 01, 2023)

- Chief Financial Officer (till February 29, 2024)

Mr. Vivek Anand - Chief Financial Officer (w.e.f. March 01, 2024)

Mr. Dhiraj Kapoor - Company Secretary and Compliance Officer

Mr. Annuvrat Munjal - Assistant General Manager

Non Executive and Independent Directors

Mr. Suman Kant Munjal

Mr. Pradeep Dinodia

Mr. M.Damodaran (till May 04, 2022)

Dr. Jagmohan Singh Raju

Ms. Tina Trikha

Mr. B.S. Dhanoa

Ms. Camille Tang

Mr. Rajnish Kumar

Ms. Vasudha Dinodia

#### F. Enterprises over which key management personnel and their relatives are able to control:

A. G. Industries Pvt. Ltd., A. G. Industries (Bawal) Pvt. Ltd., Rockman Industries Ltd., Cosmic Kitchen Pvt. Ltd., Hero Mindmine Institute Pvt. Ltd., Hero InvestCorp Pvt. Ltd., Hero Solar Energy Pvt. Ltd., BML Munjal University, Raman Kant Munjal Foundation, Excellence Enablers Pvt. Ltd. and Raman Munjal Vidya Mandir

#### Transactions with the above related parties:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Parties in respect of which the Group is an associate</b>		
<b>Dividend paid</b>		
Brijmohan Lal Om Parkash (Partnership firm)	377.02	279.27
Bahadur Chand Investments Pvt. Ltd.	540.45	400.33
<b>Rental Income</b>		
Brijmohan Lal Om Parkash (Partnership firm)	0.02	0.02
Bahadur Chand Investments Pvt. Ltd.	0.02	0.02
<b>Marelli Europe S.p.A.</b>		
Purchase of goods	0.04	-
Payment of development fee	1.97	3.11
Royalty	7.22	5.23

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 38. Related party disclosures under Ind AS 24 (Contd.)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses reimbursed	-	1.18
<b>Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda</b>		
Purchase of goods	20.23	21.92
Development Fee and Warranty Recovery	0.40	0.11
<b>Marelli Powertrain India Pvt. Ltd.</b>		
Purchase of goods	81.98	82.05
Development Fee	-	-
Expense Reimbursement	0.71	0.50
Warranty Recovery	-	-
<b>Marelli (China) Co. Ltd.</b>		
Warranty Recovery	0.35	-
<b>Sale of goods</b>		
Niloy Motors Ltd.*	510.35	634.46
Nitol Motors Ltd.	0.29	-
<b>Purchase of goods/services</b>		
Nitol Machineries Ltd.	0.00	0.11
Nitol Insurance Company Ltd.	0.33	0.37
Nitol Motors Ltd.	-	0.09
<b>Others</b>		
Nilot Motors Ltd.	0.38	0.41
Niloy Motors Ltd.	28.56	36.98

\* Including taxes and duties

#### Balance outstanding at the year end

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>- Trade Payable</b>		
Marelli Europe S.p.A.	5.18	6.08
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda	3.22	3.27
Marelli Powertrain India Pvt. Ltd.	11.51	5.85
Nitol Motors Ltd.	-	0.06
<b>- Trade Receivable</b>		
Marelli (China) Co. Ltd.	0.62	0.28
Niloy Motors Ltd.	90.36	62.11
Nitol Machineries Ltd.	1.35	1.37
Nitol Motors Ltd.	0.26	-

#### b) Associates of the Holding Company

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Hero FinCorp Ltd.</b>		
Lease rental expenses	0.00	0.18
Dividend received	59.10	-
Dividend paid	0.02	0.01
Miscellaneous Expenses	14.00	10.07
Investment	-	700.00
<b>Ather Energy Pvt. Ltd.</b>		
Investments	639.41	262.50
Service Income	0.09	-
Service Expenses	0.04	-

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 38. Related party disclosures under Ind AS 24 (Contd.)

#### Balance outstanding at the year end

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>- Trade Payable</b>		
Hero FinCorp Ltd.	-	-
<b>- Trade Receivable</b>		
Ather Energy Private Ltd.	0.03	-

#### c) Key management personnel and their relatives

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Managerial Remuneration/Sitting fees</b>		
Mr. Pawan Munjal	109.41	99.55
Mr. Vikram Sitaram Kasbekar	12.11	8.13
Mr. Suman Kant Munjal	0.24	0.32
Mr. Niranjan Kumar Gupta	10.84	7.89
Mr. Vivek Anand (w.e.f. 1 <sup>st</sup> March 2024)	2.84	-
Mr. Dhiraj Kapoor	1.24	1.35
<b>Relative of KMP</b>	0.22	-
<b>Dividend paid to KMPs and their relatives</b>	9.42	5.09
<b>Lease rent recovery</b>	2.02	0.81

#### Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mr. Pradeep Dinodia	1.87	1.39
Mr. M.Damodaran (till May 04, 2022)	-	0.38
Dr. Jagmohan Singh Raju	1.13	0.90
Mr. B.S. Dhanoa	1.55	1.04
Ms. Tina Trikha	1.33	0.98
Ms. Camille Tang	0.48	0.38
Mr. Rajnish Kumar	0.48	0.38
Ms. Vasudha Dinodia	0.36	0.32

#### Balance outstanding at the year end

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payables (including commission)	44.86	40.64

#### Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Managerial remuneration*</b>		
Short-term benefits	127.63	110.64
Post-employment benefits	5.40	4.79
Share-based payments	3.41	1.49

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 38. Related party disclosures under Ind AS 24 (Contd.)

#### d) Enterprises over which key management personnel and their relatives are able to exercise control

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of raw materials and components etc.	1,605.73	1,860.56
Purchase of property, plant and equipments	25.88	27.68
Payment towards services etc.	7.07	5.65
Expenditure towards Corporate Social Responsibility (CSR)	23.70	18.34
Rental Income	0.04	0.04
Dividend paid	11.80	8.74

#### Balances outstanding at the year end

Particulars	As at March 31, 2024	As at March 31, 2023
Payables	285.63	295.95

#### Significant related party transactions included in the above are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Purchase of raw materials and components etc.</b>		
A.G. Industries Pvt. Ltd.	742.30	913.52
Rockman Industries Ltd.	749.81	795.10
A.G. Industries (Bawal) Pvt. Ltd.	113.62	151.94
<b>Purchase of Assets</b>		
Rockman Industries Ltd.	15.38	12.10
A.G. Industries Pvt. Ltd.	10.37	15.58
A.G. Industries (Bawal) Pvt. Ltd.	0.13	-
<b>Payment for service etc.</b>		
BML Munjal University	1.63	2.15
Hero Solar Energy Pvt. Ltd.	0.38	0.34
Cosmic Kitchen Pvt. Ltd.	4.44	3.06
Raman Munjal Vida Mandir	0.62	0.68
<b>CSR</b>		
Raman Kant Munjal Foundation	3.70	3.34
BML Munjal University	20.00	15.00
<b>Rent Received</b>		
Hero Investcorp Pvt. Ltd.	0.02	0.02
Munjal ACME Packaging Systems Pvt. Ltd.	0.02	0.02
<b>Dividend paid</b>		
Munjal ACME Packaging Systems Pvt. Ltd.	11.80	8.74

#### Significant closing balances of related parties are as under :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Payables</b>		
A.G. Industries Pvt. Ltd.	119.72	144.91
Rockman Industries Ltd.	145.88	111.51
A.G. Industries (Bawal) Pvt. Ltd.	19.40	39.34

#### G. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 39. Research and development expenses:

#### Expenses charged to revenue account

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material consumption	48.74	18.19
Consumables	5.85	7.44
Employee benefits	317.46	288.97
Depreciation and amortisation	158.36	124.34
Others*	108.00	102.00
<b>Total</b>	<b>638.41</b>	<b>540.94</b>

\* Includes intangible asset under development amounting to ₹ 0.94 crores (previous year ₹1.40 crores) expensed off during the year.

#### Capital expenditure

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Land	-	-
Building	8.26	-
Equipments	31.87	14.18
Furniture and fixtures	3.00	1.22
Software	2.32	3.58
Vehicles	2.90	1.90
Data processing equipments	2.80	3.51
Intangible assets	144.17	88.97
	<b>195.32</b>	<b>113.36</b>
Capital work in progress and intangible assets under development	3.53	117.48
<b>Total</b>	<b>198.85</b>	<b>230.84</b>

**40.** During the quarter ended June 30, 2023, the Holding Company has introduced a voluntary retirement scheme (VRS) and has provided ₹ 159.99 crores for employees who have accepted to be part of VRS and has disclosed the same as exceptional item in the consolidated financial statements.

### 41. Share-based payments

#### Employee Stock Option Plan

The Employee Stock Options Scheme titled "Employee Incentive Scheme 2014 - Options and Restricted Stock Unit" hereafter referred to as "Employee Incentive Scheme 2014" or "the Scheme" was approved by the shareholders of the Company through postal ballot on September 22, 2014. The Scheme covered 49,90,000 options/restricted units for 49,90,000 equity shares. The Scheme allows the issue of options/restricted stock units (RSU)/performance linked restricted stock units (PRSU) to employees of the Company which are convertible to one equity share of the Company. As per the Scheme, the Nomination and Remuneration Committee grants the Options/RSU/PRSUs to the employees deemed eligible. The options and RSU/PRSUs granted vest over a period of 4 and 3 years respectively from the date of the grant in proportions specified in the respective ESOP Plans. The fair value as on the date of the grant of the options/RSU/PRSUs, representing Stock compensation charge, is expensed over the vesting period.

#### Details of the Stock Option/RSU/PRSUs issued under the Scheme

Plan	Number of Options/RSU/PRSUs	Grant date	Expiry date	Exercise Price ₹	Weighted Average Fair value of the Options at grant date ₹
ESOP 2014	23,110	22-Oct-14	21-Oct-21	2,159	1,228
ESOP 2016	41,290	22-Aug-16	21-Aug-23	2,469	1,324
RSU 2016	11,194	22-Aug-16	21-Aug-23	2	3,290
ESOP 2017	29,800	31-Oct-17	30-Oct-24	2,818	1,615
RSU 2017	15,769	31-Oct-17	30-Oct-24	2	3,663
ESOP 2018	1,25,000	25-Mar-19	24-Mar-26	2,033	1,138

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 41. Share-based payments (Contd.)

Plan	Number of Options/RSU/PRSUs	Grant date	Expiry date	Exercise Price ₹	Weighted Average Fair value of the Options at grant date ₹
RSU 2018	17,760	31-Jan-19	30-Jan-26	2	2,672
ESOP 2019	98,750	22-Oct-19	21-Oct-26	1,745	1,067
RSU 2019	5,210	22-Oct-19	21-Oct-26	2	2,308
ESOP 2020	1,01,375	27-Oct-20	26-Oct-27	2,085	1,200
RSU 2020	1,560	27-Oct-20	26-Oct-27	2	2,686
RSU 2021	39,210	11-Aug-21	10-Aug-25	2	2,699
PRSU 2021	34,895	11-Aug-21	10-Aug-25	2	2,439
RSU 2022	72,023	28-Jun-22	27-Dec-26	2	2,447
PRSU 2022	1,43,125	28-Jun-22	27-Dec-26	2	2,328
RSU 2023	72,169	26-Jun-23	25-Dec-27	2	2,584
PRSU 2023	1,36,381	26-Jun-23	25-Dec-27	2	2,321
RSU 2023 (1)	9,641	09-Aug-23	08-Feb-28	2	2,773
PRSU 2023 (1)	36,043	09-Aug-23	08-Feb-28	2	2,511
ESOP 2023	30,000	09-Aug-23	08-Aug-30	1,974	1,318

#### Fair value of share options/RSU granted during the year

The fair value of options/RSU granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options/RSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

#### Fair value of PRSU granted during the year

The fair value of PRSU granted is estimated using the Monte Carlo simulation model for performance based conditions, after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life PRSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

#### Inputs in to the pricing model

Particular	Option Plan						
	RSU 2023	PRSU 2023	RSU 2023 (1)	PRSU 2023 (1)	ESOP 2023	RSU 2022	PRSU 2022
Weighted Average Fair value of option/RSU/PRSUs	2,584	2,321	2,773	2,511	1,318	2,447	2,328
Spot share price	2,851	2,851	3,060	3,060	3,060	2,760	2,756
Exercise price	2	2	2	2	1,974	2	2
Expected average volatility	27.10%	38.15%	27.60%	38.50%	31.50%	32.86%	34.00%
Option life	4.5 years	4.5 years	4.5 years	4.5 years	7 years	4.5 years	4.5 years
Dividend yield	3.58%	3.58%	3.58%	3.58%	3.58%	4.38%	3.42%
Average risk-free interest rate	7.09%	7.14%	7.25%	7.28%	7.29%	7.49%	7.23%

#### Movements in share options during the year

Particular	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	1,43,023	2,083	1,93,341	2,065
Granted during the year	30,000	1,974	-	-
Forfeited during the year	27,642	2,223	33,596	2,052
Exercised during the year	52,863	1,968	16,722	1,940
Outstanding at the end of the year	92,518	2,071	1,43,023	2,083
Exercisable at the end of the year	49,761	2,126	94,228	2,131

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 41. Share-based payments (Contd.)

#### Movements in RSU/PRSUs during the year

Particular	Number of RSU/ PRSUs	Weighted average exercise price ₹	Number of RSU/ PRSUs	Weighted average exercise price ₹
Outstanding at the beginning of the year	2,49,920	2.00	64,318	2.00
Granted during the year	2,54,234	2.00	2,15,148	2.00
Forfeited during the year	50,527	2.00	18,491	2.00
Exercised during the year	29,160	2.00	11,055	2.00
Outstanding at the end of the year	4,24,467	2.00	2,49,920	2.00
Exercisable at the end of the year	3,652	2.00	3,193	2.00

#### Share options exercised during the year

Option Plan	For the year ended 31 March 2024		For the year ended 31 March 2023	
	No. of options exercised	Weighted Share price at exercise date ₹	No. of options exercised	Weighted Share price at exercise date ₹
ESOP 2016	850	3,108	-	-
ESOP 2017	2,103	4,108	-	-
ESOP 2018	18,500	3,568	5,590	2,536
RSU 2018	-	-	2,232	2,362
ESOP 2019	20,840	3,712	6,252	2,644
RSU 2019	-	-	2,084	2,728
ESOP 2020	10,570	3,721	4,880	2,657
RSU 2020	624	4,138	468	2,728
RSU 2021	10,562	3,270	6,271	2,597
RSU 2022	17,974	3,302	-	-
<b>Total</b>	<b>82,023</b>		<b>27,777</b>	

#### Share options/RSU/PRSUs outstanding end of the year

Options/RSU/PRSUs Plans	Options outstanding as at March 31, 2024	Options outstanding as at March 31, 2023	Remaining contractual life (in Years) as on March 31, 2024	Remaining contractual life (in Years) as on March 31, 2023	Exercise Price ₹
ESOP 2014	-	-	-	-	2,159
ESOP 2016	-	8,599	-	0.39	2,469
RSU 2016	-	-	-	0.39	2
ESOP 2017	6,523	10,879	0.59	1.59	2,818
RSU 2017	-	-	0.59	1.59	2
ESOP 2018	19,400	46,660	1.98	2.99	2,033
RSU 2018	-	-	1.84	2.84	2
ESOP 2019	5,050	26,970	2.56	3.56	1,745
RSU 2019	-	-	2.56	3.56	2
ESOP 2020	31,545	49,915	3.58	4.58	2,085
RSU 2020	-	624	3.58	4.58	2
RSU 2021	8,442	22,100	1.36	2.37	2
PRSU 2021	21,374	25,820	1.36	2.37	2
RSU 2022	40,714	66,656	2.74	3.75	2
PRSU 2022	1,17,737	1,34,721	2.74	3.75	2
RSU 2023	66,777	-	3.74	-	2
PRSU 2023	1,25,316	-	3.74	-	2
RSU 2023 (1)	9,116	-	3.86	-	2
PRSU 2023 (1)	34,992	-	3.86	-	2
ESOP 2023	30,000	-	6.36	-	1,974
<b>Total</b>	<b>5,16,986</b>	<b>3,92,944</b>			

During the year ended March 31, 2024, the Company recorded an employee stock compensation expense of ₹ 23.74 crores (previous year ₹ 16.04 crores) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2024 is ₹ 45.63 crores (March 31, 2023: ₹ 35.63 crores)

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 42. Financial instruments

#### 42.1 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Management reviews the capital structure of the Group on a regular basis. As part of this review, the Management considers the cost of capital and the risks associated with the movement in the working capital.

**The following table summarises the capital of the Group:**

Particulars	As at March 31, 2024	As at March 31, 2023
Debt (Borrowings including current maturity)	363.43	313.24
Share capital	39.98	39.97
Equity reserves	17,658.94	16,615.60
<b>Total Equity</b>	<b>17,698.91</b>	<b>16,655.57</b>
Gearing Ratio	2.05%	1.88%

#### Categories of financial instruments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
<b>Non-current</b>		
Investments	3,818.64	3,221.51
<b>Current</b>		
Investments	4,158.18	3,595.60
<b>Financial assets at amortised cost</b>		
<b>Non-current</b>		
Investments	1,543.92	1,378.87
Loans	21.15	19.87
Others	189.44	206.09
<b>Current</b>		
Investments	146.90	76.25
Trade receivables	2,630.22	2,719.47
Cash and bank balances	696.46	422.80
Loans	24.56	23.71
Other financial assets	423.53	571.65
<b>Total</b>	<b>13,652.99</b>	<b>12,235.81</b>
<b>Financial liabilities at amortised cost</b>		
<b>Non-current</b>		
Borrowings	-	20.09
Lease liabilities	199.13	219.67
Other financial liabilities	178.13	196.29
<b>Current</b>		
Borrowings	363.43	293.15
Lease liabilities	43.85	34.63
Trade payables	5,622.90	4,760.14
Other financial liabilities	254.90	169.93
<b>Total</b>	<b>6,662.35</b>	<b>5,693.90</b>

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 42. Financial instruments (Contd.)

#### 42.2 Fair value measurements

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

**Level 1:** This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** This level includes financial assets and liabilities, measured using inputs other than quoted prices included within 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:** This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

There are certain Group's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

Particulars	Fair value as at March 31, 2024		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	-	2,391.20	-
Investments in equity instruments	76.00	-	437.51
Investments in preference shares	-	-	913.95
<b>Current</b>			
Investments in mutual funds	4,127.59	-	-
Investments in equity instruments	30.59	-	-
<b>Particulars</b>			
<b>Fair value as at March 31, 2023</b>			
<b>Financial assets at fair value through profit or loss</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Non-current</b>			
Investments in mutual funds	-	1,860.95	-
Investments in equity instruments	59.00	-	493.10
Investments in other instruments	-	-	808.46
<b>Current</b>			
Investments in mutual funds	3,561.63	-	-
Investments in equity instruments	33.97	-	-

#### Fair value of the Group's financial assets that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial instruments approximate their fair values:

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at amortised cost</b>				
<b>Non-current</b>				
Investments in bonds	1,543.92	1,496.74	1,378.87	1,331.60
<b>Current</b>				
Investments in bonds	146.90	145.32	76.25	81.29

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 42. Financial instruments (Contd.)

Particulars	Fair value hierarchy	
	March 31, 2024 Level 2	March 31, 2023 Level 2
<b>Financial assets at amortised cost</b>		
<b>Non-current</b>		
Investments in bonds	1,496.74	1,331.60
<b>Current</b>		
Investments in bonds	145.32	81.29

The fair value of the financial assets and financial liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between the market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions - Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.
- The fair value of bonds is based on direct market observable inputs.
- The fair value of unquoted equity shares is determined on the basis of valuation arrived at considering income approach (Discounted Cash Flows) and market approach.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current lease liabilities, current borrowings and other current financial liabilities: Fair value approximate their carrying amounts largely due to short-term maturities of these instruments.
- The Company's non-current lease liabilities, non current borrowings and non current financial assets are measured at amortised cost, which approximates the fair value as on the reporting date.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2024 and March 31, 2023.

#### 42.3 Financial risk management objectives and Policies

##### Financial risk management objectives

The Group's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments, diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Group's policies on foreign exchange risk and the investment. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

##### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity which impact returns on investments. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk including export receivables and import payables. Future specific market movements cannot be normally predicted with reasonable accuracy.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 42. Financial instruments (Contd.)

#### Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Foreign currency exposure as at March 31, 2024	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	14.45	0.02	0.14
Trade Payables	430.10	0.45	0.05
Capital Creditors	-	0.02	0.59
Foreign currency exposure as at March 31, 2024	Amount in GBP	Amount in CNY	Amount in COP
Trade Receivables	-	-	-
Trade Payables	-	2.48	-
Capital Creditors	-	-	32.06
Foreign currency exposure as at March 31, 2023	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	3.07	0.06	1.19
Trade Payables	0.61	0.30	-
Capital Creditors	-	0.35	(1.80)
Foreign currency exposure as at March 31, 2023	Amount in GBP	Amount in CHF	Amount in COP
Trade Receivables	0.00	0.00	0.47
Trade Payables	0.00	0.00	0.00
Capital Creditors	0.00	0.00	64.83

#### Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. (+)(-) 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	2023-24		2022-23	
	5% increase	5% decrease	5% increase	5% decrease
<b>Receivable</b>				
USD	22.27	(22.27)	12.63	(12.63)
JPY	0.00	(0.00)	0.04	(0.04)
EUR	0.09	(0.09)	0.26	(0.26)
GBP	-	-	0.01	(0.01)
CHF	-	-	0.01	(0.01)
COP	-	-	0.00	(0.00)
RMB	-	-	0.05	(0.05)
<b>Payable</b>				
USD	56.81	56.81	(2.51)	2.51
JPY	(0.00)	0.00	-	-
EUR	(1.99)	1.99	(1.34)	1.34
SGD	-	-	(0.01)	0.01
RMB	(0.60)	0.60	-	-
THB	-	-	(0.00)	0.00
COP	-	-	-	-
GBP	(0.00)	0.00	-	-
CNY	(1.43)	1.43	-	-

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 42. Financial instruments (Contd.)

Currency	2023-24		2022-23	
	5% increase	5% decrease	5% increase	5% decrease
<b>Capital Creditors</b>				
USD	0.41	(0.41)	(0.01)	0.01
EUR	(0.10)	0.10	(1.55)	1.55
CHF	-	-	(0.02)	0.02
COP	(0.35)	0.35	(0.06)	0.06
JPY	(0.02)	0.02	0.06	(0.06)
GBP	(0.00)	0.00	-	-
<b>Borrowings</b>				
USD	-	-	-	-
Impact on profit or loss as at the end of the reporting period	(38.53)	38.53	7.54	(7.54)
Impact on total equity as at the end of the reporting period	(29.07)	29.07	5.66	(5.66)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/in future years.

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Group result in material concentrations of credit risks.

The Group write off the receivable in case of certainty of the irrecoverability.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the Note no 15 above.

The Group has used a practical expedient and analysed the recoverable amount of receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience.

#### Movement in the expected credit loss allowance of trade receivables

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	121.47	116.90
Add: Provided during the year	36.69	24.01
Less: Reversals of provision	17.78	19.04
Less: Amounts written back	0.12	0.40
<b>Balance at the end of the year</b>	<b>140.26</b>	<b>121.47</b>

#### Other price risks including interest rate risk

The Group has deployed its surplus funds into various financial instruments including units of mutual funds, bonds/debentures, etc. The Group is exposed to price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 42. Financial instruments (Contd.)

#### Price sensitivity analysis

The sensitivity analyses has been determined based on the exposure to price risks at the end of the reporting period. If prices had been 1% higher/lower.

The profit for the year ended March 31, 2024 would increase/decrease by ₹ 65.18 crores (for the year ended March 31, 2023: increase/decrease by ₹ 68.17 crores).

#### Liquidity risk and interest rate risk on financial liabilities

Liquidity risk represents the inability of the Group to meet its financial obligations within stipulated time. To mitigate this risk, the Group maintains sufficient liquidity by way of readily convertible instruments and working capital limits from banks.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on the financial liabilities arising out of current and non current borrowings with floating interest rates. These borrowings expose the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at March 31, 2024		As at March 31, 2023	
Borrowings	363.43		313.24	

The profit for the year ended March 31, 2024 would increase/decrease by ₹ 3.38 crores (for the year ended March 31, 2023: increase/decrease by ₹ 3.33 crores) for a 1% increase/decrease in interest rate on average financial liabilities during the respective year.

The Group has lease liabilities which have been accounted with incremental borrowing rate and are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date on an undiscounted basis:

Particulars	As at March 31, 2024			
	Less than 1 year	1-5 years	More than 5 years	Total
(i) Borrowing	363.43	-	-	363.43
(ii) Trade payables	5,663.52	13.84	-	5,677.36
(iii) Other financial liabilities	254.90	155.66	22.47	433.03
(iv) Lease liabilities	56.03	188.52	54.48	299.03

Particulars	As at March 31, 2023			
	Less than 1 year	1-5 years	More than 5 years	Total
(i) Borrowing	293.15	20.09	-	313.24
(ii) Trade payables	4,760.14	-	-	4,760.14
(iii) Other financial liabilities	192.40	173.82	-	366.22
(iv) Lease liabilities	34.63	201.46	18.20	254.30

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 43. 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	Net Assets i.e. total asset less total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (₹ in crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in crores)	As % of other comprehensive income	Amount (₹ in crores)	As % of total comprehensive income	Amount (₹ in crores)
Parent	Hero MotoCorp Ltd.	97.39%	14,920.67	100.23%	3,967.97	106.12%	(22.35)	100.20%
Subsidiaries	Indian							
	HMC MM Auto Ltd.	0.21%	31.82	0.08%	3.33	0.62%	(0.13)	0.08%
	Foreign							
	HMCL Netherlands B.V.	0.02%	2.43	(0.04%)	(1.60)	13.96%	(2.94)	(0.12%)
	HMCL Colombia S.A.S.	0.19%	28.98	(0.81%)	(31.97)	(18.69%)	3.94	(0.71%)
	HMCL Niloy Bangladesh Ltd.	1.71%	262.46	0.36%	14.31	0.12%	(0.03)	0.36%
	HMCL Americas Inc.	0.16%	25.14	0.02%	0.86	(1.42%)	0.30	0.03%
	HMCL Tech Centre Germany GmbH	0.32%	49.07	0.15%	5.88	(0.72%)	0.15	0.15%
	<b>Total</b>	<b>100.00%</b>	<b>15,320.57</b>	<b>100.00%</b>	<b>3,958.78</b>	<b>100.00%</b>	<b>(21.06)</b>	<b>100.00%</b>
	Adjustments arising out of consolidation	-	(473.93)	-	(44.67)	-	-	(44.67)
	Non controlling interest	-	(135.65)	-	2.67	-	0.10	-
Associates*	Indian							
	Hero FinCorp Ltd.	13.28%	2,218.19	5.79%	216.69	(1.73%)	(10.67)	5.43%
	Ather Energy Pvt. Ltd.	2.45%	729.76	(10.38%)	(388.63)	(1.00%)	(1.14)	(6.90%)
	<b>Total</b>	<b>17,658.94</b>			<b>3,744.83</b>		<b>(32.76)</b>	<b>3,712.07</b>

\* Investments accounted as per equity method

### 44. Additional information

- (i) No proceeding has been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) None of the entities within the Group and its associates have been declared as Willful defaulter by any bank or financial institution or other lender.
- (iii) The group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (v) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vi) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company or associate companies incorporated in India 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:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company or its associate companies incorporated in India or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Notes forming part of the Financial Statements

for the year ended March 31, 2024

(Amount in crores of INR)

### 44. Additional information (Contd.)

(vii) There are no funds which have been received by the Holding Company or its subsidiary company or its associate companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company or its associate companies incorporated in India shall:

- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(viii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one register CIC and one unregistered CIC as part of the Group.

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**Dr. Pawan Munjal**  
Executive Chairman  
DIN-00004223

**Tina Trikha**  
Chairperson Audit Committee (Director)  
DIN-02778940

**Pradeep Dinodia**  
Non-Executive Director  
DIN-00027995

**Niranjan Kumar Gupta**  
Chief Executive Officer

**Vivek Anand**  
Chief Financial Officer

**Dhiraj Kapoor**  
Company Secretary & Compliance Officer  
Membership No.: F5454

Place: Shimla  
Date: May 08, 2024

## Form AOC-1

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 containing salient features of financial statements of Subsidiaries and Associates

#### Part "A": Subsidiaries

Particulars	HMC MM Auto Ltd.	HMCL Americas Inc.	HMCL Netherlands B.V.	HMCL Colombia S.A.S. <sup>3</sup>	HMCL Niloy Bangladesh Ltd. <sup>3</sup>	HMCL Tech Centre Germany GmbH					
Reporting period/Year	Year ended March	Year ended March 31, 2024	Year ended March 31, 2024	Year ended March 31, 2024	Year ended March 31, 2024	Year ended March 31, 2024					
Reporting Currency	31, 2024	INR	USD	INR	USD	INR	COP <sup>4</sup>	INR	BDT <sup>4</sup>	INR	EURO <sup>4</sup>
Exchange Rate	1.00	83.40	1.00	83.40	1.00	0.02	1.00	0.76	1.00	89.87	1.00
Country of Registration	India	USA		Netherlands		Colombia		Bangladesh		Germany	
Reporting amounts in	INR Crore	INR Crore	USD MN	INR Crore	USD MN	INR Crore	COP <sup>4</sup> Thousand MN	INR Crore	BDT <sup>4</sup> MN	INR Crore	EURO <sup>4</sup> MN
Share Capital	95.00	29.19	3.50	399.74	47.93	139.50	64.58	74.81	981.30	22.69	2.53
Reserve	(63.17)	(2.31)	(0.28)	4.40	0.53	(116.06)	(53.73)	170.46	2,235.85	27.16	3.02
Total Assets	217.52	26.88	3.22	404.98	48.56	392.56	181.74	602.88	7,907.71	61.96	6.89
Total Liabilities <sup>2</sup>	217.52	26.88	3.22	404.98	48.56	392.56	181.74	602.88	7,907.71	61.96	6.89
Investment	-	-	-	393.78	47.21	-	-	30.57	400.93	-	-
Turnover <sup>5</sup>	377.78	1.02	0.12	3.68	0.44	413.34	191.36	435.84	5,716.63	125.94	14.01
Profit/(Loss) Before Taxation	3.33	0.87	0.10	1.97	0.24	(32.51)	(15.05)	15.21	199.55	9.08	1.01
Provision for Taxation	-	-	-	-	-	(1.74)	(0.81)	(0.86)	(11.30)	(3.19)	(0.35)
Profit/(Loss) after Taxation	3.33	0.87	0.10	1.97	0.24	(34.25)	(15.86)	14.35	188.25	5.89	0.66
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Percentage holding	66%	100%		100%		68%		55%		100%	

#### Note:

1. Financial information has been extracted from the standalone audited financial statements for the year ended March 31, 2024, and have been translated at the exchange rate prevailing on March 31, 2024.
2. Total liabilities are inclusive of share capital and reserves.
3. HMCL Colombia SAS and HMCL Niloy Bangladesh Ltd. are subsidiaries of HMCL Netherlands B.V.
4. COP- Colombian Peso; BDT- Bangladesh Taka.
5. Turnover includes other income and other operating revenue.
6. There are no subsidiaries which have been liquidated or sold during the year.

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Form AOC-1

**Notes****Part "B": Associates**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

S. no.	Name of Associates***	<b>Hero FinCorp Ltd.</b>	<b>Ather Energy Pvt. Ltd.</b>
1	Latest audited Balance Sheet Date	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2024</b>
2	Shares of Associate held by the company on the year end		
	Number	5,24,31,893	4,16,548
	Amount of Investment in Associates (₹ in crores)	1,469.04	1,556.48
	Extend of Holding %	41.19%	43.94%
3	Description of how there is significant influence	Equity holding more than 20% but less than 50%	Equity holding more than 20% but less than 50%
4	Reason why the associate is not consolidated	-	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crores)	2,375.00	239.89
6	Profit/(Loss) for the year*		
i.	Considered in Consolidation	257.71	(389.77)
ii.	Not Considered in Consolidation**	353.43	(672.53)

\* Profit/Loss include necessary adjustment on account of dividend distribution tax.

\*\* Represent portion of Profit attributable to other shareholders.

\*\*\* There are no associate or joint venture which have been liquidated or sold during the year.

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

**Dr. Pawan Munjal**  
Executive Chairman  
DIN-00004223

**Tina Trikha**  
Chairperson Audit Committee (Director)  
DIN-02778940

**Pradeep Dinodia**  
Non-Executive Director  
DIN-00027995

**Niranjan Kumar Gupta**  
Chief Executive Officer

**Vivek Anand**  
Chief Financial Officer

**Dhiraj Kapoor**  
Company Secretary & Compliance Officer  
Membership No.: F5454

Place: Shimla  
Date: May 08, 2024

## Notes

## Notes

# Corporate Information

## Company Secretary & Compliance Officer

Mr. Dhiraj Kapoor

## Statutory Auditors

Deloitte Haskins & Sells LLP

Chartered Accountants

(FR No: 117366W/W100018)

7<sup>th</sup> Floor Building 10 Tower B,

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## Head of Internal Audit

Mr. Sohrab Prakash

## Internal Audit Partners

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Gurugram - 122 002, Haryana, India

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## Ernst & Young LLP

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## Grant Thornton Bharat LLP

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Jacaranda Marg, DLF Phase II,

Gurugram-122 002, Haryana, India

Tel: 0124-4628000

Web: [contact@in.gt.com](mailto:contact@in.gt.com)

## Principal Bankers

Bank of America N.A.

Citibank N.A.

HDFC Bank

HSBC Bank

ICICI Bank

Kotak Mahindra Bank

Standard Chartered Bank

MUFG Bank

## Registered and Corporate Office

The Grand Plaza,

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New Delhi - 110 070, India

Tel: 011-4604 4220

Fax: 011-4604 4399

## Registrar and Share Transfer Agent

KFin Technologies Ltd.

Selenium Building, Tower-B,

Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032.

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## Plant locations and R&D Centre

### Gurugram Plant

37 km Stone, Delhi-Jaipur Highway, Sector 33, Gurugram - 122 001 Haryana, India

Tel: 0124-289 4200, 237 2123

Fax: 0124-237 3141/42

### Dharuhera Plant

69 km Stone, Delhi-Jaipur Highway, Dharuhera, Distt. Rewari - 123 110 Haryana, India

Tel: 0142-643000

Fax: 01274-264 000

Fax: 01274-267 018

### Haridwar Plant

Plot No. 3, Sector 10, I.I.E., SIDCUL, Roshanabad,

Haridwar - 249 403, Uttarakhand, India

Tel: 01334-238 500, 239 514-16

Fax: 01334-239 512/13

### Neemrana Plant

SP 101-103, 108 & 109,

RIICO Industrial Area,

Phase - II, Delhi-Jaipur Highway, Neemrana, District Alwar, Rajasthan - 301 705, India

Tel: 01494-2673000

## Global Parts Center

SP 104-107,

RIICO Industrial Area,

Phase-II, Delhi - Jaipur Highway, Neemrana, District Alwar, Rajasthan - 301 705, India

## Halol Plant

Plot No. 102,

Halol (Exp.) Industrial Estate,

Vadodara Godhra Highway Taluka – Kalol, Tehsil-Halol, Distt. Panchmahal,

Gujarat - 389 350, India

Tel: 02675-229114

## Tirupati Plant

Sy No.1, Industrial Park Madanapalem Village Satyavedu-Cherivi Road

Satyavedu Mandal Tirupati District Andhra Pradesh - 517588

## R&D Centre

Centre for Innovation & Technology SPL-1, RIICO Industrial Area, Kukas, Phase-II, NH-11C, Jaipur,

Rajasthan - 302 028, India

Tel: 0142-643000

## Colombia Plant

HMCL Colombia S.A.S

KM 24, via Cali - Santander De Quilichao Zona Franca Permanente Conjunto Industrial Parque Sur, Villa Rica, Cauca

Lote 6A, Colombia

Tel: +572 3120662

## Colombia Branch Office

HMCL Sucursal Colombia

Calle 13 No 100-35 of 117, Colombia-Call

## Bangladesh Plant

HMCL Niloy Bangladesh Ltd. Padmabilla, Shakharigati, Kotwali, Jessore, Bangladesh

Tel: +8809601505541

## Hero Tech Centre Germany GmbH

Kronstaudener Weg 1, D-83071

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