July 12, 2025

Asst. Vice President, Listing Deptt.,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot C-1, Block G,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051
Scrip Code: HEROMOTOCO

The Secretary,
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 500182

Sub: Submission of Annual Report for the FY 2024-25 including Notice of the 42nd Annual General Meeting (AGM)

Dear Sir(s),

Pursuant to Regulations 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please find attached herewith the Annual Report for the financial year 2024-25 along with the Notice of AGM.

In compliance with circulars issued by the Securities and Exchange Board of India and the Ministry of Corporate Affairs, the Annual Report and the Notice of AGM are being sent to the shareholders through electronic mode and are also available on the website of the Company at www.heromotocorp.com. Additionally, pursuant to Regulation 36(1)(b) of Listing Regulations, the Company is also sending a letter to those shareholders whose email addresses are not registered with the Registrar and Share Transfer Agent of the Company / the respective Depositories, providing them the web link, including the exact path and QR code for accessing the Company's Annual Report and Notice of AGM.

The AGM of the Company will be convened on Tuesday, August 5, 2025 at 11:30 AM through Video Conferencing / Other Audio Visual Means. The Members are requested to refer to the Notes annexed to the Notice of AGM to know the detailed procedure for e-voting along with other necessary instructions relevant to the AGM.

This is for your information and records.

Thanking you,

For Hero MotoCorp Limited

DHIRAJ KAPOOR

Digitally signed by: DHIRAJ KAPOOR
DN: CN = DHIRAJ KAPOOR email = dhiraj.kapoor@heromotocorp.com C = IN O = Personal
Date: 2025.07.12 14:01:40 +05'30'

Dhiraj Kapoor
Company Secretary & Compliance Officer

Encl.: As above

Hero MotoCorp Ltd.
Regd. Office: The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase - II, New Delhi - 110070, India
Tel. +91-11-46044220, Fax +91-11-46044399
Email: corporate.communication@heromotocorp.com
www.heromotocorp.com CIN: L35911DL1984PLC017354

Hero MotoCorp Limited

Registered Office: The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj, Phase –II, New Delhi-110070
CIN: L35911DL1984PLC017354, **Phone:** 011- 46044220, **Fax:** 011-46044399
Email: secretarialho@heromotocorp.com, **Website:** www.heromotocorp.com

NOTICE

NOTICE is hereby given that the **42nd Annual General Meeting ("AGM")** of the Members of **Hero MotoCorp Limited ("the Company")** will be held on **Tuesday, August 5, 2025 at 11:30 A.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")** to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2025 together with the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2025, together with the report of the Auditors thereon.

2. To confirm the payment of interim dividend of Rs. 100/- per equity share for the financial year 2024-25 and to declare final dividend of Rs. 65/-per equity share for the financial year 2024-25.

3. To appoint a Director in place of Ms. Vasudha Dinodia (DIN: 00327151), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. Ratification of remuneration of Cost Auditors for financial year 2025-26.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and as recommended by the Audit Committee, remuneration payable to M/s. R.J. Goel & Co., Cost Accountants (Firm Registration No. 000026), appointed by the Board of Directors as Cost Auditors to conduct audit of the cost records of the Company for the financial year 2025-26, amounting to Rs. 3,30,000/- (Rupees three lakh thirty thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby confirmed, ratified and approved."

5. Appointment of Secretarial Auditors of the Company.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, applicable SEBI circulars and Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee and of the Board of Directors, approval of the members is granted for the appointment of M/s. SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600, as Secretarial Auditors of the Company for a term of five (5) consecutive years commencing from the FY 2025-26, at such remuneration and on such terms and conditions as may be determined by the Board of Directors (including its committees) and to avail any other services, certificates or reports as may be permissible under applicable laws.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be required to give effect to this resolution."

6. Re-appointment of Air Chief Marshal Birender Singh Dhanoa (Retd.) (DIN: 08851613) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, and Articles of Association of the Company, Air Chief Marshal Birender Singh Dhanoa (Retd.) (DIN: 08851613)

who was appointed as an Independent Director of the Company to hold office up to September 30, 2025, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Independent Director and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years, with effect from October 1, 2025 to September 30, 2030.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be required to give effect to this resolution."

By order of the Board
For Hero MotoCorp Limited

Dhiraj Kapoor
Date: May 13, 2025 Company Secretary & Compliance officer
Place: Gurugram Membership No.: F5454

Registered Office:

The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj, Phase –II, New Delhi-110070
CIN: L35911DL1984PLC017354
Phone: 011 – 46044220
Fax: 011 – 46044399
Email: secretarialho@heromotocorp.com
Website: www.heromotocorp.com

NOTES:

1. The Ministry of Corporate Affairs ("MCA") with reference to Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 and all other relevant circulars issued from time to time (hereinafter collectively referred to as "MCA Circulars") has allowed companies whose AGMs are due in the year 2025, to conduct their AGM through VC/ OAVM, in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020. Further, the Securities Exchange Board of India ("SEBI") Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023 and October 3, 2024 ("SEBI Circulars") have provided some relaxation from compliance with the certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). Hence, in compliance with these Circulars, the AGM of the Company will be conducted through VC/ OAVM. The deemed venue for the 42nd AGM shall be the Registered Office of the Company.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") which sets out details relating to special business to be transacted at the AGM is annexed hereto.
3. Details as required under Regulation 36(3) of the SEBI LODR and in terms of Secretarial Standard - 2 in respect of the Directors seeking appointment/re-appointment at the 42nd of AGM are annexed hereto as Annexure - A to the Notice of AGM which forms part of the Explanatory Statement. The Company has received relevant disclosures/ consent from the Directors seeking appointment/re- appointment.
4. In terms of the aforesaid MCA Circulars and SEBI Circulars, the Company has sent the Annual Report for FY 2024- 25 and the Notice of AGM only in electronic form to those Members whose email addresses are registered with the Company/Depository Participants. The Company shall also send a letter providing web-link, including the exact path where complete details of the Annual Report (including the Notice of AGM) are available, to those Member(s) who have not registered their email addresses with the Company/Registrar and Share Transfer Agent ("RTA")/Depository Participants. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

   a) Members holding shares in physical form, are requested to register/ update their email addresses by submitting physical copy of Form ISR-1 to the RTA along with relevant documents at below mentioned address:

      KFin Technologies Limited

      Unit: Hero MotoCorp Limited
      Selenium Building, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India -500 032.
      ISR Forms can be downloaded from the web link: https://ris.kfintech.com/clientservices/isc/isrforms.aspx

   b) Members holding shares in dematerialized form, are requested to register/ update their email addresses with the Depository Participants with whom their demat account(s) are maintained.

5. The Notice of the 42nd AGM and the Annual Report for the FY 2024-25 including therein the Audited Financial Statements for the FY 2024-25, are available on the website of the Company at www.heromotocorp.com

and the website of stock exchanges i.e. BSE Limited at www. bseindia.com and National Stock Exchanges of India Ltd at www.nseindia.com. The Notice of 42nd AGM is also available on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com. The Company shall send the physical copy of the Notice of AGM and Annual Report for FY 2024-25 to those Members who request for the same at secretarialho@heromotocorp.com or einward.ris@kfintech.com.

6. Since the AGM will be held through VC/ OVAM, the facility to appoint a proxy to attend and cast vote for the Members is not available for the AGM. Therefore, the route map, proxy form and attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.

7. AGM through Video Conference (VC):

a) NSDL will be providing facilities for convening 42nd AGM through VC/OAVM Facility, voting through remote e-voting and e-voting during the 42nd AGM.

b) Since this AGM is being held through VC/OAVM therefore physical attendance of Members has been dispensed with.

c) Only registered Members of the Company may attend and vote at the AGM through VC/ OAVM facility.

d) Corporate/Institutional Members are required to send a scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting or e-voting during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to dpv@dpvassociates.com with a copy marked to evoting@nsdl.com. Corporate/ Institutional Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under the "e-Voting" tab in their login.

e) Members may join the AGM through VC/OAVM facility, by following the procedure as mentioned below, which shall be kept open for the Members from 11:00 am IST i.e. 30 minutes before the scheduled time to start the AGM. The Company may close the window for joining the VC/OAVM facility 30 minutes after the scheduled time to start the AGM.

f) The facility of participation at the AGM through VC/ OAVM will be made available for Members on a first come first served basis ("FCFS"). No restrictions on account of FCFS entry into AGM will apply in respect of large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc.

g) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. Instructions for attending the AGM through VC:

a) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned in point no. 14 below to access the NSDL e-voting system. After successful login, you can see the link of "VC/OAVM link" placed under the "Join meeting" menu against the company name. You are requested to click on the VC/OAVM link placed under the Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of the Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

b) Members are encouraged to join the meeting through laptops for better experience.

c) Members will be required to allow cameras, if any, and hence use the internet with a good speed to avoid any disturbance during the meeting.

d) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

e) The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 42nd AGM shall be the same persons mentioned for remote e-voting and reproduced hereunder for convenience:

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.com.

9. Instructions for members for e-voting during the AGM session:

a) The procedure for e-voting during the AGM is the same as the instructions mentioned below for remote e-voting.

b) Only those members/ shareholders/ representatives, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.

c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

d) In case of joint holders, the Member whose name appears as first holder in the order of names as per the Register of Members of the Company as on cut-off date i.e July 29, 2025 will be entitled to vote at the AGM.

e) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

10. Submission of questions or queries prior to AGM/ Registration of Speakers:

Members seeking any information with regard to the Financial Statements or any other matter to be placed at the AGM, are requested to write to the Company latest by Friday, July 25, 2025 through email on secretarialho@heromotocorp.com. Such questions shall be taken up during the meeting or replied to by the Company suitably.

Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/Folio no, No. of shares, PAN, mobile number at secretarialho@heromotocorp.com on or before Friday, July 25, 2025. Those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

11. Inspection:

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in the Notice or Statement will be available electronically for inspection by the Members before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to secretarialho@heromotocorp.com

12. Dividend:

a) Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer books of the Company will remain closed from Friday, July 25, 2025 to Tuesday, August 5, 2025 (both days inclusive) for the purpose of 42nd AGM of the Company and for determining the entitlement of the Members for final dividend for the financial year 2024-25, as may be approved by the Members at the meeting.

b) Final Dividend for the financial year 2024-25, as recommended by the Board, if approved, at the AGM will be paid to the Members by Thursday, September 4, 2025 i.e. within 30 days from the date of declaration to those Members/beneficial owners whose names appear in the Register of Members/ depository records as at close of business hours on Thursday, July 24, 2025.

c) Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants with whom they maintain their demat accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars or bank mandates. Members holding shares in demat form are, therefore, requested to intimate any change in their addresses and/or bank mandate immediately to their Depository Participants.

d) Members holding shares in physical form are requested to register their Electronic Clearing Service ("ECS") mandate by submitting the ISR-1 FORM along with the (i) Physical copy of the signed request letter which shall contain shareholder's name, folio number, bank details (viz. Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) a self-attested copy of the PAN card and (iii) cancelled cheque leaf to the Company's RTA address as mentioned in note 4(a).

e) SEBI vide its circular no. SEBI/HO/MIRSO/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and subsequent circular(s), the latest being master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 and circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 has mandated that with effect from April l, 2024, dividend to security holders (holding securities in physical format) shall be paid only through electronic mode. In the event, the Company is unable to pay the dividend to any member by electronic mode, due to non-registration of the electronic bank mandate, the Company shall dispatch the dividend warrant to such Member.

f) Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 1, 2020, shall be taxable in the hands of the Members. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making payment of the final dividend, if approved at AGM. In order to enable the Company to determine the appropriate TDS rate, as applicable, Members are requested to submit their documents in accordance with the provisions of the IT Act. The Company has also sent an email to all the Members at their registered email Ids in this regard. Members are requested to write to the RTA at einward.ris@kfintech.com for any queries/questions in this regard.

13. Cut-off Date:

The Company has fixed Tuesday, July 29, 2025 as the Cut-off Date for remote e-voting. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. Tuesday, July 29, 2025 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

14. Remote e-voting:

Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than the venue of the AGM) through NSDL, for all Members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of 42nd AGM of the Company.

The remote e-voting period begins on Friday, August 1, 2025 at 9:00 a.m. (IST) and ends on Monday, August 4, 2025 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the Cut-off Date i.e. Tuesday, July 29, 2025 may cast their votes electronically. The remote e-voting module shall be disabled after 5:00 p.m. (IST) on Monday, August 4, 2025.

The facility for electronic voting system, shall also be made available at the 42nd AGM. The Members attending the AGM, who have not cast their votes through remote e-voting, shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

The Members desirous of voting through remote e-voting are requested to refer to the detailed procedure given hereinafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, August 1, 2025 at 9:00 a.m. (IST) and ends on Monday, August 4, 2025 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, July 29, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, July 29, 2025.

HOW DO I VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dpv@dpvassociates.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.com
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holds shares as on the cut-off date i.e. July 29, 2025, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date i.e. July 29, 2025, may follow steps mentioned in the Notice of AGM under "Access to NSDL e-Voting system".

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAAR (self- attested scanned copy of Aadhaar Card) by email to secretarialho@heromotocorp.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to secretarialho@heromotocorp.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

15. The Company has designated Mr. Dhiraj Kapoor, Company Secretary and Compliance Officer, to address the grievances connected with the voting by electronic means. The Members can reach Company officials at +91- 11-46044220 or secretarialho@heromotocorp.com.

16. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date, being Tuesday, July 29, 2025.

17. The Board of Directors have appointed Mr. Devesh Kumar Vasisht, Managing Partner, M/s DPV & Associates LLP, Practicing Company Secretaries (C.P. No. 13700), failing him Mr. Parveen Kumar, Partner, M/s DPV & Associates LLP, Practicing Company Secretaries (C.P. No. 13411), as Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

18. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall within two working days of conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of voting forthwith.

19. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions. The results shall be declared within two working days of conclusion of the AGM of the Company. The results along with Scrutinizer's Report shall be placed on the website of the Company (www.heromotocorp.com), website of NSDL (www.evoting.nsdl.com) and by filing with the Stock Exchanges. It shall also be displayed on the Notice Board at the Registered Office of the Company.

20. Members are requested to note that under Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Government of India. Further, all shares in respect of which dividends remain unclaimed/ unpaid for seven consecutive years or more, are also required to be transferred to designated Demat Account of the IEPF Authority. The Members who have so far not yet claimed their dividend for the previous years are advised to submit their claim to the RTA.

The Company during the financial year 2024-25 had, accordingly, transferred the unpaid and unclaimed Dividend amount pertaining to the financial year 2016-17 (Interim & Final Dividend) along with relevant shares to the IEPF within the stipulated time period. The Company also transferred the unpaid and unclaimed dividend amount pertaining to the financial year 2017-18 (Interim Dividend).

The Company has uploaded the details of shares transferred to IEPF on the website of the Company viz. www.heromotocorp.com.

Further, all the shareholders who have not claimed/ encashed their dividends in the last seven consecutive years from FY 2017-18 (Final) are requested to claim the same. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the website of the Company and write to the Company's RTA before the same becomes due for transfer to the IEPF. A communication in this regard has already been sent to the respective members.

Updation of PAN & KYC details:

a. The security holders (holding securities in physical form) shall mandatorily update their KYC details (PAN, Contact Details, Choice of Nomination, Bank Account Details and Specimen Signature).

b. The security holders (holding securities in physical form) shall be eligible for any payment including dividend, interest or redemption only upon furnishing of all the above KYC details.

c. The payment of dividend shall be made through electronic mode only with effect from April 01, 2024. An intimation shall be sent by the Company to the holder that such payment is due and shall be made electronically upon furnishing complete documents/ details as aforesaid.

d. The security holders will be eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.

21. The facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a member desires to opt-out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company at www.heromotocorp.in and website of the RTA at https://ris.kfintech.com/clientservices/isc/isrforms.aspx. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialized form.

22. The SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue the securities in dematerialized form ONLY while processing the following service request:

i. Issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal / Exchange of securities certificate;

iv. Endorsement;

v. Sub-division / Splitting of securities certificate;

vi. Consolidation of securities certificates/folios;

vii. Transmission;

viii. Transposition

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format for which is available on the Company's website at www.heromotocorp.com and on the website of the Company's RTA at https://ris.kfintech.com/clientservices/isc/isrforms.aspx. It may be noted that any service request can be processed only after the folio is KYC compliant.

23. The SEBI vide its Master circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 (updated as on December 20, 2023) has made it mandatory for investors to first take up their grievances for redressal with the Company. In case, the Company concerned fails to redress the complaint within the 21 calendar days, the investors may escalate their complaint to the SCORES. Grievances can be lodged with SEBI electronically through SEBI Complaints Redress System - SCORES (a web based centralized grievance redressal system of SEBI at https://scores.sebi.gov.in/). If the investor is not satisfied with the outcome of SCORES, he/she/they can initiate dispute resolution through the SMART ODR Portal at https://smartodr.in/login.

24. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form. Therefore, Members are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Company's RTA in this regard.

Law provides voting rights to all Members proportionate to their holding in the Company. Hero MotoCorp Limited encourages the Members to exercise their voting rights and actively participate in the decision making process.

25. Members are being informed that SEBI with an intent to promote awareness in the securities market, has launched investor website https://investor.sebi.gov.in/. The website contains financial awareness content, tools, and calculators to help people of all ages and backgrounds to be in control of their financial decisions.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

In terms of the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to undertake the audit of its cost records for the products covered under the Companies (Cost Records and Audit) Rules, 2014, to be conducted by a Cost Accountant in practice.

Based on the recommendation of the Audit Committee, the Board at its meeting held on May 13, 2025 has approved the appointment of M/s. R.J. Goel & Co., Cost Accountants (Firm Registration No. 000026), as Cost Auditors for the financial year 2025-26 at a remuneration of Rs. 3,30,000/- (Rupees three lakh thirty thousand only) plus applicable taxes and reimbursement of out of pocket expenses. There is no change in the remuneration from what was approved for FY 2024-25. In the opinion of the Board, considering the scope of the audit, the proposed remuneration payable to the cost auditors would be reasonable and fair and commensurate with the scope of work carried out by them.

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the Members of the Company.

None of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested in passing of the above resolution.

The Board recommends the Resolution set forth in Item no. 4, for the approval of Members as an Ordinary Resolution.

Item No. 5

In accordance with the provisions of Section 204 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report. Pursuant to recent amendments to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR") w.e.f. April 1, 2025, a listed Company is required to appoint a practicing company secretary for not more than one term of five consecutive years or a firm of practicing company secretaries as Secretarial Auditors for not more than two terms of five consecutive years, with the approval of the members at its AGM and such Secretarial Auditors must be a peer reviewed and should not have incurred any of the disqualifications under SEBI LODR. Further, as per the said regulation, any association of the individual or the firm as the Secretarial Auditors of the Company before March 31, 2025 shall not be considered for the purpose of calculating the tenure of the Secretarial Auditors.

Accordingly, the Board of Directors on the recommendation of the Audit Committee has proposed the appointment of M/s SGS Associates LLP, Company Secretaries (SGS), (Firm Registration No. L2021DE011600), as the Secretarial Auditors of the Company for a term of five (5) consecutive years from the FY 2025-26, for the approval of the Members. The fee for secretarial audit for financial year 2025-26 will be Rs. 4.5 Lakh plus applicable taxes and out-of- pocket expenses. There is no change in the secretarial audit fee from what was approved for FY 2024-25. The fee for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company. Fee for statutory certifications and other professional services, if any availed, will be approved by the Board of Directors in consultation with the Audit Committee.

SGS has given their consent to act as the Secretarial Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Regulation 24A SEBI LODR and Section 204 of the Act and that they are not disqualified to be appointed as secretarial auditors in terms of the provisions of the Act, SEBI LODR and the Company Secretaries Act, 1980 and the rules or regulations made thereunder and that they have no conflict of interest. As required under the SEBI LODR,, SGS has confirmed that they hold a valid certificate issued by the Peer Review Board of Institute of Company Secretaries of India (ICSI).

The Audit Committee and the Board have considered factors like vast audit experience of 33 years of the Signing Partner in various segments, technical capabilities, independence, industry experience, subject matter expertise, profile of the audit partners, their teams, quality of audit practices, the firm's prior association with the Company, etc. and found credentials of SGS suitable to handle the secretarial audit of the Company.

SGS was established in 2002 and later on converted into a Limited Liability Partnership on January 21, 2022. Based in New Delhi, the firm is a prominent Corporate Advisory firm with a rich history spanning over two decades, offering services in various corporate and legal matters. SGS was appointed as the Secretarial Auditors of the Company effective FY 2023-24. They are also the Secretarial Auditors of HMC MM Auto Limited (subsidiary company) and Hero FinCorp Limited (associate company).

None of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested in passing of the above resolution.

The Board recommends the Resolution as set forth in Item No. 5 for the approval of Members as an Ordinary Resolution.

Item No. 6

Air Chief Marshal Birender Singh Dhanoa (Retd.) was appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and SEBI LODR. His first term of five consecutive years commenced from October 1, 2020 and is due to expire on September 30, 2025. In terms of the provisions of Section 149 of the Act, an Independent Director may hold office for two terms of up to five consecutive years.

The Nomination and Remuneration Committee ("NRC") evaluated the skills, knowledge and experience on the Board and found that ACM Dhanoa possess relevant expertise and capabilities required of an Independent Director.

Considering the eligibility, extensive knowledge, skills, experience, time commitment, availability, attendance and contributions in Board and committee meetings and the report of performance evaluation of ACM Dhanoa and on the recommendation of NRC, the Board of Directors of the Company at its meeting held May 13, 2025, has approved the re-appointment of ACM Dhanoa for a second term of five (5) consecutive years, with effect from October 1, 2025 to September 30, 2030, not being liable to retire by rotation, as provided in the Resolution.

The Company has received a declaration from ACM Dhanoa confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) and 25(8) of the Listing Regulations. He has also given his consent to be re-appointed as an Independent Director.

ACM Dhanoa is not restrained from acting as a Director by virtue of any order passed by SEBI or any such authority and is not disqualified from being appointed as Director in terms of Section 164 of the Act.

ACM Dhanoa is a highly decorated veteran of the Indian Air Force and served as the 25th Chief of the Indian Air Force (IAF) from January 1, 2017, to September 30, 2019. His career in the IAF was distinguished, encompassing various ranks and significant responsibilities.When he was the Air Force Chief, the IAF executed air strikes over Balakot, Pakistan, in February 2019. His exceptional leadership was recognized 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 in Mussoorie and the Rashtriya Indian Military College (RIMC) in Dehradun, he joined the National Defence Academy (NDA) in June 1974 and graduated from Jawaharlal Nehru University in 1977. Additionally, he holds a Master of Science in Defence Studies from Madras University.

ACM Dhanoa is also an Independent Director in HMC MM Auto Limited (subsidiary) and InterGlobe Aviation Limited.

ACM Dhanoa possesses the required competencies and skills and has been actively involved at the Board and has also been advising/ guiding the management team. He is a member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee

The information as required under the Listing Regulations and Secretarial Standard-2 are provided in **Annexure A** to the Notice.

In the opinion of the Board, ACM Dhanoa is a person of integrity, possesses relevant expertise and fulfills the conditions specified in the Act and rules made thereunder and Listing Regulations for re-appointment as an Independent Director and is independent of the management. The Company has received a notice under Section 160 of the Act from a member proposing his candidature for re-appointment as an Independent Director of the Company.

The Board considers that his rich experience and knowledge would be of immense benefit to the Company and it is desirable to avail services of ACM Dhanoa as an Independent Director.

It is proposed that ACM Dhanoa be re-appointed as an Independent Director of the Company for a term of five (5) consecutive years i.e. from October 1, 2025 to September 30, 2030 and he shall not be liable to retire by rotation.

A copy of the draft letter of re-appointment of ACM Dhanoa setting out the terms and conditions of re-appointment is available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m. upto the date of AGM and will also be available for inspection during the AGM. A brief profile of ACM Dhanoa is also available on the website of the Company i.e. www.heromotocorp.com.

Except ACM Dhanoa, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, in the Special Resolution as set out at Item No. 6.

The Board recommends the Resolution set forth in Item no. 6, for the approval of Members as a Special Resolution.

By order of the Board
For Hero MotoCorp Limited

Dhiraj Kapoor
Company Secretary & Compliance officer
Membership No.: F5454

Date: May 13, 2025
Place: Gurugram

Registered Office:

The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj, Phase –II, New Delhi-110070
CIN: L35911DL1984PLC017354
Phone: 011 – 46044220
Fax: 011 – 46044399
Email: secretarialho@heromotocorp.com
Website: www.heromotocorp.com

Annexure A

Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India, in respect of the Director seeking appointment/re-appointment

Name of Director	Ms. Vasudha Dinodia	ACM Birender Singh Dhanoa (Retd.)
DIN	00327151	08851613
Brief Resume	Ms. Vasudha Dinodia was appointed as a Director on the Board effective November 25, 2021. Ms. Dinodia is a successful third-generation entrepreneur from the eminent Munjal Family. She is the Founder & Managing Director of the boutique chocolate company - Choko La. As a savvy marketing strategist, she has successfully elevated Choko La to a globally recognized premier chocolate brand, with presence in the US, Europe, and Asia. The brand operates seven Premium Chocolate Boutiques and has established partnerships with leading Duty-Free operators at various international airports, including those in Singapore, Macau, Delhi, Mumbai, Bangalore, Chennai, Kolkata, Hyderabad, Ahmedabad, Goa, Jaipur, and Raipur. 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 customized gifting to cafes and boutiques.	ACM Dhanoa is a highly decorated veteran of the Indian Air Force and served as the 25th Chief of the Indian Air Force (IAF) from January 1, 2017, to September 30, 2019. His career in the IAF was distinguished, encompassing various ranks and significant responsibilities. When he was the Air Force Chief, the IAF executed air strikes over Balakot, Pakistan, in February 2019. His exceptional leadership was recognized 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 in Mussoorie and the Rashtriya Indian Military College (RIMC) in Dehradun, he joined the National Defence Academy (NDA) in June 1974 and graduated from Jawaharlal Nehru University in 1977. Additionally, he holds a Master of Science in Defence Studies from Madras University.
Date of Birth (Age in years)	August 18, 1981 (44 years)	September 07, 1957 (68 years)
Qualifications	Graduation from IILM University, Gurugram	BA(NDA), Jawaharlal Nehru University and M Sc. (Defence), Madras University
Experience	21 years	46 years
Expertise in specific functional areas	▪ Automotive/ Mobility/ Product Development ▪ Strategic planning and Business Model Innovation ▪ Human resources/ people management ▪ Global Perspective ▪ Consumer sales/ marketing	▪ Technology/ R&D ▪ Strategic planning and Business Model Innovation ▪ Human resources/ people management ▪ Accounting & Finance expertise
Terms and conditions of appointment / re-appointment	She was appointed as a Non-Executive Director on November 25, 2021, liable to retire by rotation. Being eligible,she has now offered herself for reappointment.	He is being reappointed as an Independent Director w.e.f. October 1, 2025 for a term of 5 years, not liable to retire by rotation. The other terms and conditions are available on the website of the Company at www.heromotocorp.Com

Details of remuneration and remuneration last drawn	Details mentioned in Corporate Governance Report.	
Date on which first appointed on the Board	November 25, 2021	October 1, 2020
Details of shareholding in the Company	Holding 32,500 equity shares of Rs. 2/- each	NIL
Relationship with other Directors / Key Managerial Personnel (if any)	Ms. Vasudha Dinodia is the daughter of Dr. Pawan Munjal, Executive Chairman, and daughter-in-law of Mr. Pradeep Dinodia, Non-Executive Director.	None
Number of Board meetings Details attended during the year	Details mentioned in the Corporate Governance Report	
Details of Directorships/ Committee chairmanship and memberships in other Companies	As detailed herein below	
Listed entities from which Director has resigned in the past three years	None	None
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Details mentioned in the Corporate Governance Report.

Details of Directorship/Committee Chairmanship and Membership in companies

Name of Director	Type of Company	Directorships held	Committee Memberships	Committee Chairpersonships
Ms. Vasudha Dinodia	L	Hero MotoCorp Ltd.	SRC, SCSR	SCSR
	P	Cosmic Kitchen Private Limited	NIL	NIL
	P	Sukalpit Enterprises Private Limited	NIL	NIL
ACM Birender Singh Dhanoa (Retd.)	L	Hero MotoCorp Ltd.	AC, SRC, NRC	NRC
	L	InterGlobe Aviation Limited	AC, NRC, RMC, SRC	SRC
	UL	HMC MM Auto Limited	AC	NIL

L - Listed Company

UL - Unlisted Public Company

P - Private Company

AC - Audit Committee

SRC - Stakeholders' Relationship Committee

NRC - Nomination and Remuneration Committee

SCSR- Sustainability and Corporate Social Responsibility Committee

RMC – Risk Management Committee

Hero

VIDA

DRIVING TOMORROW, **TODAY.**



HERO MOTOCORP LIMITED
ANNUAL REPORT 2024-25

CONTENTS

Corporate Overview

Introduction

Our Value Creation Approach 03

Performance Highlights 04

ESG Targets and Highlights 06

Executive Chairman's Message 08

Message From Executive Director and Acting Chief Executive Officer 14

About Hero MotoCorp

Company at a Glance 16

Product Portfolio 18

Manufacturing Presence 28

Distribution Presence 32

Investment Case 34

Board of Directors 36

Leadership Team 42

Value Creation Process 44

Performance Review 46

Operational Review 48

Global Business 52

Harley-Davidson Business Update 56

Hero MotoSports Team Rally 58

Key Drivers

Product Stewardship and Innovation 64

Marketing 66

Technology 68

Sustainable Mobility 70

Procurement 72

Value Creation at Hero MotoCorp

Operating Context 76

Risk Management 78

ESG Review

Environment 82

Social 84

Governance 92

Management Discussion and Analysis 94

Statutory Reports

Board's Report and its Annexures 118

Financial Statements

Standalone 228

Consolidated 294



₹231
Earnings per Share

12
New Product Launches

Xpulse 210

Driving Tomorrow, **Today**

At Hero MotoCorp, the future isn't a distant goal—it's something we are actively shaping every day. We are continuously pushing the boundaries of innovation, building on our strong foundation to lead the transformation of the mobility landscape.

For over four decades, we have earned the trust of 124 million+ riders through our dependable products, expansive reach and customer-first approach. Today, as the world demands cleaner, smarter, and more connected solutions, we are responding with agility and intent.

We are investing in future-ready technologies, strengthening our R&D capabilities, and engineering solutions that seamlessly blend performance, safety, digital intelligence, and sustainability. From electric mobility to intelligent systems and next-gen platforms, our efforts are focused on what's next.

We are also transforming the customer journey, reimagining experiences across all touchpoints through initiatives like Hero Premia, Hero 2.0, and our integrated digital ecosystem.

Every innovation we pursue is purpose-driven and future-focused. Hero MotoCorp is not just keeping pace with change, we are defining it. Confident in our legacy and energised by opportunity, we are driving tomorrow, today.



Our Value Creation Approach

Anchored in

Vision
Be the future of mobility

Mission
Create | Collaborate | Inspire

Guided by Values

Passion | Integrity | Respect | Courage | Being Responsible

Building on Our Resources

Financial | Physical Assets | Know-how | People | Social and Relationship | Environment

With Sharp Focus on Material Topics

Environment	Social	Governance	
Climate Change Management - Energy and Emissions	Health, Safety and Well-being	Regulatory Compliance	Brand Reputation and Product Quality
Water and waste management	Human Rights	Value Chain Management	

Facilitated by Strategy

Grow the Core | Win in Premium | Build EV Leadership | Diversify revenue streams | Build a Future-Fit Organisation | Drive ESG

Read more on page 102

Monitor Diligently

Key Risks
Monitor key enterprise and functional risks and create mitigation strategies to navigate them.

External Environment
Monitor the key risks emanating from the external environment and create mitigation strategies to navigate them.

Creating Value Consistently for Our Stakeholders

Employees | Shareholders and investors | Customers | Sales and after sales network | Suppliers | Industry associations | Regulatory agencies and government institutions | International organisations and rating agencies

Performance that **Drives Market**

Profit After Tax

₹ **4,610** crore

16.2% ↑ YoY

Revenue

₹ **40,756** crore

8.8% ↑ YoY

Contribution to the Government Exchequer

₹ **13,525** crore

7.8% ↑ YoY

EBITDA

₹ **5,868** crore

11.6% ↑ YoY





80

New Premia stores at FY 2024-25 exit

Providing a fresh automotive experience to all visitors, Hero Premia features modern architecture, appealing design, and engaging new-age digital technologies.

100% **OBD2 Phase-B compliance**



12

New Product Launches
India - (ICE - 7, EV - 1); International - 4

₹ **1,039** crore

Total R&D spend

We invest significantly in R&D, driving innovation, sustainability, and future-ready mobility solutions across global markets.

Earnings Per Share

₹ **231**

16.1% YoY

Units Sold

5.9 mn

Reaffirming our position as the world's largest two-wheeler manufacturer by volume, providing comfort, convenience and style to riders across generations.

Entered the Philippines Market as part of Global Expansion Strategy

Hero MotoCorp becomes the first Indian OEM to win the FIM World Rally-Raid Championship

In 2024, Hero MotoCorp's factory team, Hero MotoSports, made history by winning the FIM World Rally-Raid Championship (W2RC) — the first-ever Indian manufacturer to do so. The win underscored our engineering prowess, product reliability, and global competitiveness. Powered by the Hero 450 Rally and a world-class rider lineup, we outpaced established international players across some of the world's toughest terrains, cementing Hero MotoCorp's position on the global Motorsports map.

Progress with **Purpose**

At Hero MotoCorp, environmental, social, and governance (ESG) priorities are integrated into how we operate, grow, and lead. FY 2024-25 was a year of delivery — marked by measurable outcomes, improved frameworks, and achievement of long-term goals.

Environmental Stewardship

Target	FY 2024-25 Highlights
Zero Waste to Landfill across all facilities	Achieved 100% certification with over 99% diversion
Water Positivity	Achieved 500% water positivity
Renewable Energy Use	497 lakh kWh consumed
Renewable Energy Intensity	8.43 kWh per vehicle
Freshwater Intensity	0.13 KL per vehicle
Product Recyclability	95%+ recyclability achieved
Single-Use Plastic Free	All offices and manufacturing plants certified

Carbon Neutrality Roadmap

We achieved 45% progress towards our goal of 100% Scope 1 and 2 carbon-neutral operations by 2030. This was driven by increased adoption of renewable energy, afforestation initiatives for carbon offsetting, and enhanced operational energy efficiency.



Social Responsibility

Target	FY 2024-25 Highlights
Gender Diversity	13.2% representation across the organisation
Specially-abled Workforce	102 employees actively engaged in operations
Ride Safe India	2.92 lakh individuals participated under this initiative
Remedial Education Support	Reached to 10,554 students
Higher Education Scholarships	Awarded to 711 students pursuing B.Tech, LLB, MBA
Lives Impacted through CSR	8.47 lakh beneficiaries
CSR Investment	₹ 80.54 crore

Governance Enhancements

Strong governance continued to underpin our sustainability agenda.

- The Sustainability and CSR Committee of the Board oversees ESG progress with quarterly reviews.
- Our revised Environmental Policy expanded its applicability across employees, suppliers, and partners.
- Established a comprehensive information security policy providing a robust framework for safeguarding our information assets.
- Scaled up third-party assessments through our Sustainable Partner Development and Green Dealership programmes.
- All manufacturing facilities are ISO 27001 certified.

ESG Commitments

Objective
100% Carbon Neutral (Scope 1 & 2)
by 2030
45% progress

Objective
100% Green Dealership
by 2030
30% implemented

Objective
30% Gender Diversity
by 2030
13.2% achieved

Objective
95%+ Product Recyclability
2025
95% Achieved

Driven by **Nation First**

Dear Shareholders,

I am delighted to present to you our Annual Review for FY 2024-25.

India's confident march towards global leadership inspires us at Hero MotoCorp to play our part — as enablers of mobility and partners in national progress.

We are witnessing the rise of a New India —where ancient wisdom meets modern innovation, where sacrifice stands tall beside success, and where courage, compassion and conviction drive a relentless pursuit of excellence.

At Hero, we do not just build machines — we build movement. Movement that powers dreams, connects people, and drives change. As India rises, we rise with her, carrying forward the values of dignity, strength and service. 'Nation First' is not just a slogan for us; it is our identity.

For 24 consecutive years, we have been the world's largest manufacturer of motorcycles and scooters. With over 124 million customers across 48 countries, our impact is both wide and deep. But beyond numbers, our true legacy is the trust we have earned, the lives we have touched and empowered, and the future we continue to shape.

This legacy was founded by our beloved Founder & Chairman Emeritus, Dr. Brijmohan Lall Munjal, our Hero Forever, a visionary who laid the foundation of your Company on purpose. A Company that would uplift communities, build opportunities and define the future of mobility. That vision lives on in every innovation we pioneer, every partnership we forge and every life we touch. Because nation-building is not just a chapter in our journey — it is in our heritage, our purpose and our future.

India Ascends — and So Do We

FY 2024-25 has been a landmark year — for India and for Hero MotoCorp.

Under the leadership of our Hon'ble Prime Minister Shri Narendra Modi, now in his historic third term, India has accelerated across sectors — from infrastructure and energy to AI, defence and space. As per the IMF, GDP growth in FY 2024-25 was 6.2% and FY 2025-26 will be 6.3%, further validating India's trajectory as a global growth engine.

Strategic reforms like PM Gati Shakti, PLI schemes and Digital India have turned India into a magnet for innovation and global capital.

Hero MotoCorp's performance mirrors this progress. In our 41st year, we delivered 5.9 million vehicles — a testament to the trust of our customers and our deep commitment to India's aspirations. Our strong financials reflect not just commercial success, but our role in powering India's journey to becoming Viksit Bharat.

We are not only growing; we are helping shape a more sustainable, inclusive and resilient India.



Rooted in Values, Powered by Vision

Our culture is anchored in values: Integrity, Passion, Courage, Respect, and Being Responsible. These aren't mere words — they guide our decisions, power our products and define our people.

We are a performance-driven, purpose-led organisation - one that believes in shared leadership, diversity of thought, and inclusive growth. In a fast-evolving world, we are not reacting to change — we are shaping it. Our organisational evolution reflects this intent, aligning talent, technology and ambition to lead with purpose at a global scale.

It is a matter of distinct honour that our endeavours continue to earn recognition on the global stage. TIME has once again accorded us a place of prestige—first among the World's Best Companies and now as the sole Indian two-wheeler marque in the Best Companies in Asia-Pacific 2025. This distinction underscores not only our steadfast commitment to human-centric values and financial stewardship but also to a sustainability ethos that guides every facet of our enterprise.

Equally noteworthy is our consecutive recognition as one of ET NOW's Best Organisations for Women for three successive years—a clear affirmation of our unwavering resolve to shape a workplace that is inclusive, progressive and firmly attuned to the aspirations of tomorrow.

Investing in the Future — India and Beyond

Innovation at Hero MotoCorp is a commitment to Bharat's future — uplifting communities, creating jobs, and enabling a cleaner tomorrow.

With over 117,000 registered startups and 80 new ventures emerging daily, India has become a global innovation powerhouse. Through our own platforms, including the Hero for Startups initiative we are mentoring next-generation entrepreneurs, offering them R&D access and opening pathways to market.

This year, we advanced our leadership in electric mobility:

- VIDA, our electric mobility marque, recorded a 200% surge in sales, supported by the strategic expansion of its retail presence across key urban centres. The VIDA V2 has redefined accessibility in electric mobility for the modern commuter.
- VIDA Acro, an inventive design concept where the bike evolves with the child, was honoured with the prestigious Red Dot Award: Design Concept 2025, reinforcing our commitment to design leadership and future-forward thinking.
- A bold global expansion roadmap will see Hero MotoCorp extend its presence into Germany, France, Spain, and the United Kingdom in the second quarter of FY 2025-26, as we carry our vision of mobility without boundaries to new markets.
- Our partnership with Ather Energy, now a publicly listed company, strengthens India's largest EV charging network and premium electric segment leadership.
- We made a strategic ₹ 510 crore investment in Euler Motors, reinforcing our presence in the global-leading[1] electric three-wheeler space.
- Our partnership with California-based Zero Motorcycles is culminating into an exciting new premium motorcycle.

Each step reaffirms our belief: the future of mobility in India will be electric, inclusive and innovation-led. Hero MotoCorp is proud to lead this transformation.



Shaping the Aspirations of Every Rider

FY 2024-25 saw a vibrant evolution in our product lineup, aligned with the aspirations of both Bharat and the world.

- We elevated our premium motorcycle portfolio with the launch of Xtreme 250R and Xpulse 210, redefining performance and adventure.
- Our scooters, including the Hero Destini 125, Xoom 125, and Xoom 160, added innovation and energy to urban mobility.
- The Harley-Davidson X440, a joint offering, continued its strong market run. We are now expanding this collaboration with new platforms that set global benchmarks.
- In the 125cc segment, the Xtreme 125R gained strong traction.
- In the 100cc category — the bedrock of our legacy — we sustained leadership with upgraded offerings and consistent value.

Together, these launches reflect our clear strategy: meet evolving customer needs, stay ahead of trends and redefine mobility for every rider.

Expanding India's Global Footprint

Since the launch of 'Make in India' in 2014, Hero MotoCorp has played a central role in India's global manufacturing journey.

In FY 2024-25, we achieved 43% YoY growth in international markets — from South Asia to Latin America — through a sharp focus on customer experience, quality and scale. Our entry into Europe and the UK later this year marks the next phase in our global ambition — backed by engineering excellence and innovation.

Hero MotoCorp today is more than an Indian icon. We are a confident, global company redefining mobility across continents.

Sustainability: Our Promise to the Future Generation

FY 2024-25 underscored our deep commitment to sustainable growth and positive global impact.

- We fortified our water stewardship, achieving an exceptional 500% water positivity—well ahead of industry norms.



[1] India continues to be largest market for electric 3-wheelers: IEA, The Economic Times, May 18, 2025

- We reached 95% product recyclability, surpassing the Automotive Industry Standard (AIS) 129 benchmark of 80%, setting new standards for circularity in mobility.
- Our steady shift towards renewable energy enabled us to achieve 45% carbon neutrality in FY 2024-25, marking a decisive step on our low-carbon journey.
- Sustainability extended across our value chain, with 30% of our channel partners embracing Green Dealership practices, collectively generating 7.1 MWp of solar capacity across our dealership network.
- We advanced our people agenda by accelerating efforts to hire, develop, and empower more women, reinforcing our aspiration to achieve 30% women representation by 2030.
- Our sustainability journey reached a defining milestone as we became the only Indian two-wheeler company to be included in both the Dow Jones Sustainability Index (DJSI) World and DJSI Emerging Markets, affirming our leadership in responsible business.
- Our Gurugram manufacturing facility earned the prestigious Sword of Honour from the British Safety Council, recognising excellence in workplace health, safety and well-being.

Under the banner of 'Hero We Care', our Corporate Social Responsibility initiatives touched the lives of over 847,000 individuals, reaffirming our deep-rooted commitment to social upliftment:

- Through 'Ride Safe India', a nationwide campaign to foster responsible riding behaviour, we reached close to 3,00,000 beneficiaries with targeted road safety programmes.
- We advanced access to education for the underprivileged via remedial learning centres and scholarships in collaboration with Brijmohan Lall Munjal University (BML), helping young minds realise their full potential.
- Our Mobile Medical Units extended critical healthcare services to underserved communities,



benefitting more than 1,20,000 individuals who would otherwise remain beyond the reach of essential care.
- We stood by the families of army veterans and martyrs through the Veerangana Sewa Kendra (VSK)—a dedicated hotline operated by war widows—providing counselling, access to government support, and a compassionate lifeline to those who have served the nation.
- Through Project Saksham, we empowered more than 4,000 women in FY 2024-25 with skills to become two-wheeler technicians—an initiative that transcends skilling to promote diversity, opportunity, and inclusive growth. Our ambition remains steadfast: to empower 100,000 women over the next five years.

Championing the Spirit of Sports

At Hero MotoCorp, our commitment to multidisciplinary sports reflects a deeper belief — that excellence, resilience, and unity transcend boundaries. Sport is a powerful force that brings people together, celebrates human potential and inspires a generation to dream bigger. Through our sustained support, we aim to provide Indian athletes with platforms that match their ambition and reflect the spirit of a truly sports-loving nation.

At the 2024 Tokyo Paralympics, young para-archer Sheetal Devi (17) earned a bronze in the mixed team compound event, while Sundar Singh Gurjar claimed bronze in the men's javelin throw. Their triumphs are a testament to the indomitable spirit of human endurance. We are proud to stand behind such remarkable athletes through our CSR partnership with the Paralympic Committee of India.

Our own Hero MotoSports Team Rally etched its name in history by clinching the FIM Rally-Raid World Championship in 2024, a moment of immense pride for both India and Hero. Led by a dynamic, young team, this victory highlighted not only world-class sporting talent but also the strength, reliability, and engineering excellence of Hero products on the toughest terrains in the world.

In support of India's national sport, we signed a five-year global partnership with the International Hockey Federation (FIH) reaffirming our commitment to take Indian hockey to greater global heights. In the world of golf, we celebrated a decade of The Hero World Challenge, a premier PGA TOUR event hosted by our Global Corporate Partner, Tiger Woods — a partnership that continues to spotlight India's growing stature in global sport.

Through sport, as in business, we pursue excellence with purpose not just to win, but to uplift, inspire, and unite.

Looking Ahead

FY 2024-25 was a year of action, ambition, and acceleration. Hero MotoCorp enters the next phase with confidence in our purpose and pride in our nation.

To our customers, employees, partners and shareholders — thank you for your trust, your belief, and your partnership. Together, we are not merely building mobility solutions — we are pioneering the future of mobility: sustainable, inclusive and proudly made in India, for the world.

Wishing you continued prosperity, purpose, and well-being.

Warm Regards

Dr. Pawan Munjal
Executive Chairman, Hero MotoCorp



Building the **Future of Mobility**



As the Executive Director and acting CEO of Hero MotoCorp, I am immensely proud to steer forward an organisation that has been the world's largest manufacturer of motorcycles and scooters for 24 consecutive years. This honor comes with immense responsibility.

At the heart of Hero MotoCorp is a relentless spirit of innovation, resilience, and transformation. We have not just grown in scale; we have evolved in purpose. Our guiding ethos, 'Making in India for the World,' is embedded in every product, process, and market we touch. I extend my sincere gratitude to each of you for your unwavering trust and belief in Hero MotoCorp; your continued support is the foundation upon which we will build the next chapter of this extraordinary journey.

When I was entrusted with this responsibility, the goal was clear: accelerate momentum and build on our rich legacy. Amidst a volatile global environment, Hero MotoCorp delivered its highest-ever revenue and profit, reaffirming our leadership in the two-wheeler industry. In December 2024, the company achieved the historic milestone of retaining its market leadership for 24 consecutive years. Building on this legacy, the company has extended its leadership momentum into the 25th year.

As we step into FY 2025–26, the macroeconomic environment in India is becoming more favorable. With cooling inflation, softening interest rates, and strong rural sentiment aided by forecasted good monsoons, we are entering the new fiscal on a strong footing. These tailwinds, coupled with our internal agility, give us the confidence to not just participate in the growth curve but to lead it.

Continuing our thought leadership in the industry, we began this fiscal year with an unprecedented reporting format. Our monthly sales reporting is now made for both wholesale and VAHAN registrations. We believe this holistic reporting presents the complete picture of the market scenario and augurs well in maintaining good health for the entire ecosystem.

Our retail market share is on an upward trajectory in this calendar year and we aim to maintain this growth path during the year. Our retail finance penetration remains solid at 65% and our inventory levels are well-calibrated.

As we move forward, we continue to enhance our focus on quality - of our products, services and operations. With over 124 million customers worldwide, our reputation is built on trust, durability, and excellence in every ride. As we scale up further, we are investing deeply in technology, customer experience, and product innovation to ensure we continue to deliver not just value, but delight.

During FY 2024-25, we invested in the 125cc motorcycle category with renewed intensity. The Xtreme 125R, a breakout performer, has fortified our position in this fast-growing core segment, while the Glamour has flanked it well. We witnessed rapid market share gain in the 125cc motorcycle category and expect this trend to continue.

Concurrently, our premiumisation journey is rapidly gaining ground. The Xtreme 250R, Xpulse 210, and our collaboration with Harley-Davidson on the X440 are solidifying our presence. The new launches have received immensely positive feedback and we expect to gain momentum in FY 2025–26.

Similarly, in the scooter segment, our new launches like Destini 125 and Xoom 125 have been received with enthusiasm, which is reflected in sales momentum. Growth in the scooter category will add value for us and also increase our playing field. We will continue to deliver differentiated products in the segment to continue our new growth journey.

Our transformation isn't limited to what we manufacture; it's also about how we engage with the customers. A clear signal of our intent in this segment. With our premium retail network, Premia has grown to 80 stores across the country, we are elevating the brand experience to meet the expectations of today's evolved customer. Our touchpoints are not just retail spaces; they are expressions of our brand, our values, and our bold future. Almost 90% of existing dealerships have been upgraded to Hero 2.0. This modernisation also underscores our dedication to supporting India's evolving and progressive aspirations for growth.

As the industry evolves at an unprecedented pace, we must shape what comes next. The future of mobility is not just electric, but smart, connected, sustainable, and inclusive. In this future, our EV brand VIDA is emerging as a key growth pillar.

Expanding our position in the electric vehicle (EV) category, we achieved our highest ever EV sales, growing around 200% over FY 2023–24. Additionally, we also entered the mass-segment with VIDA V2 – range of electric scooters in the sub-₹ 1 lakh category, making VIDA more aspirational accessible, and affordable.

We are already gaining market share in the EV category and with the launch of VX2, we will further elevate VIDA's value proposition. Our ecosystem with about 4,000 fast charging points and 500 service centres will aid this journey. We've expanded to over 360+ cities, gained market share, and are set to launch the VIDA VX2 with 'Battery-as-a-service' for enhanced convenience and breaking the entry barrier.

Furthermore, our global business is accelerating. With a laser-focused 80-20 strategy, we grew exports over 40%, nearly double the industry rate. Our market-specific strategy is delivering results across diverse markets like Colombia, Bangladesh, and beyond. Today, premium products contribute nearly 40% to global sales. All these are clear signals that our brand is resonating across segments and geographies.

The Parts, Accessories, and Merchandise (PAM) business remained a substantial contributor to our performance. As a result of strategic initiatives aimed at expanding this segment, a record revenue of ₹ 5,828 crore was achieved, demonstrating a growth of 8% over FY 2023–24.

Another significant milestone in this fiscal year was our foray into the electric three-wheeler category. Moving swiftly towards our vision, "Be the Future of Mobility", we acquired a significant stake in Euler Motors. This investment provides us with a strong foothold in the fast-growing electric three-wheeler market.

Our unwavering dedication to advancing all three metrics of Environment, Social, and Governance (ESG) has helped us achieve three out of six of our sustainability goals. Beyond our sustainability goals, we have inventoried more than 95% of our Scope 3 emissions, embarked upon a comprehensive energy programme to reduce consumption across our facilities and conducted biodiversity risk assessment for one of our facilities. Our governance is the foundation of our success and guided by the principles of integrity, sustainability, and excellence. We strive to foster a culture of openness, inclusivity, and responsible decision-making, aiming to deliver exceptional value to our stakeholders, including shareholders, employees, customers and the communities we serve.

Beyond conventional business and furthering our spirit of innovation, our groundbreaking innovation, the Surge S32, has been recognised as one of TIME Magazine's 100 Best Innovations of 2024. It also received the prestigious Red Dot: Best of the Best Award and won Platinum at the A'Design Awards.

As we look ahead, our ambition is clear and unwavering. We will grow ahead of the industry, scale new peaks in every category, and deepen our presence across markets while staying true to our ethos of operational excellence, customer-centricity and sustainability.

I believe that FY 2025–26 will be a year of acceleration. We will continue to expand our footprint in electric mobility, sharpen our premium play, unlock new value in the core segment, and push deeper into international territories. We will continue to grow as a workplace that is built on values and committed to excellence.

Our singular mission is to 'leap ahead with purpose' while ensuring greater focus on building long-term stakeholder value.

Thank you for your continued trust and support. Together, we ride into the future.

Warm Regards

Vikram S. Kasbekar
Executive Director and Acting Chief Executive Officer

Leading the Way **in Mobility**

We are Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters for 24 consecutive years. We have been a transformative force in the global two-wheeler industry, enabling personal mobility at scale while redefining value, trust, and innovation.

Since our inception in 1984, we have sold over 124 million two-wheelers across more than 48 countries, driving aspirations and progress worldwide. Guided by our vision, we combine advanced technology, customer insights, and strategic foresight to deliver accessible, sustainable, and future-ready mobility solutions.

FY 2024-25 was a defining year for us. We expanded our global footprint by entering new markets such as the Philippines, launched segment-leading products, and accelerated innovation across our product range, digital platforms, and customer experience.

From pioneering mobility in India to advancing international motorsports, we remain committed to shaping the future of mobility responsibly, inclusively, and at scale.

48
Countries

124 mn+
Happy customers

11,000+
Customer touchpoints worldwide

41
Years of trust and leadership



www.heromotocorp.com

Vision
BE THE FUTURE OF MOBILITY

Mission
CREATE | COLLABORATE | INSPIRE

Values
PASSION | INTEGRITY | RESPECT | COURAGE | BEING RESPONSIBLE



Designed for **the Future**

We design our portfolio around our riders-their journeys, ambitions, and evolving lifestyles. From trusted commuters to tech-forward motorcycles, scooters and premium machines, every model reflects our commitment to performance, engineering excellence, and innovation. In FY 2024-25, we expanded our portfolio to meet what today and tomorrow's customers truly value.

Practical Range

Efficient, accessible, and trusted by millions—our commuter backbone.

HF Deluxe



HF 100



Passion+



Splendor+



Splendor+ XTEC



Splendor+ XTEC 2.0



Executive Range

For the rider who wants more—
comfort, style, and smarter mobility.

Passion Pro



Passion XTEC



Super Splendor



Super Splendor XTEC



Glamour XTEC



Glamour Canvas



Performance Range

Where engineering meets adrenaline—
for riders who want to lead.

Xtreme 125R



Xtreme 160R



Xtreme 160R 4V



Karizma XMR



Xpulse 200 4V



Xpulse 210



Xtreme 250R



Mavrick 440



Scooters

Built for modern lifestyles, powered by personality.

Xoom



Xoom 125



Xoom 160



Destini Prime



New Destini 125



Pleasure XTEC+



Electric and Innovation Lineup

Sustainable, smart, and built for what is next.

VIDA V2 PRO



VIDA V2 PLUS



VIDA V2 LITE



Strategic Launches

In FY 2024-25, we strengthened our portfolio with targeted launches that reinforced our presence across key two-wheeler segments.

In the scooter category, we enhanced our urban mobility offerings with the launch of the Xoom 125, Xoom 160, and an upgraded Destini 125. These models offer a compelling mix of performance, advanced technology, and contemporary design, tailored for modern city riders. Notably, the Xoom 160 marked our foray into the fast-growing maxi-scooter segment, featuring a 156cc liquid-cooled engine, keyless start, and advanced connectivity—meeting the evolving aspirations of premium scooter buyers.

In the premium motorcycle category, we expanded our footprint in the adventure and sport segments with the launch of the Xpulse 210 and Xtreme 250R at the Bharat Mobility Global Expo 2025. Additionally, the Karizma 250R, unveiled at EICMA 2024, reimagined a legendary nameplate with a modern, high-performance liquid-cooled engine—deepening our appeal among enthusiasts.





Harley-Davidson Collection

We ignite passion, freedom, and legacy with iconic design, powerful performance, and unmatched riding experience

Fatboy
Cruiser



Fatbob
Cruiser



Nightster Special
Sport



Sportster S
Performance Cruiser



Street Glide
Touring Bagger



Road Glide
Touring Bagger



Pan America
Adventure Tourer



X440
Mid-size Roadster

First product developed with Harley-Davidson



Heritage Classic
Softail Cruiser



Nightster
Sport



Future-ready Platforms and New Mobility

As the mobility landscape evolves, we are expanding our portfolio to include new-age platforms and models that serve diverse needs—from shared access to modular design. In FY 2024-25, two initiatives, Freedo and Surge S32, marked our push beyond conventional vehicles, into scalable, future-oriented solutions.

Surge S32: A Category-defining EV

Developed by our in-house start-up Surge EV, the Surge S32 is the world's first convertible vehicle that transforms from a two-wheeler to a three-wheeler engineered for multipurpose use. The concept has received international acclaim for its innovation, modularity, and environmental impact. Surge S32 aims to reduce vehicle footprint while increasing productivity per user. It stands as a benchmark in modular EV engineering, built for India's multi-use, high-density urban environments.

Vehicle Type
Convertible 2W–3W Electric

Target Use
Personal mobility + last-mile logistics

Awards
Platinum A' Design, Red Dot: Best of the Best, TIME Best Inventions 2024

Safety
Sensor-controlled automation and integrated tracking

Regulatory Milestone
Approved under MoRTH's new -'L2-5' category



Freedo Rentals
Transforming Shared Mobility

Freedo Rentals, our in-house startup incubated under the 'Hero Hatch' innovation platform aims to bridge the gaps in India's existing mobility ecosystem.

With growing urban congestion, high ownership costs, and the inflexibility of public transport, Freedo offers an accessible and dependable alternative by allowing customers to rent two-wheelers without any long-term commitment or upfront investment. Freedo offers flexible daily and monthly rentals, along with hassle-free long-term subscription plans under the YOR (Your Own Ride) programme, which enables customers to seamlessly transition to ownership after 18 months.

What sets Freedo apart is its application based technology platform, an ecosystem built for scalability and efficiency.

It features IoT-enabled vehicles providing real-time data, and a proprietary digital KYC mechanism with a unique Trust-Score, all designed for a smooth, secure, and user-friendly experience. Freedo also prioritizes compliance, ensuring all necessary licenses, registrations, permits, and insurance, which builds trust and ensures reliable service.

Beyond the business metrics, Freedo is making a tangible social impact by becoming a significant contributor by enabling gig workers with compliant vehicle at affordable rates. In the coming FY, the team is now geared for accelerated growth and deeper market penetration, with a larger goal of reaching 25+ cities and 50+ touchpoints by the end of FY 2025–26.

The focus will be on tier-2/3 cities and premium customer segments, while they scale the fleet to 10,000+ vehicles with an increased share of electric scooters.

Alongside, the team is developing a robust tech suite to power and simplify the rental ecosystem and move towards an asset-light model by building an aggregation platform for third-party operators.





Large Fleet of the Year 2025

Recognition from Fleet Excellence Awards 2025

13 cities
with 19 touchpoints

5,400+
Vehicles

1,00,000+
Bookings and extensions

7 lakh+
Application downloads

Over 300%
YoY fleet growth

50 mn+
kms covered

Born in India, **Built for the World**

Our manufacturing prowess is the backbone of our operational excellence, enabling us to meet diverse market demands with agility and precision. With six state-of-the-art facilities in India and one plant each in Colombo and Bangladesh, our annual production capacity stands at approximately 9.4 million units.

Sustainability Initiatives

All plants are aligned with Hero's commitment to achieve 100% carbon-neutral operations (Scope 1 & 2) by 2030.

Technological Advancements

Integration of Industry 4.0 practices, including IoT-based controls and real-time analytics, across facilities.

Manufacturing Facilities



Dharuhera
Haryana, India
Estd. 1984

2.1 mn
Annual Capacity

First manufacturing plant; pivotal in establishing Hero's production legacy.



Gurugram
Haryana, India
Estd. 1997

2.1 mn
Annual Capacity

Integrates advanced automation for efficient production.



Haridwar
Uttarakhand, India
Estd. 2008

2.7 mn
Annual Capacity

Achieved 25 million units in 11 years; features the world's largest green-roof and produces 1.95 MW of solar power.



Neemrana
Rajasthan, India
Estd. 2014

0.8 mn
Annual Capacity

Known as the "Garden Factory"; it incorporates sustainable practices and houses the Global Parts Centre.

Manufacturing Facilities



Halol
Gujarat, India
Estd. 2016

1.1 mn
Annual Capacity

Supports growing demand in Western India; utilises advanced technology and quality control systems.



Tirupati
Andhra Pradesh, India
Estd. 2020

0.4 mn
Annual Capacity

Spread over 600 acres; built on a green building concept with roads made from plastic waste, dense forest cover, and a 10 MW solar power plant.



Villa Rica
Colombia
Estd. 2015

80,000
Annual Capacity

First overseas plant; acts as an export hub for Latin America, completed a decade of operations during the year.



Jessore
Bangladesh
Estd. 2017

150,000
Annual Capacity

Joint venture with Niloy Group; caters to the growing demand in Bangladesh and neighboring markets.

Global Parts Centre (GPC)



Neemrana
Rajasthan, India
Estd. 2014

GPC brings to life the vision "No Customer has to ever wait for a Part that they Need" through India's first automated warehouse powered by ASRS, automated packaging and sorting, and advanced WMS.

R&D Facilities



Centre for Innovation & Technology (CIT)
Jaipur, India
Estd. 2016
End-to-end product development, platform strategy and cost optimisation.



Hero Tech Centre Germany (HTCG)
Munich, Germany
Estd. 2019
Premium motorcycle development, global powertrain technologies.

Accelerating **Our Reach**

In FY 2024-25, we strengthened our distribution network across India and global markets through an integrated phygital approach—combining physical expansion, digital enablement, and format modernisation. This included the rollout of elevated, premiumised retail formats designed to enhance the overall customer experience. Today, our footprint spans 48 countries, supported by over 11,000 retail touchpoints and two international assembly facilities.

Domestic Footprint

Over 8,000
Total touchpoints across urban and rural India

930+
Hero 2.0 stores (up from 418 in FY24)

320+
Green Dealerships

546
Parts and accessories retail touchpoints across regions

Hero Premia Stores 80 across the country



Note: Map not to scale.



International footprint

48 countries
Global presence

Our comprehensive global strategy involves the meticulous alignment of infrastructure, technological platforms, and talent, ensuring a consistently exceptional customer experience worldwide. This unified effort is paramount to our customer-first ethos, allowing us to effectively meet evolving market demands with seamless, premium, and immersive engagement across every facet of our customer journey.

Asia
1 Sri Lanka
2 Bangladesh
3 Nepal
4 Philippines

Central & Latin America
5 Colombia
6 Peru
7 Ecuador
8 Guatemala
9 El Salvador
10 Honduras
11 Nicaragua
12 Costa Rica
13 Panama
14 Bolivia
15 Dominican Republic
16 Argentina
17 Guyana
18 Mexico
19 Brazil
20 Trinidad & Tobago

Africa
21 Kenya
22 Tanzania
23 Uganda
24 Ethiopia
25 Burkina Faso
26 Ivory Coast
27 Angola
28 Mozambique
29 Democratic Republic of Congo
30 Madagascar
31 Liberia
32 Guinea
33 Nigeria
34 Ghana
35 Djibouti
36 Zambia
37 Mauritius
38 South Africa

Middle East
39 Turkiye
40 Dubai (UAE)
41 Iraq
42 Kuwait
43 Saudi Arabia
44 Egypt
45 Qatar
46 Oman
47 Bahrain
48 Jordan

Why We Are a Strong **Investment Choice**

At Hero MotoCorp, we continue to offer a compelling investment proposition, underpinned by our robust market leadership, strategic investments in innovation, and a strong balance sheet. FY 2024-25 marked significant strides in premiumisation, global expansion, and sustainable mobility, reinforcing our position as a leader in the two-wheeler industry.



The Two-Wheeler Industry Is on the Rise

India's GDP grew a healthy 6.5% in FY 2024-25, propelled by robust public infrastructure spending and a revival in rural consumption. Amidst a positive economic backdrop, the Indian two-wheeler market also demonstrated notable resilience and expansion in FY 2024-25, achieving a commendable 9% year-on-year increment in wholesale dispatches.

The industry's U-shaped recovery, which commenced in FY 2022-23, continued its robust momentum in FY 2024-25, underpinned by propitious demand conditions in both rural and urban segments. Significantly, rural markets demonstrated a notable resurgence, outperforming growth rates observed in urban areas. Strong demand experienced during the festive period further amplified this positive trajectory.

In FY 2025-26, the Indian two-wheeler industry is poised to build upon the growth trajectory observed over the preceding three fiscal years. This optimistic outlook is underpinned by several factors, viz. a strengthening of rural demand, recovery of demand in the core motorcycle and scooter markets, a sustained acceleration in the adoption of electric vehicles (EVs), and an anticipated higher growth rate within the premium motorcycle segment

Rural Demand Remains Our Backbone

Rural India continued to drive industry growth, with two-wheeler demand rising 8%—outpacing urban markets. This was backed by good monsoons, higher MSPs for crops, and increased employment under government schemes. Our rural strategy continues to give us a strong edge. Today, Hero MotoCorp has over 8,000+ customer touchpoints across the country, supported by 546 genuine parts distributors. In FY 2024-25 alone, we opened a record 660+ new outlets, many in Tier 3 and 4 towns. Our wide network and affordable, reliable products make us the most trusted mobility brand in rural India.

We Are the Market Leader

We retained our position as India's largest two-wheeler maker, closing FY 2024-25 with a domestic ICE market share of 29.5%. In the final quarter, our market share in the entry segment climbed to 65%, our highest in over a year. Splendor+, our flagship in the 100cc Deluxe segment, hit an all-time high market share of 82.6%. In the 125cc category, the newly launched Xtreme 125R captured 8% of the market share in its debut year, helping us regain share in this segment after seven years. We also made progress in scooters—Xoom 125, Destini 125 drove strong footfall and conversion growth.

29.5%
Our ICE market share in India's two-wheeler segment

India Trusts the Hero Name

Over the years, our name has become a symbol of trust—especially in the heart of India. Whether it's daily commutes, rural roads, or first-time riders, we are the first choice for millions. This year, our brand campaigns struck a strong emotional and aspirational chord—like "Best Ab Aur Bhi Behtareen" for Splendor XTEC 2.0 and the "Challenge the Xtreme" campaign with Virat Kohli. Our retail transformation continues with over 930+ Hero 2.0 stores and 80+ Hero Premia outlets now active across 73 cities. These stores offer a modern, digital-first buying experience and bring our premium offerings closer to India's evolving customer base.

We Continue to Invest in Future-ready Innovation

FY 2024-25 was a standout year for product innovation. We filed 170 patents and received 335 global approvals. Our models are now fully compliant with OBD2-B emission norms. We also introduced India's first Flex-Fuel prototype in the 125cc range, capable of running on ethanol blends up to E85. Our electric offering—VIDA V2 is loaded with connected features, smart charging, and performance that makes it future-ready. And we have conducted full Life Cycle Assessments for 76% of our sales volume ensuring our products are as sustainable as they are reliable.

76%
of our sales volumes went through Life Cycle Assessment as effort towards sustainability

We Made a Strategic Investment in Euler Motors

In a major step forward, we invested ₹ 510 crore in Euler Motors in May 2025, acquiring a 34.1% stake. Euler manufactures electric three- and four-wheeler commercial vehicles and is present in 30 cities across India. This partnership helps us enter the fast-growing commercial EV space, expand our portfolio beyond two-wheelers, and explore new growth opportunities in logistics and fleet electrification. It fits perfectly with our long-term vision of leading sustainable mobility across formats.

₹ 510 crore
Investment in Euler Motors to expand our presence in EV Segment.

Our Financials Remain Strong and Flexible

Hero MotoCorp believes in responsible financial management. We continue to operate with a strong, low-debt balance sheet and steady cash flows. Our focus remains on investing where it matters most—products, customer experience, and future technologies. In FY 2024-25, our Parts, Accessories and Merchandise business grew 8% year-on-year to ₹ 5,828 crore. We also scaled our digital capabilities, launched the Hero Sampark app for parts distribution, rolled out AI-powered dealer tools, and strengthened our retail finance platform, DigiFin.

₹ 5,828 crore
PAM revenue

Premiumisation Is Gaining Real Momentum

This year marked a turning point in our premium journey. We launched high-performance motorcycles like Xpulse 210 and Xtreme 250R, all designed for customers seeking performance, style, and technology. Our Hero Premia network, which now spans 80 outlets, is delivering a curated premium experience across India's top cities. These stores also showcase models from our Harley-Davidson and VIDA portfolios. We plan to further grow this segment in FY 2025–26 with upcoming launches like the Karizma 250, and a new variant of the Harley-Davidson X440.



Steering Growth with **Vision and Integrity**



1 **Dr. Pawan Munjal**
Executive Chairman

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

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

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

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

6 **Ms. Camille Tang**
Non-Executive & Independent Director
RMC SCSR

7 **Prof. Jagmohan Singh Raju**
Non-Executive & Independent Director
AC NRC SCSR

8 **Air Chief Marshal B. S. Dhanoa (Retd.)**
Non-Executive & Independent Director
NRC AC SRC

9 **Mr. Rajnish Kumar**
Non-Executive & Independent Director
SRC RMC

10 **Mr. Vikram S. Kasbekar**
Executive Director & Acting Chief Executive Officer
RMC AC

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

● Chairman ○ Member



Dr. Pawan Munjal,

Executive Chairman, Hero MotoCorp

Global Statesman of Mobility | Champion of Sustainable Innovation

Dr. Pawan Munjal is one of India's most transformative industrialists—a global leader in mobility and a pioneer of purpose-driven innovation. As Executive Chairman of Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters for 24 consecutive years, Dr. Munjal has reimagined an iconic Indian brand into a future-ready, global enterprise. His guiding philosophy—"Be the Future of Mobility"—has positioned Hero MotoCorp at the forefront of clean, smart, and inclusive transportation, touching over 124 million customers across 48 countries.

Under Dr. Munjal's leadership, Hero MotoCorp became the first Indian two wheeler brand to cross 100 million units in cumulative sales—an unprecedented milestone in the global automotive industry. The company's manufacturing footprint spans eight advanced facilities across India, Colombia, and Bangladesh, supported by innovation hubs in Jaipur and Munich. With more than 11,000 customer touchpoints worldwide, Hero MotoCorp combines engineering excellence, cutting-edge design, and sustainability to deliver world-class products and services.

At the helm of Hero's electric mobility journey, Dr. Munjal launched VIDA, Powered by Hero, marking a bold foray into the electric vehicle segment. The VIDA electric scooter, backed by over 3,600 charging stations, has quickly become one of India's top five EV brands. In 2025, Hero MotoCorp deepened its commitment to electric innovation with the introduction of the VIDA VX2 EVOOTER and Battery-as-a-Service—reshaping the future of urban mobility. Strategic investments in start-ups like Ather Energy and the launch of the Surge S32—the world's first vehicle that transforms from two wheels to three in minutes, recognised by TIME as one of the Best Inventions of 2024—underscore Dr. Munjal's focus on next-generation mobility solutions.

Dr. Munjal has also forged transformative global alliances that strengthen Hero's premium positioning. The partnership with Harley-Davidson led to the creation of the iconic H-D X440, blending classic design with Indian engineering. Simultaneously, the collaboration with Zero Motorcycles promises to redefine premium electric mobility for a new generation of riders.

Sustainability lies at the heart of Hero MotoCorp's ethos under Dr. Munjal's leadership. The company has achieved 100% zero waste-to-landfill, 500% water positivity, 95% product recyclability, plastic-free manufacturing, and 45% carbon neutrality. Hero is the only Indian two-wheeler company listed on the Dow Jones Sustainability Index, ranking among the top four global auto firms. Through its 'Hero We Care' CSR platform, the company impacted over 8.47 million lives in FY 2024-25 through initiatives in education, healthcare, women's empowerment, biodiversity restoration, and road safety.

A passionate advocate for sports, Dr. Munjal has elevated India's sporting landscape globally. He has championed golf, motorsports, hockey, cricket, and para-sports, believing in their power to foster discipline, character, and national pride. Hero MotoCorp's long-standing association with prestigious golfing events—such as the Hero World Challenge with Tiger Woods, Hero Indian Open, and Hero Dubai Desert Classic—reflects his commitment to making India a respected name in global sports. His support for the International Hockey Federation and India's para-athletes demonstrates his dedication to inclusivity and sporting excellence.

Under Dr. Munjal's guidance, Hero MotoSports Team Rally made history with a podium finish at Dakar 2024 and victory in the FIM World Rally-Raid Championship, while the company's partnerships with the Paralympic Committee of India and the Mary Kom Boxing Foundation have empowered differently-abled athletes and promoted grassroots sports.

Dr. Munjal's leadership is distinguished by a fusion of technology, sustainability, social impact, and global vision. He continues to shape the future of the mobility ecosystem while inspiring a new generation of leaders. His leadership has earned him numerous accolades, including the AIMA JRD Tata Corporate Leadership Award, Best CEO—Auto Sector by Institutional Investor and Business Leader of the Year by The Economic Times. He also holds honorary doctorates and has been repeatedly recognized for his contributions to business, design, sustainability, and sports.

Dr. Munjal's journey is one of purpose-driven leadership—where enterprise meets empathy, technology serves humanity, and mobility powers a sustainable, inclusive future. Through Hero MotoCorp, he continues to ride with India, for the world, fuelling innovation, progress, and prosperity.



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.



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 25th Chief of the IAF (January 1, 2017 to September 30, 2019).

When he was 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 & Rashtriya Indian Military College (RIMC) Dehradun he joined the National Defence Academy (NDA) in June 1974. He later graduated from the 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. & HMC MM Auto Ltd.



Mr. Vikram S. Kasbekar

Executive Director and Acting Chief Executive Officer

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, & Supply Chain, Chief Technology Officer (CTO), Head of Global Product Planning before becoming the first employee of the 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 of Directors and Audit Committee.

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

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 Limited 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 - Two Wheeler Committee and serving as the Chairman of Greenco Delhi Chapter and also contributes to the Manufacturing Council of CII.



Ms. Camille Tang

Non-Executive and Independent Director

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

As Co-Founder, President and across multiple senior roles, Ms. Tang led Convenient Power, a wireless power technology startup, to 28 world first's with applications across automotive, consumer electronics, infrastructure, medical and health, mobile phones, surfacing materials and wearables. She co-founded and co-chaired 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, Continental Grain in strategy, trading and investment, risk management, marketing, operations, corporate communications, government relations and security; in luxury and consumer retail with Blanc de Chine and Macy's California. Milestones include 2 industry first's in Chinese luxury retail.

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

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



Ms. Vasudha Dinodia

Non-Executive Director

Ms. Dinodia is a successful third-generation entrepreneur from the eminent Munjal Family. She is the Founder & 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.



Mr. Pradeep Dinodia

Non-Executive Director

Mr. Dinodia is an astute finance professional with immense business acumen. He is the Chairman and Managing Partner in 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 field of taxation, finance and corporate governance.

An alumnus of the St. Stephen's College and also a law graduate from the Delhi University. Mr. Dinodia also serves as the Chairman of Shriram Pistons & Rings Limited, Non-Executive Director at Hero FinCorp Limited and DCM Shriram Limited. He is a member of various committees of these Boards and the Chairman of some of the committees as well.



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 South-East 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 Massachusetts Institute of Technology and a Master's degree in Business Management from the Wharton School of Business, University of Pennsylvania.



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 awards 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 is an MBA from the Indian Institute of Management (IIM), Ahmedabad, and has 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.



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 technology 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. & Brookprop Management Services (P) Ltd. He is non-executive Chairman of Master Card (India) & Resilient Innovations (BharatPe).

Forging the **Path Ahead**



Mr. Vikram S. Kasbekar
Executive Director and Acting Chief Executive Officer



Mr. Vivek Anand
Chief Financial Officer



Mr. Sanjay Bhan
Executive Vice President – Global Business, Global Product Planning and Market Insights



Mr. Ram Kuppuswamy
Chief Operations Officer – Manufacturing – Plant Operations



Ms. Pooja Yadava
General Counsel



Mr. Ashutosh Varma
Chief Business Officer – India Business Unit



Resources — Inputs

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.

₹ 19,807 crore
Net worth

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

8 Manufacturing locations
2 R&D centres
9.4 mn units
Production capacity

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

₹ 1,039 crore
(2.5% of revenue)
Total R&D spend
1,172 Patents

People
Our employees, their skills and expertise are pivotal in achieving the organisational aspirations. We promote innovative ideas, through tailored training and development initiatives.

9,527 Total employees
10,57,316 Training hours

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

11,000+
Customer touchpoints (worldwide)
339 Suppliers
₹ 1,248 crore A&P spend
₹ 80.54 crore CSR spend

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

31.8%
Renewable energy consumption
16.7%
Recycled input material used in product manufacturing



STRATEGIC PRIORITIES

- Grow the Core
- Win in Premium
- Build EV Leadership
- Diversify revenue streams
- Build a Future-fit Organisation
- Drive ESG



Value Chain

World-class R&D Facilities
CIT Jaipur and Hero Tech Centre Germany campuses offer integrated facilities for new product design, prototype manufacturing, testing, and validation.

Sustainable Supply Chains
Sourcing of materials from partners following 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.

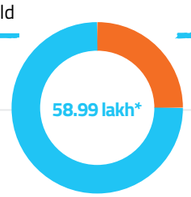
After Sales Service
Engaging with customers throughout their product usage journey.

Branding and Marketing
Establishing our brand with association of passion, energy, and confidence.

Output

54.76 lakh
Motorcycles sold

4.23 lakh
Scooters sold



29.5%
Domestic ICE Two-wheeler market share

* includes: EV scooters: 0.59 lakh, Global business: 2.87 lakh

Outcome — SDG Mapping

₹ 40,756 crore Revenue
₹ 4,610 crore PAT
₹ 231 Earnings per share
₹ 165 Dividend per share

42.6% Motorcycle market share
5.5% Scooter market share
6.1% EV market share (March - 2025)
12 New product launches
(7 Domestic, 1 EV and 4 Global Markets)

170 Patents filed

1,042 New recruits
13.2% Gender diversity
0.24 LTIFR

89.9 Customer experience index
329 New customer touchpoints opened
99% Customer complaints resolved
63.5 Net promoter score

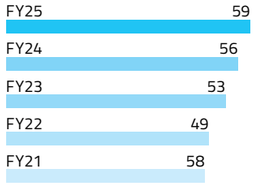
151% more renewable energy used for FY 2024-25
5,04,528 kl Water recycled (64.31% of total water consumption)
497 lakh kWh Renewable energy generated

Riding Forward **with Resilience**

Financial

Sales Volume (lakh units)

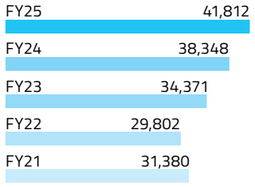
59



Sales volumes advanced further in FY 2024-25 to **59 lakh units**, led by healthy traction in the scooter and premium segments, expanding rural demand, and continued product refreshes.

Total Income* (₹ crore)

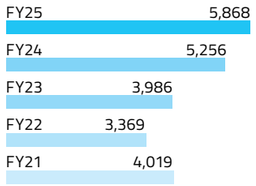
41,812



Total income touched **₹ 41,812 crore** in FY 2024-25, reflecting consistent growth across segments, a richer model mix and effective pricing strategies.

EBITDA (₹ crore)

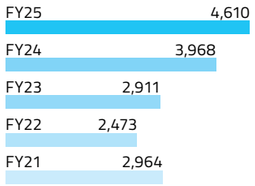
5,868



EBITDA improved to **₹ 5,868 crore**, supported by higher operating leverage, favourable product realisations, and better cost control.

Profit After Tax (PAT) (₹ crore)

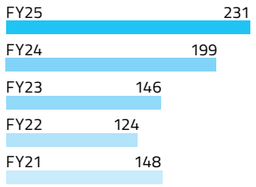
4,610



PAT stood at **₹ 4,610 crore,** reflecting our continued ability to enhance profitability through a sharper focus on value-added products and operational efficiencies.

Earnings Per Share (EPS) (₹)

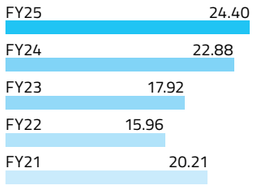
231



EPS increased to **₹ 231**, driven by robust earnings growth and our continued commitment to enhancing shareholder returns.

Return on Average Equity (RoAE) (%)

24.40

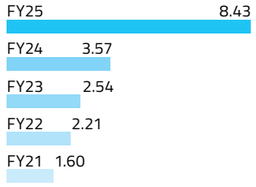


RoAE improved further to **24.40%,** supported by higher profitability and consistent return-focused capital allocation.

Non-financial

Renewable Energy Intensity (kWh/Vehicle)

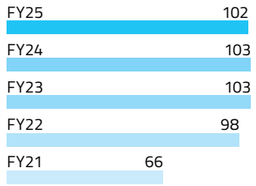
8.43



Our transition to sustainable operations gathered pace, with renewable energy intensity rising to **8.43 kWh/vehicle**, reinforcing our journey toward carbon neutrality.

Specially Abled Workforce (Headcount)

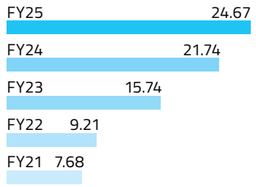
102



The number of specially abled employees are **102**, underscoring our commitment to creating an inclusive and accessible workplace.

Lives impacted through Ride Safe India (lakh)

24.67



Our Ride Safe Training Programme touched **24.67 lakh** beneficiaries (cumulatively), strengthening road safety awareness across geographies and demographics.



We delivered a strong financial performance in FY 2024-25, achieving our highest ever revenue and profit, and reinforcing Hero MotoCorp's leadership for the 24th consecutive year. This outcome reflects our disciplined fiscal approach and sharp strategic focus across core and emerging segments. Growth was broad-based, with robust momentum in premium motorcycles, scooters, and electric vehicles—supported by network expansion and investments behind growth priorities. Exports outpaced industry trends, and we further strengthened our premium retail footprint while making inroads into key international markets.

Looking ahead, we remain confident in the industry's near-to-mid-term outlook. Tailwinds such as revised income tax slabs, easing interest rates, rural recovery, and a favorable monsoon forecast will further support demand. We are well-positioned to capitalise on these trends and create long-term value for all stakeholders.

Vivek Anand
Chief Financial Officer

*Total income includes revenue from operations and other income

Driving **Excellence**

FY 2024-25 was a year of remarkable operational achievements and transformational strides for Hero MotoCorp. From record production and sales milestones to digitalisation, quality excellence, cost optimisation, and sustainability gains, we laid a strong foundation for future growth. The third cycle of Hero NEXT initiative, continues to deepen our commitment to world-class operational standards, nurturing a culture of continuous improvement and employee engagement.



Key Operational Achievements in FY 2024-25

Record Production Milestones

Haridwar Plant

35 mn

Cumulative Vehicles

On January 6, 2025, the Haridwar plant celebrated a landmark achievement—surpassing 35 million cumulative vehicle production, underscoring the plant's exceptional resilience and unmatched output consistency.



Halol Plant

5 mn

Cumulative vehicles

Halol plant crossed the 5 million cumulative production milestone on November 18, 2024, reflecting its rapid ramp-up and operational maturity since inception.

Tirupati Plant

50K units

of Vida Electric Scooter

On September 28, 2024, Hero MotoCorp's electric flagship product, Vida EV, hit a significant landmark—exceeding 50,000 units in cumulative production. This achievement highlights our strategic pivot toward electric mobility and the growing consumer acceptance of EV two-wheelers.



Festive Season Production & Sales Excellence

Despite a challenging macro-environment, the company exceeded its production targets in the festive window driven by seamless collaboration and execution across teams. This translated into a 13% YoY growth in sales during the 32-day festive season. This not only boosted market share but also underscored our ability to respond rapidly to consumer demand.



GPC (Global Parts Centre) Business

GPC delivered its highest-ever annual turnover registering a YoY growth of 8%. This performance reflects robust aftermarket demand and our strengthened parts distribution network.

Diversity & Inclusion

Pinkathon 3.0

More than 300 female employees from across sites laced up for Pinkathon 3.0, an India wide run promoting women's health and wellness. This active involvement underscored the Company's commitment to fostering a healthy and vibrant workforce, encouraging camaraderie and a shared sense of purpose among participants.

HM5V "Best Practices for Gender Diversity"

HM5V won the INSAAN Excellence Award for "Best Practices for Gender Diversity," recognising initiatives that support women's careers in manufacturing.

International Women's Day @ HM3H

HM3H hosted a large scale "International Women's Day" celebration on March 7-8, 2025, underscoring women's contributions. Concurrently, HM3H operationalised B shift for female team members—boosting overall plant diversity by roughly 5%.

Awards and Certifications

In a testament to our commitment to excellence, several of our plants received prestigious accolades in 2024-25:

Gurugram Plant

Honoured with the Sword of Honour and a Five-Star Rating award by the British Safety Council. It was also recognized as the first Gold-Blue Rated unit in the Automobile sector under CII's Blue Rating System.

Dharuhera Plant

Awarded the Gold Award in the "Quality Sustainability Award 2024" National Finals organised by the Indian Society for Quality. This marks a significant first for HM1D.

Haridwar Plant

Secured second prize at the prestigious IMTMA Productivity Championship Awards 2024.

Neemrana Plant

Won a Gold Award at the CII National Maintenance Circle Competition.

Halol Plant

Achieved the Platinum Award in the 10th CII Competition on Low Cost Automation.

Tirupati Plant

Earned both the Platinum and Silver Awards in the 50th CII National Kaizen Competition.

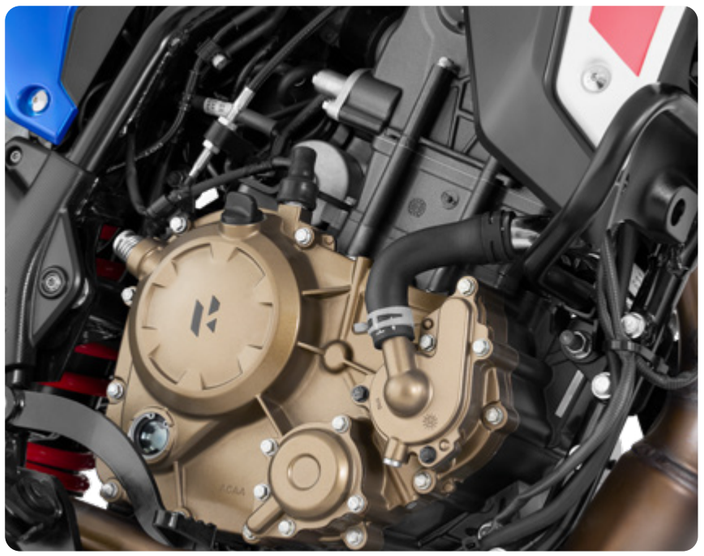
GPC

Received the Platinum Award in the Innovative Practices Category at the 9th CII National Competition on Digitalisation, Robotics & Automation.

In addition to these prestigious accolades, our manufacturing facilities garnered over 50 awards in various INSAAN and CII competitions.

Digitalisation in Operations: Driving Efficiency and Quality

The strategic digitalisation of our operational processes remains paramount to enhancing overall efficiency and elevating product quality across Hero MotoCorp, with notable progress achieved through several strategic initiatives. These initiatives are strategically focused on critical engine parts quality enhancing the reliability of other vital parts. We are leveraging IoT with connected machines and utility cockpits for real-time insights and controls. Our commitment to quality extends to best-in-class EV battery pack controls, IoT-enabled quality assurance with advanced equipment and embedded Poka-yoke, and comprehensive battery safety controls.



Cost Optimisation Initiatives

We spearheaded cost optimisation focusing on initiatives like:

Improving Capacity Utilisation

Minimising energy use of machines when idle and aligning production with demand.

Establishing Process Controls and Retrofits

Fixing leaks in compressed air systems, upgrading insulation on furnaces and ovens to reduce heat loss leading to significant waste elimination, yield improvement and productivity enhancements.

Upgrading Technology

Utilising robots, establishing camera based inspection, introducing heat pumps instead on conventional boilers to reduce emissions, automation for lighting, solar streetlights, BLDC fans, and composite fiber fans in cooling towers.

Implementing Cost Reduction Ideas in EV

Reducing Battery pack rejection and optimising glue consumption.

Additional cost savings were achieved through line balancing, cycle time improvements, debottlenecking, automation projects across plants.

Sustainability

Strategy for Carbon-neutral Operations

Hero MotoCorp is committed to achieving Carbon Neutral Operations by 2030, a goal supported by a comprehensive renewable energy strategy designed to significantly reduce Scope 2 emissions. This strategy encompasses the integration of on-site captive solar plants, the procurement of off-site solar and wind power through wheeling agreements. Concurrently, annual energy conservation initiatives are rigorously implemented to curtail overall energy demand.

Regarding renewable energy capacity, our operations integrate 11.5 MWp of distributed captive solar installations across India. Additionally, 2 MW of wheeled renewable energy is utilised at the Halol plant, and the Haridwar plant operates exclusively on grid-supplied green power.

Water Positive Facilities

In FY 2025-26, we proudly achieved our target by becoming 500% water positive—a testament to our unwavering commitment to environmental stewardship. This achievement is the result of a comprehensive strategy that goes beyond regulatory compliance, combining efficient water management within our operations and community-centric initiatives beyond our plant boundaries.

Zero Waste-to-Landfill Operations

Building on the momentum from achieving 100% zero waste-to-landfill across all operations in FY 2023–24—a year ahead of target—Hero MotoCorp successfully maintained this status in FY 2025-26, reinforcing our commitment to sustainable resource management and circularity.

Strategic Priorities

ICE EV Transition

Hero MotoCorp is strategically leading the electric mobility transition by manufacturing advanced battery packs and Vida electric scooters at its state-of-the-art facility in Sri City, Andhra Pradesh. This plant boasts a fully integrated, highly automated assembly line dedicated to in-house battery pack production. The meticulous crafting process involves individual cell testing and sorting, plasma treatment, resistance welding, BMS assembly and testing, and secure housing integration. Each assembled pack undergoes rigorous end-of-line testing, simulating dynamic charge-discharge cycles to easily surpass the ever stringent government safety norms. Our battery pack manufacturing lines are continually enhanced to boost capacity and support new model introductions.

In FY 2024-25, we implemented an innovative cell holder design with a fixed honeycomb structure for improved mechanical stability. This was complemented by the addition of a new production line and the upgrade of an existing one to manufacture this next-generation battery pack. Looking ahead to FY 2025–26, our team is committed to deepening its expertise in advanced battery manufacturing processes. A significant emphasis will be placed on overall capability development, both internally and with our business partners, to secure our leadership position in the evolving EV two-wheeler market.



Powering **Ahead!**

Hero MotoCorp, a global mobility leader is redefining the two-wheeler landscape, with a commanding presence across 48 countries and having a diverse product portfolio that is tailored to meet the unique demands of each market. Guided by a powerful purpose we provide transformative mobility solutions that go beyond transportation, driving progress, uniting aspirations, and empowering people. It is not just about riding, it is about moving the world forward, together.

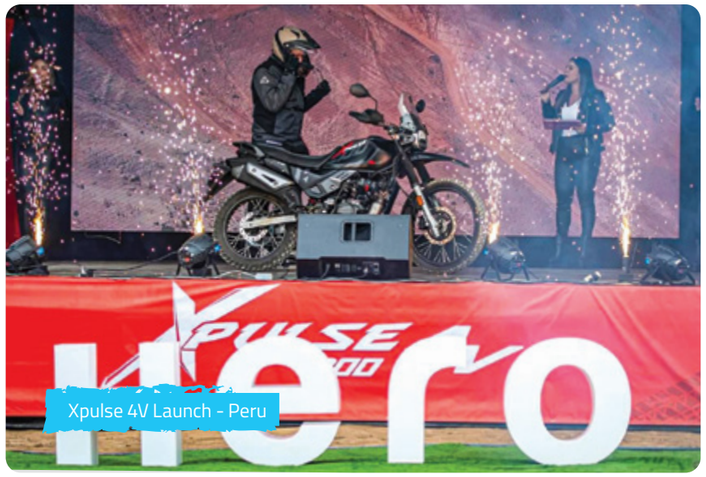



Bangladesh - Karizma Karnival

Our commitment to quality, innovation, and sustainability forms the bedrock of our global operations. With deep customer insights, strong partners, and sharp local execution, we are building a leading global brand and shaping the future of mobility, proudly carrying forward the legacy of India on the world stage.

Fiscal Year 2025: A Year of Renewed Momentum and Strategic Expansion

FY 2024-25 marked a year of remarkable transformation and growth for Hero MotoCorp's Global Business Unit. Strategic initiatives included launch of new models, increasing network penetration, and improving customer experience, and led to substantial growth in dispatches & increase in market share. The strong performance reflects HMCL's focused efforts in delivering market-fit products, expanding its global footprint, and strengthening its offerings in multiple segments.



Xpulse 4V Launch - Peru

Snapshot

2,87,429 units
Dispatched
+43.05% y-o-y

6.8%
Global market share
+100 bps

In Nepal, HMCL made a successful re-entry, supported by a strategic partnership with the local partner and the establishment of a world-class assembly facility. This move enabled the company to reclaim over 10% of the market share. The introduction of the Xoom 110 and Xtreme 125R, supported by the customer-first "Hero Sure" programme, received an overwhelming response -setting the stage for sustained growth in this key market.

Colombia maintained its strong growth momentum, recording a 66% increase in dispatches reflecting HMCL's agility in responding to the evolving customer preferences. The launch of youth-centric models like the Hunk 160R 4V and the Xpulse 200 4V struck a strong chord with the market, reinforcing Hero MotoCorp's position as the preferred brand in Colombia's dynamic two-wheeler market.

Bangladesh witnessed a sharp 44% increase in dispatches, driven by new product launches. The rollout of Next-Gen Hero 2.0 showrooms across the country, coupled with focused brand building initiatives has significantly enhanced customer experience and strengthened brand loyalty.

In Mexico, HMCL strategically realigned its product portfolio to cater to the premium segment , introducing models like the Hunk 160R 4V, Xpulse 200 4V, and the upcoming Hunk 250R strengthening its foothold among the discerning customers.

In Nigeria early signs of recovery are visible, with groundwork underway to build a robust ecosystem in collaboration with the local partner and expand Hero's brand presence.

In the Philippines initial success was driven by strong performance of the Xoom 110, Xpulse 200 4V, and Hunk 160R. Continued investments in digital platforms are enhancing customer engagement and operational efficiency, positioning HMCL for sustained growth in the region.


Fanfaro Event - Nigeria

FY 2025–26 Outlook: Accelerating Growth, Expanding Horizons

As HMCL enters FY 2025–26, HMCL aims to build on the strong momentum of FY 2024-25, through a sharp focus on market diversification, innovation, and customer-first execution. HMCL is strategically positioned to enter high-potential markets like Brazil and deepen footprint across Africa through region-specific product and strong local partnerships.

To elevate customer engagement, HMCL is revamping its retail presence with modern, experience-driven NextGen Hero 2.0 outlets, offering personalised services, advanced digital touchpoints, and immersive brand interactions. The ongoing rollout of these outlets, along with an expanding network, is central to strengthening accessibility and long-term loyalty.

Digital transformation remains a cornerstone of growth, with new-age DMS and LMS platforms being deployed across key markets including Bangladesh, Sri Lanka, Philippines, Colombia and Guatemala.

In Europe, HMCL is preparing for a calibrated entry, aligning product strategy with rising demand for both internal combustion engine (ICE) and electric vehicle (EV) models. By delivering innovative and high-value mobility solutions, HMCL aim to create a distinct positioning in this evolving market.

In Sri Lanka, HMCL is working to re-establish the Company as a trusted and preferred brand, leveraging its strong legacy with tailored products to meet local needs.

Global Presence

48 countries
Global market served

5.7%
Share of International Revenues in Total Revenue

43.05% YoY
International dispatch growth

4 new models
Launched in global markets



38%
Share of premium motorcycles in exports

2
Countries with manufacturing operations (Colombia & Bangladesh)

New and Strengthened Markets in FY 2024-25



Philippines
Official market entry, plant launch in Laguna, and local assembly



Nepal
Re-entry in April 2025; regained double-digit market share



Colombia
66% YoY growth; new model launches including Hunk 160R 4V, Xpulse 200 4V



Bangladesh
44% dispatch growth; expansion of Hero 2.0 showroom format



Mexico
Portfolio realignment to focus on premium segments



Africa
Ongoing development in Nigeria through partner-led retail expansion


Barranquilla Carnival - Batalla de Flores


Captured from EICMA


Xpulse 200 4V Launch - Costa Rica


Hunk 150 Xtec Launch - Guatemala

Building India's **Premium Riding Culture**

With the launch and market expansion of the Harley-Davidson X440, we took a bold step towards democratising the iconic Harley experience. This mid-weight roadster, engineered for Indian roads but retaining the unmistakable Harley DNA, has become a gateway for a new generation of riders seeking authenticity, performance, and presence.



Turning India On To The Call Of The Road

The Harley-Davidson X440 was launched in 2023, to bring a whole new generation of brand enthusiasts into the fold. Co-developed by Harley-Davidson and Hero MotoCorp, this classic middle-weight roadster was built while preserving iconic Harley DNA. Designed as a gateway for the young rider seeking authenticity, performance, and presence, the Harley-Davidson X440 delivered on all fronts—and then some. It not only met expectations but also ushered in life of freedom and adventure that lies at the heart of the brand.

The X440: A Star is Born

Following its debut, the H-D X440 notched up an exceptional market response. Offered in multiple variants to suit wide range of rider preferences, the H-D X440 promised to deliver an ideal blend of performance, comfort, and classic Harley-Davidson styling. By the end of FY 2024-25, it had firmly positioned itself as a category disruptor, enabling the brand to engage a younger audience with a promise of participation in its 122 year old legacy of self expression and transformation.

Shared Journeys, Shared Dreams

A signature of the Harley-Davidson lifestyle is the sense of brotherhood it inspires - a value we preserved and celebrated with the X440 launch. Staying true to the global ethos, we placed strong emphasis on building community and deepening brand engagement.

The maiden India Rides, held on Republic Day and Independence Day, brought together riders from across the country, marking their initiation into the Harley way of life. With over a thousand X440 owners, these rides fostered a shared identity and a lasting sense of belonging.

With the Destination X: Factory Tour to the Hero Neemrana Plant that offered a look into the bike's production and reinforced pride of ownership, we launched the Destination X series, which offered curated riding experiences across iconic routes - from the rugged landscapes of Ladakh to the scenic trails of Munnar, Goa and Jaisalmer. Blending scenic exploration, product immersion and rider bonding, these journeys have become powerful brand rituals, strengthening customer loyalty and amplifying word-of-mouth advocacy.



Making a Mark on India's Biggest Stage

The Harley-Davidson X440 further cemented its presence in the country with its Flat Track Racing debut at India Bike Week (IBW) 2024. Making a powerful impression, the H-D X440 demonstrated both its visual appeal and dynamic performance, winning praise from motorsport and lifestyle communities alike.

These on-ground activations were amplified by the nationwide "Find Your Freedom" campaign, which spanned digital, television, outdoor, print and experiential formats - positioning the H-D X440 as a powerful symbol of self-expression and personal independence.

A Retail Experience Befitting The Brand

While the legacy Harley-Davidson dealerships welcomed the H-D X440 open-heartedly, our retail footprint continued to expand with the growth of the Hero Premia network - exclusive outlets designed to deliver a premium, brand-aligned experience. These stores feature dedicated display zones, personalised service, curated merchandise, and access to unique ride experiences. The Premia format ensures that every customer interacts with the brand Harley-Davidson through the length and breadth of the country.

The Road Ahead

The Harley-Davidson X440 has reshaped brand perception, catalysed premium market growth, and forged a unique riding culture that bonds Harley owners together. We are committed to building on this momentum moving forward.

FY 2025–26 will see

- **Mass-media campaign amplification of H-D X440**
- **Deeper penetration through the strategic growth of Premia outlets**
- **More curated ride experiences through Destination X**
- **Strategic product collaborations aligned with Harley-Davidson's long-term vision for India**

The Gamechanger Year

FY 2024-25 was a landmark year. Hero MotoSports rose as a dominant force in global and national rally racing—clinching its first FIM World Rally-Raid Championship and excelling in India's circuits. With standout performances by Ross Branch and the debut of the Hero XPulse Rally 210, the team showcased resilience, innovation, and marked the dawn of a new era in rallying excellence.

World Champion





Snapshot of the International Racing Events

Rally Raid Portugal 2024	▪ Overall Runners-up ▪ Top-10 finish	▪ 1 stage win ▪ 3 stage podiums
Desafio Ruta 2024	▪ Overall 5th place finish	▪ 2 stage podiums
Rallye Du Maroc 2024	▪ Overall 5th place finish ▪ 1 stage win	▪ 1 stage podium
Rallye Du Maroc 2024	▪ Ross Branch wins 2024 Fim World Rally-Raid Championship (W2RC)	
Dakar Rally 2025	▪ Overall 7th place finish	▪ 5 stage podiums
Abu Dhabi Desert Challenge 2025	▪ Overall 6th place finish	▪ 2 stage podiums

Nacho Cornejo Joins Hero MotoSports

In April 2024, Hero MotoSports strengthened its roster by onboarding Chilean rally ace José Ignacio 'Nacho' Cornejo. With nine Dakar appearances, which includes six Top-10 finishes, and nine stage wins, the winner of FIM Cross Country Rallies Junior Championship 2016 brings proven pedigree. After six successful years with Honda Racing, Nacho's entry marks a bold step in Hero's quest for global rally dominance.



Rally Raid Portugal – May 2024

Making its debut on the World Championship calendar, Rally Raid Portugal 2024 unfolded across the rugged terrains of Portugal and Spain. Hero MotoSports' Sebastian Bühler clinched his maiden World Championship podium, finishing second overall with one stage win and two podiums. Ross Branch secured sixth, retaining his lead in the championship. Their performance kept Hero MotoSports atop the manufacturer rankings after Round 3 of W2RC 2024.

Overall Runners-up
1 Top-10 finish
1 Stage Win
3 Stage Podiums



Desafío Ruta 40 – June 2024

Hero MotoSports delivered a strong performance at the 2024 edition of Desafío Ruta 40. In just its second outing at the event, the team braved over 3,100 km of rugged Argentine terrain spanning Córdoba, San Juan, and La Rioja during the challenging winter season. Ross Branch led the charge, finishing 5th overall, followed by teammates Sebastian Bühler in 7th and Nacho Cornejo in 9th in the Rally GP class. The demanding stages, marked by harsh weather, long liaisons, and intricate navigation, tested riders to the limit. Branch's finish helped him retain his overall W2RC lead for a third straight round, holding a 9-point advantage.

Overall 5th Place Finish

Two Stage Podiums



Rallye du Maroc – October 2024

The final round of the 2024 World Championship witnessed Hero MotoSports demonstrating remarkable teamwork and determination. Despite Sebastian Bühler's early exit due to a crash in Stage 2, Ross Branch and Nacho Cornejo navigated challenging terrains and adverse weather conditions to secure a fifth-place overall finish. Cornejo's selfless support for Branch, who was vying for the World Championship title, exemplified the team's unity and strategic prowess.

Overall 5th Place Finish

One Stage Win

1 Stage Podium

The 2024 World Championship Triumph

Hero MotoSports made history in 2024 by becoming the first Indian manufacturer to win the FIM World Rally-Raid Championship, ending KTM's eight-year reign. Ross Branch's stellar consistency, including a 2nd place overall finish at Dakar, powered this landmark achievement, highlighting the team's relentless drive, strategic excellence, and rise to global rallying prominence.



Dakar Rally – January 2025

Hero MotoSports concluded Dakar 2025 with a commendable seventh-place overall finish, its second-best result in nine years. Nacho Cornejo led the charge, maintaining a Top-10 position throughout the rally and showcasing exceptional consistency. The team's journey was marked by challenges, including early exits of Ross Branch and Sebastian Bühler due to crashes. Nevertheless, the Hero 450 Rally bike demonstrated impeccable reliability, completing the gruelling 7,700 km route without a single technical issue.

Overall 7th Place Finish

5 Stage Podiums



Abu Dhabi Desert Challenge – February 2025

Building on his strong Dakar showing, Nacho Cornejo delivered an impressive sixth-place overall finish at the 2025 Abu Dhabi Desert Challenge. With teammate Ross Branch forced to retire early due to technical issues, Cornejo carried the mantle for Hero MotoSports—completing every stage in the Top 10 and claiming two stage podiums. His performance earned 24 valuable points, securing sixth place in the overall W2RC standings. The rally's reworked route, featuring over 60% new terrain, posed fresh challenges, demanding high adaptability and endurance from all riders.

Overall 6th Place Finish

2 Stage Podiums



Domestic Racing Events



Indian National Supercross Championship (INSX) 2024

Hero MotoSports continued its winning momentum in the INSX 2024. Karan Kumar dominated the Novice Group B category with victories from Rounds 3 to 6, securing the overall championship title. Arun T also showcased remarkable consistency, winning the Bhopal round and finishing as the first runner-up in the overall Indian Experts Group B class.

Winner
Indian Novice - Group B

1st Runner-Up
Indian Experts - Group B



Indian National Rally Championship (INRC) 2024

Hero MotoSports made a powerful impact in the INRC 2024, competing across five major locations—Nashik, Chikmagalur, Bangalore, Hyderabad, and Coimbatore. Arun T etched his name in history by winning the Group B category in Rounds 2 and 4, breaking competitor's eight-year dominance. In the Ladies category, Tanika Shanbhag was unstoppable, winning all five rounds and clinching the overall championship title with a flawless performance.

Winner
Round 2 & Round 4 - **A historic milestone, breaking our main competitor's eight-year winning streak in this category for the very first time.**

Winner
Ladies Class

1st Runner-up
Group B



SJOBA Rally 2025

Hero MotoSports won the SJOBA Rally 2025. Arun T emerged as the overall winner and Group A champion, while Karan Kumar finished runner-up in Group A. Yuva Kumar secured second place in Group B, and support rider Somyya Chaudhary claimed top honours in the Ladies Class. The rally also saw the impressive debut of the Hero XPulse Rally 210, which earned praise for its performance, handling, and rugged capability on challenging terrain.

Overall winner
Team trophy

Winner
Group A

2nd Runner-up
Overall

2nd
Group B

Winner
Ladies Class

A Proud Year for Hero MotoSports

Feria 2 Ruedas Expo, Colombia – May 2024

Hero MotoSports made a powerful debut at the Feria 2 Ruedas Expo in Medellín, one of the largest motorcycle exhibitions in the Americas. In collaboration with Hero LATAM, the team showcased Dakar stars Joan Barreda and Nacho Cornejo, drawing huge crowds. The event generated over 1,500 enquiries and 152 on-the-spot sales—primarily for the Hero Xpulse.

Rally Life Bootcamps – 2024-25

To build a strong rallying culture in India, Hero MotoSports launched the Rally Life Bootcamp series — an initiative aimed at bridging the gap between riding passion and professional rally racing. The inaugural edition in Pune, led by Joaquim Rodrigues (JRod), drew over 150 enthusiastic participants. The second edition in Bangalore, led by Joan Barreda, offered hands-on training in bike handling, trail navigation, terrain reading, and roadbook usage — providing riders with a real taste of rally preparation and discipline.

As a part of this initiative, an exclusive edition of the Rally Life Bootcamp was conducted at the Hero Centre for Innovation and Technology (CIT) in Jaipur in March 2025. Designed specifically for 30 Hero Premia sales consultants, the two-day programme featured immersive sessions on Hero MotoSports' journey, detailed walkthroughs of the XPulse 200 4V, and an in-depth workshop on Rally 210 tech. The bootcamp concluded with a 42 km off-road trail ride, simulating real rally conditions and giving participants first-hand experience of the terrain and training that goes into competitive rallying.

Bharat Mobility Expo – January 2025

At the Bharat Mobility Expo 2025, Hero MotoSports showcased its championship-winning Hero 450 Rally and four XPulse Rally 200 race machines. The exhibit highlighted the brand's racing heritage and grassroots motorsport development, attracting both fans and auto industry leaders.

EICMA – November 2024

Hero MotoSports proudly showcased its championship-winning Hero 450 Rally motorcycle at EICMA 2024 — the very machine that secured the 2024 FIM World Rally-Raid Championship title. Ridden to victory by the team's star rider Ross Branch, the motorcycle was presented in all its glory, symbolising a historic achievement for the team. This first-ever feat for an Indian manufacturer made it a landmark moment of pride for Hero MotoSports and the entire nation. As a result of this monumental win, Ross Branch earned the coveted #1 plate for his bike in the upcoming season — cementing his and Hero MotoSports' place at the very top of the rally world.

Breaking New Grounds

Hero MotoSports' accomplishments in FY 2024-25 mark a defining chapter in its evolution as a global rally contender. With landmark victories, rider excellence, and immersive community engagement, the team continues to break new ground—setting benchmarks in performance, innovation, and inspiration for the next generation of motorsport talent.



Designing Tomorrow, **Responsibly**

At Hero MotoCorp, product stewardship begins long before a vehicle hits the road. In FY 2024-25, our approach evolved beyond engineering excellence — it was about creating meaningful mobility solutions that align with shifting consumer aspirations, rising sustainability benchmarks, and our long-term commitment to quality, safety, and trust.



Innovation that Begins with the Customer

We have sharpened our R&D approach to frontload consumer needs early into product development. From powertrain performance to digital connectivity, every engineering decision is designed to deliver enhanced reliability, safety, comfort, and environmental care. Our teams across the Centre for Innovation and Technology (CIT) in Jaipur and the Hero Tech Centre Germany (HTCG) in Munich collaborated to develop products that are not just relevant today, but future-ready.

170
Patents filed in FY25



Shaping a Future-Ready Product Portfolio

Our FY 2024-25 launches reflect a clear alignment with emerging customer lifestyles and performance expectations.

Xpulse 210 & Xtreme 250R : Off-road and street performers with DOHC engines, advanced suspension, and rally-inspired design

Xoom 125 & Xoom 160: Segment-redefining scooters that deliver acceleration, comfort, and smart tech

12
New models launched in FY25
India (ICE - 7*, EV - 1); International - 4

Splendor+ XTEC 2.0: A classic, upgraded with LED lighting, safety, and infotainment features



VIDA V2: An EV built around convenience and connectivity, featuring removable batteries, cruise control, and re-gen braking



Compliance Today, Competitive Advantage Tomorrow

We are one of the first OEMs in India to achieve full OBD2 Phase B and Euro V+ compliance across 45+ models. Our upgraded catalyst systems, precision calibration, and after-treatment optimisation meet the most stringent environmental benchmarks, without compromising performance.

Our R&D teams also reduced Platinum Group Metal (PGM) usage through careful emission tuning — enabling cost savings while remaining compliant.

Making Innovation Operational

Our PLM transformation, DFMEA-led design quality, and the Hero Wisdom Sphere (HWS) knowledge engine are streamlining our development processes. These tools help reduce rework, improve design robustness, and lower time to market. We are also investing in capabilities like Generative AI, simulation engineering, and right-first-time development through early supplier integration.

The Next Decade of Smart, Clean, Connected Mobility

Our R&D leadership is grounded in making Hero MotoCorp more than a vehicle manufacturer — a mobility technology company that moves responsibly, designs intelligently, and delivers with purpose.

Looking ahead, we are developing a 10-year technology roadmap anchored in:

- Customer-first product strategy
- Mass-electrification readiness
- Smart connectivity
- Circular design systems
- Operational excellence through digitalisation and supplier partnerships

Hero
CENTENNIAL ANNIVERSARY YEAR OF
DR. BRIJMOHAN LALL MUNJAL
1ST JULY 1923
HERO FOREVER

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.



* 4 ICE models launched in Q4FY 2024-25 (Xpulse 210, Xtreme 250, Karizma XMR and Xoom 125); ramp-up expected in FY 2025-26

Stories in **Motion**

This year, we evolved our marketing approach to focus on emotional connection, cultural relevance, and customer-led storytelling. From commuter trust to premium aspiration and electric mobility, our campaigns told stories of performance, freedom, and purpose.



From Launches to Movements

This year's product launches went beyond traditional formats. Every major introduction — from the Xoom series and the refreshed Destini 125 to Xpulse 210 & Xtreme 250 — was supported by experiential events, influencer collaborations, and digital-first reveals. Our experiential ride formats allowed creators and media to test features and share feedback, giving customers a transparent view into real-world performance.

Retail-led Brand Building

At the ground level, our Hero 2.0 and Premia retail formats became brand experience zones. These stores were activated with new launches, live demos, and regional campaigns, especially in Tier 2 and Tier 3 towns.

On the Harley-Davidson side of the business, the "Find Your Freedom" campaign for Harley-Davidson X440 was a standout success. Deployed across TV, outdoor, and digital, it elevated Harley's India presence while making the brand feel contemporary and accessible. The campaign was amplified with experiential rides like Destination X, Plant Tours, and India Rides, culminating in high-impact engagement at India Bike Week.

Omnichannel Engagement

We relaunched key product pages on our website with modular layouts, mobile-first optimisation, and embedded video galleries. The new Destini 125 product page, for example, featured scroll-led storytelling around mileage, performance, and design — contributing to an uptick in digital leads.

We also activated regional campaigns during high-footfall periods such as the festive season and national holidays, driving dealership traffic and test rides through geo-targeted ads, WhatsApp marketing, and video content in local languages.

Case Study

The Launch of New Destini 125

The New Destini 125 was introduced with a phased product teaser campaign across digital platforms, followed by a hands-on ride event. The product was praised by influencers for its premium design, comfort, and practicality, generating over 12 million reach and 800K+ video views organically.

12.35 mn
Reach

11 mn+
Views

Case Study

Leading EV Conversations

VIDA's communication focused on performance, practicality, and confidence — highlighting smart tech, battery convenience, and service assurance. Campaigns were centred around digital explainers, interactive demos, and ride videos to simplify the EV decision journey.



Driving Brand Equity with Connection

Across every initiative, we ensured consistency with Hero MotoCorp's larger vision — to lead the mobility transition in India and beyond. Our marketing showcased not just machines, but the stories behind them: the engineers, the riders, the rallies, and the families that make mobility meaningful.

From the Dakar Rally podium to family-focused commuter campaigns, we spoke to diverse segments with one voice — rooted in trust, aspiration and forward movement.

Challenging the Extreme with Virat Kohli

Set against the energetic streets of London, Hero MotoCorp's new campaign for the Xtreme Power Brand brings together two champions, Virat Kohli and the Hero Xtreme motorcycles. In a thrilling cinematic duel, Virat takes on challenges thrown at him with the speed, precision, and confidence that define him. Matching his moves are the Hero Xtreme 160R 4V and Xtreme 125R, power-packed machines built for performance and style. The high-octane film merges the pulse of cricket with the adrenaline of riding. Celebrating courage, control, and the joy of pushing limits, the campaign invites all to challenge the extreme and ride like a champion.

Our Engine of **Transformation**

For us, technology drives more than efficiency, it defines how we shape the future of mobility. Across the value chain — from product development and intelligent manufacturing to digital retail and after-sales — we are embedding AI, data intelligence, and smart systems to create seamless, scalable solutions.

Powering Smarter Customer Experiences

We are using technology to bring consistency, convenience, and control to our customers — across the purchase, ownership, and service journey. The launch of the One App consolidated vehicle-related services, including remote support, service booking, insurance, and connected features.

On the connected mobility front, our proprietary Hero THOR platform is now live with over 25 smart vehicle features, covering navigation, crash alert, geo-fencing, battery status, and over-the-air (OTA) diagnostics. Our Customer Data Platform (CDP) further enables precision engagement — driving over one lakh personalised cross-sell and up-sell recommendations in FY 2024-25.

Hero THOR delivers 25+ connected features using 100+ microservices.

1,00,000+
Over cross-sell opportunities created through AI-led customer segmentation



Transforming Retail and Financing Journeys

Our retail transformation has been technology-led. The Hero Sales App arms our frontline teams with AI-powered product recommendations and customer insights. At dealerships, the Hero 2.0 format integrates digital displays, showroom analytics, and smart queue management.

To simplify financing, we deployed DigiFin, our in-house digital finance platform, which aggregates multiple lenders and offers real-time eligibility and approval. Beat planning, routing, and performance tracking for our sales team are now powered by Sampark, enhancing channel productivity and reach. Sampark optimised sales routes and led to higher beat productivity across regions.

15+
Lenders integrated into DigiFin

Elevating the VIDA EV Experience

VIDA's product and ownership experience is built around digital-first interactions. From remote lock/unlock and geo-fencing to smart range estimation, customers can manage their vehicle entirely through the VIDA app.

Riders also receive tips on charging and ride style based on behavioural analytics. At VIDA Experience Centres, customers engage through touch kiosks, digital documentation, and in-app service booking — eliminating paperwork and enhancing transparency.

10,000+
Support tickets resolved digitally with zero manual intervention

Intelligent Product Development

Our R&D capabilities have been enhanced through simulation, data analytics, and AI integration. Tools like Hero Wisdom Sphere (HWS) and semantic search engines allow engineers to tap into years of product knowledge instantly. Design teams now leverage DFMEA, QFD, and Model-Based Systems Engineering (MBSE) for faster and more accurate development.

We are progressing toward a complete Product Lifecycle Management (PLM) transformation, which will centralise BOM, project timelines, and supplier collaboration. In FY 2024-25 alone, we filed 170+ patents — many enabled by AI-assisted design optimisation and simulation workflows.



AI across the Enterprise

AI is no longer a standalone capability — it is integrated across business functions. We have rolled out conversational assistants like Zeni (HR), Jedi (sales), and AI nudge engines for production and warranty ops. The Insight Hub now supports product planning with real-time consumer and market data.

Our partnership with Microsoft AI Garage led to 15+ use cases in FY 2024-25, and we have enabled GenAI access to all employees through Gemini and Azure-based tools.

AI tools supported over 30 enterprise use cases in FY 2024-25.

100% white-collar workforce now equipped with GenAI productivity platforms.

Digitising Supply Chain and Quality Ops

Technology is improving our partner ecosystem and plant operations. With tools like Contract Lifecycle Management (CLM) and Agile Pricing, we cut negotiation cycles from 90 days to 15 days. Our Digital Audit System and Supplier Quality Dashboards ensure real-time quality tracking.

The rollout of Transportation Management System (TMS) in parts logistics optimised delivery timelines and reduced outbound costs. On the factory floor, Digital Factory tools led to improved traceability, reduced waste, and better warranty performance.

19%
Decrease in warranty costs down in digital factory lines

CLM reduced contract turnaround from 90 days to just 15 days.

Cybersecurity and Compliance First

With the scale of digital operations expanding, we have prioritised security and regulatory alignment. All systems are being aligned with the DPDP Act, GDPR, and other data privacy norms. Our Security Operations Centre (SOC) now monitors IT and OT networks 24x7, supported by user training and zero-trust frameworks.

Future-ready, Data-led, AI-first

Our long-term digital vision is clear: to make Hero MotoCorp an AI-powered, connected mobility leader — where every process, platform, and product is driven by intelligence, speed, and empathy. In FY 2025–26, we will continue to build on this momentum. Our focus areas include:

- Enterprise-wide SAP S/4 HANA migration
- Rollout of PLM 2.0 for faster platform delivery
- Phase II of Digital Factory at all plants
- AI-led warehouse, sales, and parts management
- Full deployment of WMS and advanced analytics in parts and EV networks

Towards Greener Roads

With 124 million+ customers and a growing EV presence, we recognise our responsibility to lead the shift towards clean, inclusive, and intelligent transportation. In FY 2024-25, we strengthened our portfolio of sustainable products, scaled electrification, improved energy efficiency, and advanced our vision of an ecosystem that is built to last — for people and the planet.

Driving the EV Revolution with VIDA

Our electric mobility arm, VIDA, is shaping the future of two-wheeler mobility in India and globally. FY 2024-25 saw the successful launch of the VIDA V2 series in three configurations, addressing a wide spectrum of users — from performance seekers to budget-conscious riders. Backed by high-impact campaigns like Power to Move the Nation and Run Clean. Ride Clean, VIDA deepened its narrative around clean mobility, everyday convenience, and user-first tech.

Our EV footprint now spans over 500 touchpoints, and we operate India's largest fast-charging network for two-wheelers, with about 4,000 points, including interoperability with other players. The dual removable battery feature further addressed range anxiety, promoting flexible home-charging options across accommodation types.

6.1%
VIDA's highest market share was achieved in FY 2024-25

About 4,000
Fast-charging points live (highest in the industry)

11,600
Units sold during the festive peak



Pioneering with Surge S32: The Future on Three Wheels

At Hero World 2024, we unveiled the Surge S32, the world's first convertible class-changing vehicle — a modular EV that transitions from a two-wheeler to a three-wheeler in under three minutes. Backed by Hero's engineering and sustainability vision, the S32 addresses urban congestion and reduces vehicle intensity by combining personal and commercial use in one format.

Recognised globally with the Red Dot: Best of the Best and TIME Best Inventions 2024 awards, the S32 represents a new frontier in purpose-led innovation — rooted in climate action, design excellence, and inclusive access.

Created a new segment and approved under MoRTH's new L2-5 EV classification.

Greener Platforms. Cleaner Products.

Beyond EVs, we are building low-carbon, future-compliant engine platforms. Our models — from Splendor FE to Xpulse 210 — now integrate lightweight designs, ethanol compatibility and BS6/OBD-2B compliance.

Flex Fuel Innovation
Developed a 125cc E20–E85 flex-fuel prototype

OBD-2B Compliance
Achieved across 45 models/variants in record time

Heat-resistant Powder Coatings
Eliminated harmful solvents from key product lines

Cradle-to-grave LCA
Conducted for 75% of volumes across 4 models (HF Deluxe, VIDA, HD X440, Splendor+)

1,500 tons+
of carbon savings delivered via lightweighting and material changes

95%
Product recyclability (AIS 129 compliance is 80%)

All Tier-1 suppliers are 100% RoHS-compliant.

LCA completed for 75% of annual volumes.



A Future Charged with Purpose

As India's largest two-wheeler maker and a global mobility leader, we are committed to powering progress that is inclusive, intelligent, and environmentally sound. Our roadmap for sustainable mobility is clear and bold:

- Launch of Flex Fuel-ready and international VIDA models
- Expansion of EV production and service footprint across India
- 100% carbon neutral operations by 2030
- 95% product recyclability by 2025
- 100% green dealerships by 2030

Fuelling the Future, **Delivering Today**

In FY 2024-25, the Hero MotoCorp Procurement team led a major transformation—powering the launch of 43 new models and enabling record festive season production of 13.02 lakh vehicles. Through high-impact initiatives like the LEAP, and strategic partner engagement efforts, including 15 technology showcases, we significantly enhanced efficiency and reinforced the resilience of our supply chain.

Delighting Customers with Innovative New Models

FY 2024-25 began with a surge in product developments, where the Procurement team played a pivotal role in driving innovation and ensuring timely execution. We supported the development of multiple New Product Development (NPD) programmes, enabling the launch of several models—including key introductions like the Karizma XMR, Xtreme 250, XPulse 210, Destini 125, Vida V2, and Xoom 125. We also ensured seamless procurement to support the mandated transition to OBD-2 (Phase B) emission standards across all models.

To meet the growing demand for our flagship Xtreme 125, we scaled the daily production by 3X from April 2024 to October 2024 by multi-sourcing and expanding capacity with existing partners. This rapid ramp-up contributed to a 3.7% increase in market share in the 125cc segment.

Our strong supplier collaboration enabled several industry-first innovations. These include the use of decal wet slides for easier application and improved finish, and in-mould emblem technology—a first in the Indian two-wheeler industry—introduced with the Spl Xtec Next Gen for enhanced durability and aesthetics.



We also supported the integration of Traction Control and Off-road/On-road ABS features in new models—another first. Additionally, we secured a patent grant from the Government of India for an innovative lock assembly developed through our sourcing efforts.

Availability and On-Time Delivery

The Procurement team played a critical role in supporting Hero MotoCorp's exceptional production and sales performance in FY 2024-25, especially during the festive season. We exceeded our festive production target, contributing to record-breaking sales during the 32-day festive period.

Our agile and responsive supply chain management also enabled scale-up in electric vehicle (EV) production, model-specific milestones included the highest-ever monthly production of Splendor Plus units and Xtreme 125R units.

Driving Efficiency and Eliminating Waste

In FY 2024-25, we brought a renewed sense of energy and discipline to our cost-efficiency efforts, with exceptional collaboration between Procurement, R&D, Finance, and various business units, along with strategic engagement across our supplier ecosystem.

Key initiatives that drove this success included supplier and design workshops, teardown cost benchmarking, strategic sourcing deals primarily with proprietary suppliers, consolidation of suppliers and logistics network optimisation.

These initiatives not only strengthened our bottom line but also further supported our EBITDA margins, particularly in our premium and scooter segments.

Building a Future-ready Partner Ecosystem

Recognising the unique quality and capability requirements of the premium and EV segments, we developed a focused programme to identify and onboard high-potential partners. We crafted a robust assessment framework encompassing key parameters such as financial strength, customer and product portfolio, design and technology capabilities, manufacturing excellence, quality systems, and talent strength.

Using a combination of self-assessments and on-ground evaluations, we scored and classified partners based on their capabilities—successfully identifying world-class suppliers aligned with our future vision.

This programme lays a strong foundation for FY 2025–26, with clear next steps: expanding the partner pool by 50%, implementing targeted development actions, and setting up an internal council dedicated to partner capability enhancement.

Mitigating Risk Across the Ecosystem

In FY 2024-25, the Procurement team demonstrated exceptional agility and proactive risk management to ensure supply chain resilience and uninterrupted production. A key highlight was the successful onboarding of new partners for a dedicated cast wheel setup—achieved in just 7 months, significantly ahead of the typical 15-month lead time.

Further de-risking our supply chain, we drove critical localisation efforts for injector & fuel assembly, cell busbar and fork pipe localisation.

These initiatives collectively strengthened our domestic supply base, minimised risks, shortened lead times, and ensured consistent production flow.



Strengthening Partner Connect

Throughout FY 2024-25, the Procurement team actively fostered strong, trust-based relationships across our partner network. Our efforts were validated by a Net Promoter Score (NPS) of 75% in the partner feedback survey—measured across communication, production and processes, digitisation, innovation, sustainability, and strategic alignment.

We deepened engagement through multiple initiatives:

- Hosted monthly business connect meetings with Tier-1 partners to maintain alignment and address challenges in real time
- Organised 15+ Tech Shows that allowed partners to present innovations and explore emerging technologies

Additionally, we successfully hosted the 2nd Logistics Partner Meet in December 2024, welcoming over 100 logistics partners. The event celebrated excellence, with 15 Strategic Critical Partners (SCPs) recognised for their outstanding contributions—reinforcing our commitment to long-term collaboration and shared success.

Building a Future-ready and Engaged Organisation

In FY 2024-25, the Procurement team made strong progress toward building a future-ready, agile, and inclusive organisation. Our focus on diversity yielded tangible results, with the team's gender diversity ratio improvement reinforcing our commitment to creating a more inclusive and balanced workplace.

To foster continuous learning and upskilling, we launched the Digital Learning Hub. Featuring curated modules from internal and external sources, the Hub drives a culture of continuous learning.

Key Recognitions

- Won a silver award for the category "Procurement Transformation Trailblazers" at the 2024 ET Now Supply Chain Summit
- Ranked as the "Top Supply Chain Team in the 2W segment" at the 3rd Auto Supply Chain Summit organised by iSCM
- Secured a nomination in the World Procurement Awards for the "Top Procurement Team award"



Expanding Accessory Offerings

In FY 2024-25, we introduced 40 new accessories across seven new models—marking several firsts for Hero MotoCorp. These included premium offerings such as the centennial box, aluminum pannier boxes, rear top boxes, frame slider kits, and aluminum floor mats. We also collaborated closely with institutional clients to develop and supply 12 specialised vehicle models, built to their custom specifications and delivered with seamless integration and timely execution.

Driving ESG Progress Across the Supply Chain

The Procurement team made significant headway in advancing Hero MotoCorp's ESG agenda. In FY 2024-25, we achieved a ~16.9% reduction in water impact—well above the 5% target—through more than 104 initiatives focused on water conservation and harvesting.

We also met our 5% carbon reduction goal by executing 296 decarbonisation projects in close collaboration with our supplier network. To strengthen visibility and accountability, we developed a comprehensive digital platform to track and monitor ESG performance across our supplier base, fostering a data-driven approach to sustainable progress.

Simplifying and Digitising Key Procurement Processes

FY 2024-25 marked a major leap in the digital transformation of Procurement processes, aimed at improving transparency, efficiency and control.

Contract Lifecycle Management

We implemented the CLM system for all indirect contracts in November 2024, reducing the turnaround time (TAT) by 80%. Full coverage across all contracts is targeted by April 2025.

Fire & Safety Compliance

We deployed a digital tool for fire and safety audits across 100+ partners, enabling real-time data capture, automated reporting, and faster non-compliance closure.

QAV Digitisation

We optimised and digitised the Quality Assurance Verification process, reducing the number of stages from 5 to 3, thus improving the process efficiency. This allowed one-click data access and enabled better adherence to self-QAV submissions from partners as well as QAV closures.



Riding the Wave of **Economic Momentum**

With the Indian economy poised for sustained growth, the two-wheeler industry is set for robust expansion. This growth is driven by increasing per capita income, the revival of rural demand, and improved credit accessibility.

Growing Demand for Premium Bikes

The premium two-wheeler segment is expected to post a robust growth over coming years. This surge is driven by multiple factors, including rising GDP per capita, rapid urbanisation, increasing digital adoption, a growing middle class, and favourable demographics, particularly a large and aspirational youth population.





→ Our Response

Our immediate focus is to deepen market penetration and establish a strong foothold in the premium segment. We aim to consistently reinforce Hero's identity as a brand synonymous with premium quality and innovation. To achieve this, we are strategically investing in brand building through high-impact product launches, elevated channel experiences, and active engagement within the rider community.

Our Hero PREMIA dealerships are a testament to this commitment—setting new benchmarks in customer experience and retail excellence. Simultaneously, we are upgrading our service centers to deliver a seamless, premium aftersales experience, ensuring brand consistency across every customer touchpoint.



Digitalisation

Digitalisation has fundamentally transformed how two-wheelers are bought and sold in India. Today's customers, empowered by widespread smartphone access and faster internet, are gravitating toward immersive digital journeys—browsing virtual showrooms, exploring 360-degree product views, and customising their bikes online. From vehicle selection to financing, the entire purchase process is now seamlessly accessible at their fingertips. This shift is not only enhancing convenience but also democratising access, extending the brand's reach well beyond metros into rural and semi-urban markets.

→ Our Response

We continue to invest in digital solutions to deliver a seamless and differentiated experience throughout the customer lifecycle. Key initiatives include the launch of a dedicated mobile application designed to simplify and enrich the ownership journey. Complementing this are our efforts to strengthen physical touchpoints and expand our presence on leading e-commerce platforms—ensuring customers can engage with the brand effortlessly, across both digital and offline channels.

Rise of Electric Two-Wheelers

Indian consumers are increasingly embracing electric two-wheelers, driven by lower total cost of ownership and a rising awareness of environmental sustainability. This shift is gaining momentum with strong policy support, most recent is the full exemption of customs duty for making lithium-ion batteries. The continued advancement in lithium-ion battery performance, coupled with declining costs, is enhancing the appeal of EVs. Additionally, the rapid development of swappable battery ecosystems and the steady expansion of public charging infrastructure are expected to further accelerate growth, solidifying electric two-wheelers as a vital pillar in India's mobility future reach well beyond metros into rural and semi-urban markets.



→ Our Response

We began our electric mobility journey with the launch of the VIDA range in FY 2022-23. In FY 2024-25, we updated the range with the launch of V2 range, offering three variants. We are consistently strengthening the brand, expanding our network, and enhancing customer experience. Vida is now available across 360+ cities with a pan-India charging infrastructure across 280+ cities. Strategic partnerships and collaborations were forged to further strengthen our EV ecosystem, reinforcing our commitment to a cleaner, smarter mobility future.

Prioritise Safety

Safety has become a cornerstone of India's evolving automobile landscape. Recognising the need to reduce road accidents and enhance rider protection, the government has instituted stringent regulations mandating the inclusion of essential safety features in two-wheelers—most notably Anti-lock Braking Systems (ABS) and Combined Braking Systems (CBS). These advancements not only elevate the baseline safety standards across vehicle categories but also reflect a broader industry commitment to fostering safer roads and more responsible mobility.

→ Our Response

We prioritise innovative safety technologies, integrating them into our products to ensure our riders enjoy enhanced security, confidence, and peace of mind on every journey.



Ease of Ownership

The growth of the industry has been significantly enabled by the expanding support of banks and non-banking financial companies (NBFCs). These institutions have driven ease of ownership through their wide-reaching networks, simplified documentation, flexible repayment options, digital integration, and competitive interest rates. Additionally, government-led initiatives aimed at boosting rural incomes have further revitalised demand, especially in non-urban markets, reinforcing the momentum across the segment.

→ Our Response

Our retail finance platform aims at simplifying vehicle financing for our customers. Currently integrated with 15+ leading financiers and accessible through key dealers, the platform offers a wide array of financing options. Customers can easily compare rates and terms, streamlining decision-making. The ability to apply online or through our dealerships marks a significant improvement over traditional processes, offering greater convenience and flexibility.



Embedding Resilience for **Sustainable Growth**

In today's dynamic business environment, risk management is not just a safeguard, it's a strategic enabler of sustainable growth. Our Enterprise Risk Management (ERM) framework ensures a structured and proactive approach to identifying, assessing, and mitigating risks across our operations. Rooted in our core values, culture, and stakeholder commitment, the ERM framework drives business resilience while fostering risk awareness at all levels of the organisation.

By integrating risk management into our decision-making processes, we not only enhance mitigation but also uncover potential opportunities. These are further assessed and actioned by business functions, ensuring a balanced, opportunity-driven approach to risk. The framework covers all enterprise-level risks—strategic, operational, regulatory, and technological—addressing both internal and external factors through early warning indicators and timely responses.

Integrated Enterprise Risk Management Framework

At Hero MotoCorp, we employ an integrated Enterprise Risk Management (ERM) framework that ensures a structured, proactive approach to risk management across all functions. Risk Champions, appointed within business units, work closely with the central Risk Team led by the Chief Risk Officer (CRO). Strategic direction is provided by the Risk Steering Committee (SteerCo), comprising CXOs. Oversight and governance rest with the Risk Management Committee (RMC). This three-tiered structure enables effective risk identification, mitigation, and decision-making across functions, geographies, and levels of the organisation.



Key Enterprise-level Risks and their Mitigation

Risk	Impact	Mitigation Measures
Regulatory Complexity	▪ Constantly evolving regulations require continuous adaption, leading to increased compliance costs ▪ Frequent regulatory changes may cause operational disruptions and require process realignment	▪ Proactive regulatory monitoring and active engagement with industry peers and regulators ▪ Strengthen internal compliance frameworks and agile adaption of operational processes
Global Uncertainty	▪ Trade restrictions, sanctions, and geopolitical conflicts may disrupt supply chain and market access ▪ Currency fluctuation and economic instability in key global markets could impact revenue and profitability	▪ Cost and regulatory sensitivity analysis for global markets to anticipate risks and adjust strategies ▪ Financial planning and risk coverage to mitigate the impact of market volatility ▪ Implement marginal price adjustments aligned with competitive market trends to maintain profitability
Cybersecurity and Info-confidentiality	▪ Loss of sensitive data and increased risk of system intrusions ▪ Compromised confidentiality leading to reputational and legal consequences	▪ Strengthened cybersecurity infrastructure and real-time threat monitoring ▪ Enhanced data encryption, access control, and regulatory compliance
Managing ICE-EV Transition	▪ Higher than-expected adoption of EV two-wheelers could impact market trends ▪ Potential decline in sales of ICE engine two-wheelers if the transition continues	▪ Adapt market strategies to align with evolving customer preferences ▪ Investment in EV technology and product diversification
Supply Chain Disruption	▪ Higher procurement costs lead to greater pressure on margins ▪ Supplier instability due to financial stress, capacity constraints, or geopolitical factors	▪ Strengthening supplier diversification and develop alternative sourcing strategies ▪ Implement proactive supplier due diligence ▪ Provide support to financially stressed suppliers to ensure sustenance and long-term partnership
Business Continuity	▪ Disruptions to critical operations due to unforeseen crises ▪ Financial and reputational damage due to the inability to maintain service continuity	▪ Comprehensive business continuity and crisis management plans ▪ Familiarising critical business functions with the plans ▪ Regular business continuity testing, cross-functional response training, and process alternatives

During the year, we have reinforced our risk management framework to align with regulatory norms and evolving business models. As part of this effort, we updated our Risk Management Policy to reflect current business needs and risk landscapes.

Culture of Risk Awareness

To embrace a culture of risk awareness from day one, we introduced introductory risk management sessions for new joiners, fostering risk-based thinking. Additionally, the Risk Team launched regional sessions on risk management, crisis management, and business continuity, reinforcing a risk-aware culture and promoting informed decision-making across all levels and regions.

The Risk Team initiated risk registers with critical business functions to develop their respective functional risk registers, to ensure a bottoms-up, structured, and, proactive approach to risk identification and mitigation. The Functional Risk Registers (FRR) have been initiated first for key functions, these will be extended across the organisation.

As we continue on the journey of risk management, we now cascade risk awareness initiatives across different teams and regions. Our business continuity planning efforts continue, as we collaborate with all critical functions to develop tailored continuity strategies ensuring resilience for the evolving environment.

Note: The risk-related information outlined in this section is not exhaustive. Some statements may be forward-looking and are subject to uncertainties that could cause actual results to differ materially from our expectations. While our risk management framework takes a proactive approach to risk mitigation, potential adverse impacts on our business may still arise if risks materialise. Additionally, our business, operating results, or prospects could be affected by risks and uncertainties currently unknown to us or considered immaterial at present.



ESG Review

ENVIRONMENT

Focus Areas

Energy Efficiency
Water Stewerdship
Zero Waste to Landfill

SOCIAL

Focus Areas

People

Capability Development
Diversity & Inclusion

Community

Environment
Equity for All

GOVERNANCE

Focus Areas

Code of Conduct
Ethics
Policies

Hero for the **Planet**

At Hero MotoCorp, sustainability isn't a choice, it's our commitment. We are driving meaningful change by embedding green practices across our operations. From achieving carbon neutrality to advancing water conservation and minimising waste, our environmental initiatives reflect our resolve to shape a cleaner, greener, and more responsible future in mobility.

Robust Environmental Governance and Policy Integration

Hero MotoCorp's revised Environmental Policy reflects our firm commitment to addressing evolving climate challenges and engaging stakeholders meaningfully. It emphasises minimising environmental impact across our value chain and is applicable to all employees, suppliers, and partners. The policy is periodically updated to remain aligned with global best practices and regulatory norms.

Oversight of environmental performance lies with our apex Sustainability and Corporate Social Responsibility (SCSR) Committee, which ensures sustainability principles are embedded in strategic decisions. The committee conducts quarterly reviews and allocates resources to drive environmental initiatives.

All our manufacturing facilities are ISO 14001 certified, underscoring our adherence to internationally recognised environmental management standards. We also prioritise capacity building through focused training programmes on air quality, GHG emissions, waste, and water management, empowering our workforce to contribute actively toward our environmental objectives and long-term sustainability goals.

Striving towards Carbon Neutral Operations

Hero MotoCorp is committed to achieving 100% carbon-neutral operations (Scope 1 & 2) by 2030 through a well-defined, multi-pronged strategy. This includes improving energy efficiency, expanding the use of renewable energy, and deploying effective carbon offset mechanisms. We are also actively addressing Scope 3 emissions by engaging suppliers and dealers through structured initiatives such as the Sustainable Partner Development Programme and the Green Dealer Development Programme. During the year, on-site audits were conducted to evaluate their environmental performance and accelerate the transition to more sustainable practices.

19,938.23 tCO_2
Scope 1 emissions in FY 2024-25
3.38 $KgCO_2$ per

70,546.53 tCO_2
Scope 2 emissions in FY 2024-25
11.96 $KgCO_2$ per

18,940,829 tCO_2
Scope 3 emissions in FY 2024-25
3,210.24 $KgCO_2$ per

Driving Energy Efficiency

Effective energy management is central to Hero MotoCorp's journey toward carbon neutrality and long-term sustainability. Our structured approach focuses on reducing consumption, improving efficiency, and increasing the share of renewable energy across operations.

Key Initiatives in Energy Management

Energy Audits & Monitoring

- Regular audits help identify inefficiencies, set measurable energy-saving targets, and track progress against defined benchmarks

Energy Efficiency Projects

- Deployment of automation and optimisation systems
- Installation of energy-efficient machinery and equipment
- Implementation of targeted energy-reduction measures across facilities

Renewable Energy Transition

- On-site solar power plants at multiple manufacturing units
- Hybrid renewable energy model operational at our Halol facility
- Our Haridwar facility powered entirely by a renewable-energy grid, achieving 90% carbon neutrality at the site

497 lakh kWh
Renewable energy consumed in FY 2024-25

31.8%
Renewable Energy % in FY 2024-25

36,167.27
tCO_2 emissions avoided through RE in FY 2024-25

Water Stewardship

In FY 2025, we achieved a significant milestone by becoming 500% water positive, reinforcing our leadership in water sustainability. This landmark accomplishment reflects our deep commitment to reducing freshwater dependency and replenishing local water resources.

To drive water efficiency, comprehensive water audits were conducted at four manufacturing plants, identifying opportunities to conserve over 150 KL of freshwater annually through source reduction, recycling, and reuse initiatives.

Simultaneously, targeted employee training programmes were rolled out to instill a culture of water conservation across all levels of the organisation.

Together, these initiatives demonstrate our ability to go beyond regulatory requirements, setting new benchmarks in water stewardship and delivering measurable, long-term impact for communities and the environment.

100%
Zero Waste Water Discharge Facilities

0.13 KL/vehicle
Freshwater intensity in FY25

64.31
% of total water recycle & reuse (KL) in FY25

Ahead of Time in Achieving Zero Waste to Landfill Target

Hero MotoCorp has successfully met its Zero Waste to Landfill (ZWL) target ahead of schedule, diverting over 99% of operational waste from landfills and incineration. This milestone reflects our commitment to circularity and responsible resource management.

Key enablers of this achievement include:

- Robust waste segregation systems at source
- Regular waste audits to identify improvement opportunities
- Actionable waste reduction plans with measurable outcomes
- Strategic investments in recycling and innovative waste-to-value solutions
- Comprehensive employee training to embed waste-conscious practices
- Integration of recycling and upcycling programmes across operations

100%
of our manufacturing facilities and offices are single-use plastic free-certified

100%
of our manufacturing facilities are Zero Waste to Landfill certified

3.23 kg/
Waste Intensity (Hazardous and Non-hazardous)

Racing Ahead with **Our People**

At Hero MotoCorp, our team of 9,527 employees is our greatest strength. Their passion, purpose, and perseverance fuel our progress. United by shared values and a bold vision, we are building a culture that empowers individuals and drives collective success across every level.

9,527 Employees	**~13%** Share of women in the team	**39** years Average age of the team



Capability Development

We believe that investing in our people is key to driving sustained long-term growth. Beyond a structured tiered development approach, we adopt a multifaceted strategy—enhancing capabilities through training programmes, on-the-job learning, and special projects. This ensures our diverse workforce remains agile, empowered, and ready for the future.

First-Time People Manager (FTPM) Programme

Transitioning from individual contributor to manager is a pivotal career moment. Our First-Time People Manager (FTPM) programme is crafted to enable a seamless shift into managerial roles by building foundational leadership capabilities. This 60-day journey blends a 2.5-day in-person session with learning modules and group coaching. Focus areas include situational leadership, personality assessments, performance management, interview skills, and internalising Hero's core values. In 2024, we successfully developed 96 new managers through this programme.

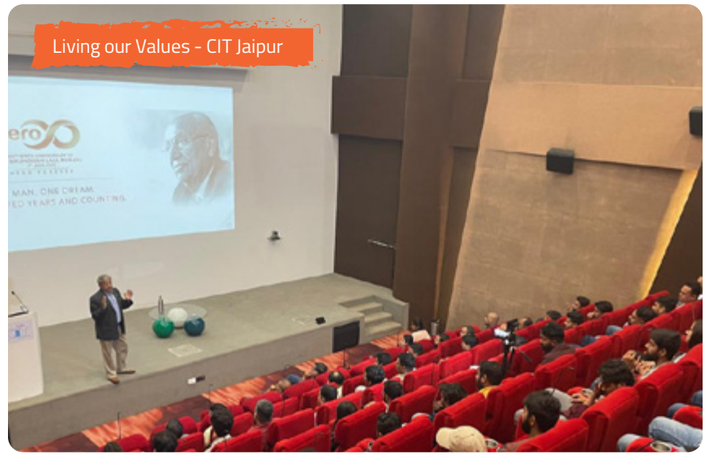
Captured from SheRides initiative

Hero MBA

To empower our mid-level leaders with strategic and managerial expertise, the Hero MBA is offered as an executive education programme in partnership with BML Munjal University (Delhi NCR) and BITS Pilani (non-Delhi NCR). Spanning two years, this initiative combines academic learning with practical application and embedded assessments. Fifteen participants are currently enrolled, benefitting from structured skill development and career-focused guidance.

Women in Leadership (WIL)

The nine-month Women in Leadership (WIL) programme is tailored to address the unique challenges women face on their leadership journeys. It helps participants build executive presence, lead with purpose, overcome limiting barriers, and embrace innovation and growth. In its eighth edition, the programme introduced a new nomination process led by Functional Heads across locations for junior/middle manager. During the year, 22 participants from across Hero MotoCorp are undergoing the programme. Its effectiveness is tracked through feedback, academic evaluations, and Action Learning Project outcomes.



Living our Values - CIT Jaipur

Hero B.Tech for Working Professionals

In collaboration with BITS Pilani, we launched the Hero B.Tech programme in July 2024, a four-year degree tailored for working professionals. This initiative reflects our belief in lifelong learning and aims to upskill employees in technical domains. Ten Hero MotoCorp professionals are currently pursuing this degree, staying ahead of evolving industry demands.

Visionary Leaders for Manufacturing (VLFM)

We continue to develop future leaders in manufacturing through our partnership with CII's Visionary Leaders for Manufacturing (VLFM) programme. This prestigious initiative builds advanced leadership skills, global perspectives, and innovation-driven thinking. Four high-potential employees are nominated annually, culminating in an immersive study visit to Japan to learn from world-class manufacturing excellence.



WIL 2025 Convocation

Living Our Values

Honouring the legacy of our Chairman Emeritus, our Living Our Values sessions reinforce the principles that define Hero MotoCorp—integrity, ingenuity, innovation, culture, and ethos. These internal sensitisation programmes, curated by senior leaders, were conducted in two phases in 2024, engaging 469 employees across the organisation.

Leadership Development Framework

With a future-focused vision, we have built a robust leadership development framework tailored to three tiers: leading self, leading teams, and leading the organisation. These programmes integrate academic learning, experiential exposure, and Action Learning Projects—empowering individuals to evolve into agile, strategic, and transformational leaders.

Diversity & Inclusion

Our Ongoing Commitment to Diversity, Equity, and Inclusion

Building on the strong foundation laidin the previous financial year, FY 2024-25 marked deeper integration of Diversity, Equity, and Inclusion (DE&I) across our operations and culture. Our commitment to a workplace where everyone feels valued, respected, and empowered remains steadfast, as we expanded our initiatives to foster a more inclusive and equitable environment for all.

Our DE&I framework is centred on creating a truly inclusive ecosystem, continuing to guide our actions.

A Core that Promotes Inclusion in Action

From creating inclusive hiring practices to attract a diverse talent pool to creating a conducive environment based on mentorship programmes and career advancement opportunities.



Inclusive Ecosystem

This entails training programmes on Unconscious Bias, sensitisation workshops and to promote empathy, mutual respect as well as creating space for collaboration and belonging.

Leadership Accountability for building an inclusive workplace and for encouraging leaders to sponsor employees and take accountability for their growth within the organisation.

Growing Impact of Our Initiatives

35.23%
Increase in joining of women in FY25

100%
Women returned from maternity leave

27.15%
Increase in the total number of women in workforce

25%
Increase in Senior Management women


DE&I Sensitisation Workshop

Empowering Women in Leadership

At Hero MotoCorp, we are committed to building a workplace where our women leaders can thrive, lead, and grow. Our initiatives are thoughtfully designed to support women leaders across different phases of their professional and personal journeys.

Women in Leadership (in partnership with BML Munjal University)

Now in its eighth successful edition, this programme is tailored for women aspiring to step into managerial and leadership roles. It continues to make a meaningful impact by equipping participants with the skills and confidence to advance their careers.

SheLeads: Leaders Without Limit

Launched during the financial year under review, SheLeads is a transformative three-month journey focused on helping women embrace their "Power of Self." The programme nurtures a growth mindset, builds self-belief, and empowers participants to unlock their full potential.
We proudly celebrated the graduation of the first batch this year.


With SheLeads Batch

Hero MOMENTUM

We are cognisant of the unique challenges women face during maternity leave and their transition back to work. MOMentum offers dedicated coaching and counselling support during this important phase, helping women feel valued and supported, while ensuring a smooth, confident return to the workplace.



SheRides

Our SheRides initiative encourages women employees to explore the thrill of riding motorcycles, often for the first time. This Rides & Communities programme fosters a supportive space where women can learn to ride, navigate diverse terrains, and connect with like-minded colleagues. With over 150 women enrolled, the response has been overwhelmingly enthusiastic.



150
Women employees enrolled for the SheRides programme





Fostering a Broader Culture of Inclusion

Beyond gender diversity, we are committed to building a workplace where all forms of diversity are celebrated and embraced. This year, we have taken further steps to enhance inclusivity across the board.

Championing DE&I through Leadership Engagement and Collective Celebration

At Hero MotoCorp, we believe that meaningful change begins with awareness at the top. To that end, we have introduced comprehensive DE&I sensitisation workshops for our leadership teams. These sessions focus on deepening understanding of diversity, equity, and inclusion principles, uncovering unconscious biases, and examining how these dynamics shape workplace culture and decision-making.

Our "Fine Balance" workshop has been instrumental in fostering open dialogue around inclusivity. By bringing together Functional Heads and their N-1 teams, we are cultivating a shared sense of responsibility and driving collective action toward a more inclusive organisation.

A key milestone this year was our International Women's Day 2025 celebration at the Haridwar Plant, themed "Accelerate Action." For the first time, women from across locations joined alongside male colleagues. With over 300 participants, it was truly an inspiring day of celebration. The event featured a reaffirmation of our DE&I commitment by Executive Chairman Dr. Pawan Munjal, a symbolic Ganga Aarti at Har Ki Pauri, and a captivating saxophone performance by the renowned MS Subbalaxmi. This powerful celebration reflected our dedication to inclusivity and equality, creating a lasting impact across our organisation.

Recognition of DE&I Efforts

AVTAR & seramount
BEST COMPANIES FOR WOMEN INDIA 2024

"Best Companies for Women in India, Manufacturing 2024-25" by Avtar and Seramount, recognising our strategic and progressive policies and practices to scale up women employee participation in the workforce, leading to a larger systemic change in women participation in the automotive workforce.

ET NOW BEST ORGANISATIONS FOR WOMEN 2025

Honoured as one of the "Best Organisations for Women", Economic Times 2024-25 for the third consecutive time.

Accelerating **Social Impact**

At Hero MotoCorp, our commitment to people, the planet, and communities drives everything we do. Under our CSR umbrella, 'Hero We Care', we champion sustainability, inclusion, and empowerment. At Hero MotoCorp, we don't just build vehicles, we drive meaningful change for a more equitable, sustainable tomorrow.



Received ET Challenger 2GOOD Award in FY2024-25 for our exemplary efforts towards uplifting the community.

Towards a Greener Tomorrow

At Hero MotoCorp, environmental conservation is more than a responsibility, it's a core priority. With climate change, erratic rainfall, and depleting water resources affecting vulnerable communities, we remain committed to a greener, more sustainable future. Through Hero We Care, we partner with local communities and organisations to implement impactful initiatives that enhance water access and improve climate resilience. Some of our initiatives include:

Water Conservation

Ensuring availability of water for future generations is a core focus area of Hero MotoCorp. Our Pond development and rejuvenation programme, included both community and farm ponds, is a significant step towards water conservation. The initiative aligned with the Company's 500% water positivity goal by 2025, enhancing water accessibility and improving agricultural yield. In FY 2024-25, we developed 50 farm ponds around Kukas Gram Panchayat in Jaipur, Rajasthan, and 2 community ponds in Gurugram, Haryana.



Ride Safe India

Tree Plantation Maintenance and Environmental Awareness Programme

In FY 2024-25, we continued our maintenance of our existing tree plantation projects across Chengalpattu, Halol, and Jaipur, nurturing over 1,00,000 trees. We conducted our Environment Awareness Programme in government schools and colleges across Chennai, Halol, and Vadodara, impacting over 2,70,000 students. The campaign encouraged environmental consciousness, highlighting key themes such as waste management and sustainable living.

Further, we launched a new initiative, Young Earth Heroes, in 10 schools across Delhi NCR. This programme empowered 1,238 students to take part in environmental preservation and learn to calculate the carbon footprint of their daily activities.

Aravalli Biodiversity Park, Gurugram

In 2021, Hero MotoCorp adopted the Aravalli Biodiversity Park, Gurugram, for a 10-year restoration and conservation programme. Our interventions include the development of key infrastructure—washrooms, drinking water facilities, guard huts, parking areas and water pits for wildlife. These efforts have helped conserve native flora and fauna, attract over 500 daily visitors, and significantly enhance biodiversity.

Our work has improved air quality and raised the groundwater table. In recognition of its ecological value, the park was declared India's first Other Effective Area-Based Conservation Measure (OECM) site by the IUCN.

At Hero MotoCorp, we believe small steps drive big change and one can witness the significant change our interventions have made.

Safer Road for All: Ride Safe India

Ride Safe India, Hero MotoCorp's flagship CSR initiative under the 'Safer' pillar, reflects our strong commitment to road safety. In alignment with UN SDG target 3.6, the initiative addresses India's alarming road accident rates—particularly among two-wheeler riders—through a comprehensive safe system approach focused on the four E's Education, Enforcement, Engineering, and Emergency Care.

During National Road Safety Month 2025, a pan-India campaign reached over 8.5 million people via radio and through social media, amplifying awareness. Our Traffic Training Parks offer three dedicated programmes—Road Safety Awareness, Ride Safe, and Learn to Ride—providing controlled environment training. Over 2.9 lakh individuals benefitted this year, fostering responsible road use.

We also collaborated with local enforcement agencies on intersection redesign, focussing on training for gig workers and corporate employees, summer camps with police, student engagement, and awareness activities such as street plays and drawing competitions.

Through Ride Safe India, Hero MotoCorp continues to lead by example, advancing its vision of safer roads and responsible mobility for all.

Equitable: Equity for All

Healthcare

At Hero MotoCorp, we are committed to making quality healthcare accessible to underserved communities. In partnership with leading healthcare organisations, we have deployed Mobile Medical Units (MMUs) to deliver essential primary healthcare services to marginalised populations, especially the elderly, women, and children, across Dharuhera, Neemrana, Jaipur, Tirupati, Halol, and Haridwar. In FY 2024-25, this initiative benefitted 1,20,419 individuals, with plans to expand to Gurugram, Haryana in the coming year.

In collaboration with AIIMS, Hero MotoCorp has also established vision care centres in Dharuhera (Haryana) and in Delhi's Fatehpur Beri, Mehrauli, and Jaunapur. These centres offer free treatment for common eye conditions, medicine distribution, and referrals for advanced care, including free cataract surgeries at Dr. Rajendra Prasad Centre for Ophthalmic Sciences, All India Institute of Medical Sciences New Delhi. Additionally, eye care awareness camps have been conducted in surrounding communities. In this fiscal year, 12,003 people benefitted from this programme. These initiatives align with SDG 3: Good Health and Well-Being, advancing holistic community wellness.



Education

Hero MotoCorp believes education is a fundamental right and a powerful tool for empowerment. In FY 2024-25, our education programmes impacted 10,554 students, contributing to SDG 4: Quality Education.

Through 380 ASHA centres across seven plant locations, 9,595 students received remedial education and after-school academic support to bridge learning gaps. Two non-formal learning centres in Gurugram also supported 248 children from ragpicker and migrant families who could not access formal schooling.

Additionally, 711 scholarships were awarded to students pursuing undergraduate, postgraduate, and PhD courses (including B.Tech, LLB, BBA, MBA) at NAAC-accredited BML Munjal University, Gurugram. Scholarships were awarded on a merit-cum-means basis, and we also supported the completion of the T-6 academic building on the BMU campus.



Be A Sporting Hero

Hero MotoCorp is proud to nurturing and empowering India's sporting talents and athletes across a spectrum of disciplines. We provide them with training, resources, and motivation to excel.

In partnership with the Paralympic Committee of India (PCI), we supported 30 para-athletes, three of whom represented India at the 2024 Paris Paralympics. Notably, Sheetal Devi (Archery) and Sundar Singh Gurjar (Javelin) won bronze medals, bringing global recognition to Indian talent.

We also partnered with the Indian Deaf Cricket Association (IDCA), supporting 15 male and 15 female players. The men's team secured victories in the T20-3 & ODI-3 International Deaf Series (India vs. Sri Lanka) and the T20s Tri Series (India vs. South Africa & Australia).

Additionally, our continued partnership with the Mary Kom Regional Boxing Foundation in Imphal supports 30 emerging boxers, fostering young talent and promoting inclusivity in sports.

Skill Development: Saksham

Saksham, Hero MotoCorp's flagship skill development initiative, aims to empower 1,00,000 women to become two-wheeler technicians over five years. Launched in collaboration with the Automotive Skills Development Council (ASDC), this pan-India programme promotes gender inclusion in the automotive industry.

The training curriculum covers Electric Vehicles (EVs), Internal Combustion Engines (ICEs), and sales, with a blend of classroom and practical instruction over three months. Since its inception in 2024, 4,113 women have been trained, 3,555 certified, and 1,660 placed across various sectors. In FY 2025–26, Saksham aims to train women, fostering financial independence and skill-based employment.



Community Development

Hero MotoCorp is dedicated to uplifting communities around its plant locations. One of our key initiatives focused on renovating and upgrading 37 government schools in Neemrana, Jaipur, and Dharuhera. Beyond infrastructure improvement, we plan to engage students in technical and soft skill development in the upcoming year.

We also launched Grameen Heroes, which is Based on shark tank concept in rural setting, encouraging women-led enterprises across seven plant locations. The project supports businesses in agriculture, handicrafts, and skill-based livelihoods, offering financial aid, mentorship, and a platform to scale. Finalists will pitch their ventures in a grand finale next year.

Hero Salutes Heroes of the Nation

Hero MotoCorp proudly honours the valour of India's armed forces. In partnership with the Directorate of Indian Army Veterans (DIAV), we support the Veerangana Sewa Kendra (VSK)—a single-window welfare and grievance redressal centre for Army widows and next-of-kin. In FY 2024-25, VSK supported 119,199 beneficiaries, facilitated by a dedicated 15-member staff team.

Additionally, in partnership with the Navy Welfare and Wellness Association (NWWA), we set up CHETNA centres to support 118 children with neurodevelopmental disorders. These centres offer developmental therapies, a toy library, and parental support services. Within six months, several children showed significant progress, with some transitioning to mainstream education.



Captured from Saksham initiative

Leading with **Ethics and Accountability**

Upholding the highest standards is not just only about compliance, it's about honouring the trust placed in us and continuously raising the bar for corporate conduct. At Hero MotoCorp, transparency, integrity, and honesty are fundamental to who we are. These principles shape every decision we make and every interaction we have, across all levels of the organisation. They form the foundation of the trust we nurture with our employees, customers, suppliers, shareholders, and the communities we serve.

By embedding these values into our culture, we build credibility, foster lasting relationships, and create an environment where ethical conduct and accountability are non-negotiable. It is through this firm commitment to doing what is right that we continue to inspire confidence, uphold our legacy, and lead with purpose.



Governance Framework

At the heart of our corporate governance approach lies a strong, well-structured framework led by a diverse and experienced Board of Directors. Comprising both Executive and Non-Executive members, the Board is supported by specialised committees that bring a wide range of professional expertise and insights to effectively guide the Company's strategic direction and operations. We place a strong emphasis on diversity, not only at the Board level but across the entire organisation, and remain committed to complying with evolving legal and regulatory standards. Our policies undergo regular reviews, at least once every three years, to ensure they remain aligned with the latest requirements and reinforce our commitment to transparency and accountability.

Code of Conduct for the Board and Employees

Our comprehensive Code of Conduct governs the behaviour of the Board, senior leadership, and all employees. Originally established in 2010 and updated in 2020 to reflect modern business expectations, the Code is built around eight core principles, including Fiduciary Responsibility, Transparency, and Citizenship. The revised version extends to all employees and includes clear guidelines on anti-bribery, anti-corruption, conflict of interest, and disclosure of personal relationships. It also reaffirms our pledge to being an equal opportunity employer and promoting a diverse, inclusive work environment.

Ethics

We uphold uncompromising ethical standards across all our global operations. Regardless of regional norms or practices, we ensure strict adherence to national laws and regulatory frameworks related to bribery and corruption. Our zero-tolerance policy reinforces our position, no form of unethical conduct will be tolerated under any circumstance.

Vigil Mechanism / Whistle-Blower Policy

Aligned with SEBI regulations, we have established a robust whistle-blower policy and mechanism, approved and periodically reviewed by the Audit Committee. Importantly, during the year, no employee or stakeholder was restricted from accessing the Audit Committee to raise concerns or report grievances.

Experience of Directors



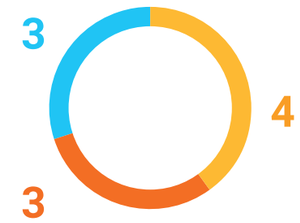
Age Profile



Diversity



Board Tenure



Management Discussion **and Analysis**

Economic Environment

Global

The global economy demonstrated remarkable resilience throughout CY2024, navigating a complex landscape with steady footing. Inflation continued its descent toward central bank targets, supported by stable growth across major economies. Labour markets softened marginally, yet unemployment levels remained historically low, underscoring economic robustness. Real household incomes saw improvement, buoyed by strong nominal wage growth and easing inflationary pressures. However, private consumption growth remained tepid across several regions, held back by persistently low consumer confidence. Despite the fading effects of recent economic shocks, the pace of recovery remained measured.

Overall, global growth in 2024 was steady, though modest, sustaining a robust annualised expansion exceeding 3%. However, Geopolitical uncertainty may cast shadow on the growth prospects for CY2025, with IMF forecasting global GDP to increase by 2.8% vs. 3.3% in CY2024.

Furthermore, global growth patterns in 2024 have been uneven. The US economy outperformed expectations with a robust 2.8% growth, while the Eurozone remained sluggish at 0.9%. China's momentum eased to 5%, impacted by weak consumption and a persistent property sector downturn. India stood out as a bright spot, maintaining its strong trajectory with an impressive growth of 6.5%.

Global Output (GDP) Trend (%)

	2024	2025 (P)	2026 (P)
Global Output	3.3	2.8	3
Advanced Economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Euro Area	0.9	0.8	1.2
UK	1.1	1.1	1.4
Emerging Markets	4.3	3.7	3.9
China	5.0	4.0	4.0
Russia	4.1	1.5	0.9
Middle East & Central Asia	2.4	3.0	3.5
Sub-Saharan Africa	4.0	3.8	4.2
India	6.5	6.2	6.3

Source: IMF WEO Apr-25 | P: Projection

Global Trade Growth: The Detrimental Impact of Further Trade Fragmentation on Global Growth Prospects

Global trade witnessed a strong recovery in 2024, expanding by 3.4%, a sharp improvement from the modest 0.9% growth recorded in 2023. This rebound was primarily driven by a 2.4% rise in merchandise trade volumes, reversing the previous year's 1.0% contraction. Easing inflation and stronger export momentum—particularly from the United States and key Asian economies such as China—had played a pivotal role until now. However, trade was temporarily disrupted by tensions in the Red Sea, which led to rerouting of shipments and elevated logistics costs, especially during the first half of the year. Conditions began to stabilise in the latter half, restoring trade flows gradually.

However, in CY2025, the prevailing high degree of geopolitical and policy uncertainty introduces substantial risks to baseline global trade projections. One salient risk is the escalation of trade restrictive measures. An illustrative exercise conducted by the Organisation for Economic Co-operation and Development (OECD), wherein bilateral tariffs are further elevated on all non-commodity imports into the United States with

corresponding increases in tariffs applied to non-commodity imports from the United States in all other countries, indicates a potential contraction of global output by approximately 0.3% by the third year. Furthermore, global inflation could experience an average annual increase of 0.4% over the initial three years. The impact of these exogenous shocks would be amplified by a further increase in policy uncertainty or widespread risk repricing in financial markets. These factors would exacerbate downward pressures on corporate and household expenditure globally. Notwithstanding, the US Trump 2.0 administration has started negotiating for the newer terms of trade with various nations. Going forward, one would hope that it provides increased clarity and certainty.

Moderating Inflation

Global headline inflation continued its downward trajectory in CY24, easing from 5.6% in 2023 to an estimated 4.0%. This moderation was supported by both demand- and supply-side factors, including easing labour market pressures and softer international prices for food, energy, and commodities. In advanced economies, inflation is expected to revert towards central bank targets, creating room for potential monetary policy easing. While developing economies are also expected to see further declines, inflation in some regions remains elevated—above long-term averages; and in certain countries, still in double digits.

Looking ahead to the 2025–2026 period, inflation is projected to remain higher than earlier estimates, although continuing on a moderating trend aligned with a broader softening of economic growth. Within G20 economies, headline inflation is expected to be around 3.8% in 2025 and 3.2% in 2026. However, underlying inflation is likely to stay above central bank targets in many countries through 2026. Upside risks persist, including geopolitical tensions that could drive up energy prices, rising trade restrictions among major economies, and climate-related shocks that may disrupt agricultural output and add to food price volatility. The recent skirmishes in the Middle East may add an additional layer of uncertainty on this front. In the near term, the monetary authorities may remain more cautious with regards to their rate cutting cycle.

Commodity Markets

The overall commodity price outlook for 2025 suggests a marginal downturn, with energy prices anticipated to decline, agricultural prices expected to ease, and metal prices projected to remain stable or experience a slight increase. However, upside risks persist, primarily driven by geopolitical tensions. Recent concerns regarding economic deceleration have already precipitated a decline in Brent crude prices. Conversely, certain safe haven assets, such as gold, have been trading near record high levels. This trend may persist in the short term. Policy uncertainty exhibited by the Trump administration seems to have further triggered the investors to consider alternate avenues; besides the US treasuries and Dollar, to safely hold and store their financial wealth.

Outlook

GDP growth is expected to moderate in 2025 and 2026, with elevated trade barriers in several G20 economies and heightened policy uncertainty exerting downward pressure on investment and household spending. Annual real GDP growth in the USA is projected to decelerate from its recent robust pace.

Real GDP growth within the Euro Area continues to be subject to uncertainty. Nevertheless, increased expenditure by major European economies, such as Germany, in response to the evolving global order, may bolster its medium-to-longer term growth prospects. The Chinese economy continues to be subjected to internal and external vulnerabilities. Internal consumption seems yet to fire. Additionally, its export growth may remain sombre even after trade agreements have been reached with the US.

Notwithstanding these factors, monetary authorities will need to maintain vigilance, with fiscal measures requiring adherence to debt sustainability. Furthermore, all economies will necessitate cohesive and decisive structural policy reforms to fortify the foundations for sustained long-term growth especially at a time when geopolitical uncertainty seems to be order of the day.



Indian Economy

Amidst global headwinds marked by geopolitical tensions and trade disruptions, the Indian economy demonstrated robust resilience in FY 2024-25, registering a real GDP growth of 6.5%. Although this marked a moderation from the 8.2% expansion seen in the previous year, it aligned with the decadal average, underscoring India's stable growth trajectory. The performance was underpinned by a revival in rural demand, resilient service sector activity, and sustained public investment in infrastructure.

Sectoral trends revealed mixed dynamics. The agriculture sector reported a strong recovery, with real GVA expanding by 5.6%, bolstered by an above-average southwest monsoon, which exceeded its long-period average by 7.6%. Kharif food grain production grew by 5.7%, while rabi acreage surpassed the long-term average by 4%. In contrast, the manufacturing sector experienced a slowdown to 3.5%, following a high base of 14% in the prior year. Corporate results suggest signs of a gradual recovery, supported by improving mining and electricity output and positive business sentiment as reflected in the PMI manufacturing index. The services sector remained resilient, expanding by 6.7%, supported by continued strength in the services exports.

Retail inflation moderated significantly, with headline Consumer Price Index (CPI) inflation slipping to 3.16%—the lowest since July 2019. This was driven largely by easing food prices and lower non-core inflation. While food inflation spiked briefly in October 2024 to 10.9%, favourable rainfall, improved kharif arrivals, and healthy FCI stock helped stabilise prices. With seasonal vegetable price corrections and promising rabi prospects, food inflation is expected to remain contained. These trends enabled the Monetary Policy Committee (MPC) to initiate a rate-cutting cycle, reducing the repo rate by 25 bps in both February and April 2025. Further, the MPC frontloaded a surprise 50 bps rare cut considering the evolving macro-economic circumstances. The Cash Reserve Ratio (CRR) was also slashed by 50 bps to inject additional liquidity into the banking system. The MPC maintained a neutral stance, supporting growth while continuing to monitor inflation dynamics.

Digitalisation has emerged as a key growth lever for the Indian economy. With India now ranking as the third-largest digital economy globally, and 12th among G20 nations in individual digital adoption, the digital sector contributed 11.74% to India's GDP in FY 2022-23 (₹ 31.64 lakh crore or $ 402 billion). Employing 14.67 million people, the sector boasts productivity levels nearly five times higher than the broader economy. Fuelled by advancements in AI, cloud services, and the proliferation of global capability centres (GCCs) India hosts 55% of global GCCs. The digital economy is poised to grow at nearly twice the pace of overall GDP and is projected to contribute nearly one-fifth of national income by 2030.

The Union Budget for FY 2025-26 signalled a strategic pivot towards fiscal consolidation and consumption-led growth. The government targeted a reduction in the fiscal deficit by 40 bps to 4.4% of GDP, drawing praise from global investors. While capital expenditure has risen steadily from 1.7% of GDP in FY 2013-14 to 3.1% in FY 2024-25, the government now anticipates greater private sector participation to sustain infrastructure investments. A key consumption-boosting measure included raising the tax-free income threshold under the new regime from ₹ 7 lakh to ₹ 12 lakh. With India's per capita GDP at ₹ 2,35,108, this change is expected to benefit a broader section of the population, triggering a multiplier effect on consumption.

Outlook

The World Bank also explicitly expressed its confidence in the Indian growth narrative and has encouraged global investment to invest in the country. World Bank Country Director Auguste Tano Kouame stated that the lender remains optimistic and bullish regarding India's economic prospects, despite a marginal downward trend in growth. He emphasised that fluctuations of one percentage point in economic growth do not alter the World Bank's positive outlook. Moreover, it has been noted that despite global uncertainties, India is well-positioned to benefit should a recession materialise in the developed economies. India's growth trajectory has often been independent of the US economy, and historical precedents indicate that India has typically recovered ahead of the US during economic slowdowns. A global slowdown could also lead to lower commodity prices, which could be advantageous for India. Commodities such as crude oil, copper, aluminium, and steel, which are linked to the US economic performance, might experience suppressed prices. This would reduce India's import expenditure, contribute to keeping inflation under control, and ease pressure on the Indian Rupee.

In summation, while the global economic environment is characterised by considerable uncertainty of multiple degrees and types and an anticipated deceleration in growth. Concurrently, the Indian economy has demonstrated stability; with robust domestic drivers and a supportive policy framework that positions it for growth in the forthcoming fiscal year.

India's Digital Stride

Mobile Subscription	At 1,154.05 million, India continues to remain the second-largest mobile subscriber in the world[1]
Internet Traffic	Average monthly data per user soars to 27.5 GB in 2024, CAGR of 19.5% in last five years[2]
5G Deployment	India has emerged has the second-largest market of 5G smartphones
Digital Identity	UIDAI has issued >1.36 billion Aadhaar cards till March 2023[3]
Digital Transactions	>181 billion took place in FY 2024-25[4]
IT Services Exports	48 percent of India's services exports are IT services in FY 2023-24[5]
AI Projects	In 2024, India ranked second in AI GitHub contributions, accounting for 19.9% globally[6]
Unicorns	At 116, India is ranked #2 globally for Unicorns created[7]

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, demand for fuel efficiency, economic growth of rural regions and manoeuvrability of two-wheelers in congested areas.
The expansion of the middle-class population and the adoption of new technologies for sustainability may further drive market expansion. In 2024, the global two-wheeler market was valued at $ 120 billion in 2024, and is projected to grow to $ 127 billion in 2025 and $ 201 billion by 2032.

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

Indian Two-Wheeler Industry

The Indian two-wheeler market demonstrated notable resilience and expansion in FY 2024-25, achieving a commendable 9% year-on-year increment in wholesale dispatches. Consequently, India maintained its pre-eminent position as the largest two-wheeler market on a global scale. The industry's ongoing U-shaped recovery, which commenced in FY 2022-23, sustained its positive trajectory, primarily driven by propitious demand dynamics observed across both rural and urban sectors. Notably, rural markets exhibited a resurgence, exceeding the growth rate recorded in urban areas. The substantial demand experienced during the festive season further augmented this positive performance.

However, the fiscal year presented a bifurcated performance across its two halves. During the first half of FY 2024-25, industry dispatches witnessed a substantial year-on-year increase of 16.3%. In contrast, the growth momentum moderated significantly in the second half of the year, settling at 2.2%.

An examination of segmental performance reveals that motorcycles recorded a growth rate of 5.1%, while internal combustion engine (ICE) scooters registered a strong growth rate of 13.0%. The electric vehicle (EV) scooter segment experienced a notable surge of 67.9% year-on-year, albeit from a comparatively smaller base, representing a deceleration from the growth rate observed in the preceding fiscal year.

The slower growth during the second half of the fiscal year was largely attributable to a less propitious economic milieu. This environment was characterised by subdued demand, particularly evident subsequent to the Diwali festive period, constrained by factors such as diminished rural liquidity, a cautious lending environment, lower levels of winter rainfall that impacted rural incomes, and a moderation in urban market growth stemming from subdued wage growth and limited additions to employment.

	Volumes			% YoY		
	H1FY25	**H2FY25**	**FY25**	**H1FY25**	**H2FY25**	**FY25**
Motorcycle	6,407,887	5,844,418	12,252,305	13.4%	-2.6%	5.1%
ICE Scooter	3,153,813	2,926,308	6,080,121	18.6%	7.6%	13.0%
EV Scooter	343,487	429,606	773,093	66.8%	68.7%	67.9%
Mopeds	259,793	242,020	501,813	16.5%	-6.5%	4.2%
Total	**10,164,980**	**9,442,978**	**19,607,332**	**16.3%**	**2.2%**	**9.1%**

Source: SIAM



Two-Wheeler Segmental Contribution

Motorcycles constituted the predominant segment within the two-wheeler market, accounting for 62.5% of the aggregate volume. This figure represents a contraction of 2.3% in their market share on a year-over-year basis, a phenomenon correlated with the concurrent expansion of the scooter market. Internal combustion engine (ICE) scooters demonstrated an increment of 1.1% in their market share, achieving a level of 31.0%. This proportion is consistent with the established historical range for ICE scooters, which typically oscillates between 30% and 32%. Concomitantly, the electric vehicle (EV) scooter segment experienced an augmentation in its market share, reaching 3.9%, driven by an increasing predilection among consumers for electric mobility solutions. Conversely, mopeds registered a marginal diminution in their segment share, settling at 2.6% of the total two-wheeler market.

Retail Performance

The domestic automotive industry concluded FY 2024-25 with a year-over-year retail growth rate of 6.5%. Notably, the two-wheeler segment emerged as the principal driver of this expansion within the automotive sector, exhibiting a year-over-year growth rate of 7.7%. This performance significantly exceeded the growth rates recorded by passenger vehicles (4.9%) and three-wheelers (4.5%). The robust growth observed within the two-wheeler segment was primarily attributable to the rural markets, which demonstrated an expansion of 8.4%. In contrast, the urban markets within the two-wheeler segment registered a growth rate of 6.8%.

	FY24	FY25	YoY
2W	17,527,115	18,877,812	7.7%
3W	1,167,986	1,220,981	4.5%
PV	3,960,602	4,153,432	4.9%
Tractors	892,410	883,095	-1.0%
CV	1,010,324	1,008,623	-0.2%
Total	**24,558,437**	**26,143,943**	**6.5%**

Source: FADA

Category	**Urban**	**Rural**
2W	6.8%	8.4%
3W	0.3%	8.7%
PV	3.1%	7.9%
CV	0.6%	-0.9%
Tractors	-5.0%	-0.1%
Total	**5.1%**	**7.6%**

The retail performance within the two-wheeler segment in FY2024-25 reveals a discernible moderation in growth momentum across the fiscal year. The initial half of the fiscal year exhibited a robust year-on-year growth rate of 9.1%. However, this growth trajectory experienced a deceleration in the latter half of the fiscal year, settling at a year-on-year growth rate of 6.6%. A significant proportion of this deceleration was observed in the months immediately succeeding the peak festive season, typically encompassing October and November. Specifically, retail volumes registered year-on-year contractions of 18% in December, 6% in February, and 2% in March.

These contractions were principally attributable to a subdued demand environment prevailing within the broader economic landscape, influenced by factors such as constrained rural liquidity, a cautious lending posture adopted by financial institutions, and a moderation in urban market growth stemming from subdued wage growth, as previously elucidated within this analysis.

	Volumes			% YoY		
	H1FY25	**H2FY25**	**FY25**	**H1FY25**	**H2FY25**	**FY25**
2W Retails	8,566,531	10,311,281	18,877,812	9.1%	6.6%	7.7%

SOURCE-FADA

2W Retails (Volumes)

H1FY25

8,566,531

9.1% ↑ **YoY**

H2FY25

10,311,281

6.6% ↑ **YoY**

FY25

18,877,812

7.7% ↑ **YoY**

SOURCE - FADA



Export Sector

The export sector of the two-wheeler industry exhibited a notable recovery, with aggregate industry dispatches demonstrating a substantial year-over-year augmentation of 21.4%. This robust expansion was primarily attributable to a significant increase of 23% in the export of motorcycles.

	FY24	FY25	YoY
Motorcycle	2,943,341	3,620,886	23.0%
ICE Scooter	510,738	562,250	10.1%
EV Scooter	1,609	6,843	325.3%
Mopeds	2,728	8,424	208.8%
Total	**3,458,416**	**4,198,403**	**21.4%**

Hero's Performance in the Challenging Demand Environment

Hero MotoCorp demonstrated significant sales volume by achieving a sale of 5.9 million units of motorcycles and scooters across domestic and international markets, thereby maintaining its status as the leading manufacturer in the sector. The Company also recorded its highest ever festive retail sales, with 1.3 million units sold. This performance resulted in a revenue growth of 8.8% and a profit growth of 16.2%. Consequently, Hero MotoCorp upheld its established status as the world's largest manufacturer of motorcycles and scooters for 24 consecutive years, reflecting the enduring trust and confidence of its stakeholder community.

Key Trends in the Industry

FY 2024-25 for the Indian two-wheeler industry was characterised by a notable augmentation of competitive intensity, particularly in the premium motorcycle segment. Various manufacturers strategically introduced new motorcycle models in the 125cc and above engine displacement category, with the strategic objective of augmenting their respective market share in this rapidly expanding sub-segment.

Concurrently, while the rate of adoption of electric vehicles (EVs) in the two-wheeler market demonstrated a continued, albeit gradual, upward trajectory, the industry experienced a significant proliferation of new scooter introductions in the sub- ₹ 1 lakh price segment. These offerings were often characterised by a more constrained operational range. The provision of price discounts on EV scooters became a prevalent market strategy, particularly among nascent companies, employed to facilitate market share acquisition amidst the escalating competitive environment. Notwithstanding this aggressive pricing strategy employed by emerging entities, established incumbent manufacturers successfully maintained their dominant market positions by the culmination of FY 2024-25. This sustained market leadership was underpinned by factors including the introduction of novel and well-received product, a firmly established reputation for product quality and reliability, the extensive and efficacious reach of their established dealership networks, and a comprehensive understanding of evolving consumer preferences.

Furthermore, the regulatory framework governing vehicular emissions progressed with the implementation of the On-Board Diagnostics (OBD)-II Phase-B emission standards, which became effective on April 1, 2025. These updated regulatory stipulations will enable a more rigorous and real-time monitoring of emission compliance during the operational lifecycle of vehicles. It is pertinent to note that the Indian two-wheeler industry operates under some of the most stringent vehicular pollution control directives globally.

Prominence of Premium and Performance Motorcycles Post-COVID

Post-COVID, recovery of the industries was led by shift in consumer preference and K-shaped recovery towards luxury and performance products, not just limited to two-wheelers but widely spread across four-wheelers, consumer durables, hospitality and many other consumption categories. India's premium motorcycle market was valued at $ 14.2 billion in 2023 and is projected to reach $ 21.2 billion by 2030, growing at a CAGR of 6.30% during 2024–2030. The segment is witnessing strong growth, driven by rapid urbanisation, an expanding middle class, and favourable demographics—particularly a rising youth population.

During FY 2024-25, 125cc and above reported a growth of 7%, ahead of overall motorcycles segment growth.

Increased competition in premium motorcycles

However, the Indian premium motorcycle market experienced intensified competition, particularly after 2023, marked by a series of notable launches. In July 2023, Harley-Davidson, in collaboration with Hero MotoCorp, introduced the X440, to offer a blend of classic design and modern features. Concurrently, a competitor unveiled the Triumph Speed 400, a roadster tailored for urban commuting, and the Scrambler 400 X, variant on the same platform. This trend continued into 2024 with another competitor introducing the Guerrilla 450, a variant of the Himalayan 450. This was swiftly followed by the launch of the Pulsar NS400Z. Subsequently, Triumph further expanded its portfolio by launching the Speed T4, a new Speed 400 variant at a lower price point. These developments underscore the dynamic nature of India's motorcycle sector, which now provides consumers with a broader array of choices in a segment that had otherwise not witnessed much competition in many years.



EV Penetration Improved

Electric two-wheelers retails surpassed the 1 million mark for the first time in FY 2024-25 reaching 1.15 million units compared to 0.95 million units in FY 2023-24, representing a 21% YoY growth. Key trends that emerged in electric two-wheeler market in FY 2024-25 include:

1. Multiple Scooter Launches in the Sub-₹ 1 lakh, or, the Commuter EV Segment

Following the removal of FAME-II subsidy, most companies operating in the EV scooters space shifted focus towards affordable products and launched products in the sub-₹ 1 lakh price range. This led to the demand shift towards commuter EVs, which represents ~60% of the EV scooters market compared to 30% prior to the launches.

2. Incumbents took Market Leadership from New-age Companies

While new-age players initially dominated with electric 2W market, established incumbents made significant strides in the space which lead to incumbents taking market leadership by the end of the fiscal. This was contributed to by established brand trust and network, strategic expansion of product portfolio priced competitively, focus on quality and reliability and aggressive dealer coverage of the incumbent players.

3. Modest Increase in EV Two-Wheeler Penetration

Despite the flurry of launches in mass segment, EV penetration within two-wheelers increased modestly to 6.1% compared to 5.4% in FY 2023-24. Key reasons impeding mass adoption of EVs:

i. **Range Anxiety and Limited Range:** Affordable models offer limited real-world range, the fear of running out of charge continues to be a key deterrent in the minds of the consumers as it gets compared to the dependable fuel-efficient ICE two wheelers.

ii. **Inadequate Charging Infrastructure:** Availability of public charging stations, especially fast-charging options, is limited across India particularly outside major metropolitan areas. This makes long journeys or spontaneous trips challenging for EV owners.

iii. **Battery-related Concerns:** Cost of battery pack continues to be a significant component of the EV. Concerns about battery life, replacement costs and degradation over time continue to impact purchase decisions.

iv. **Charging Time:** Time required to fully charge an electric two-wheeler is significantly longer than refuelling a petrol scooter or motorcycle causing an inconvenience for users relying on quick turnaround time.

v. **Reduction in Government Subsidy:** The government is offering a subsidy of ₹ 2.5k/kWh per vehicle with an upper cap of ₹ 5k per vehicle under the PM E-drive scheme. This subsidy has come down from ₹15k/kWh in the erstwhile FAME-II scheme. This led to increase in the upfront cost of EV's increasing the Total Cost of Ownership (TCO) compared to ICE scooters driving slower adoption.

OBD-II Phase-B Norms Increase Emission Compliance

Emission norms compliance in ICE two-wheelers became stricter post the implementation of OBD-II Phase-B starting 1st April 2025. Under the new norms, the systems allow real-time monitoring of key engine and emission control components like the catalytic converter. This allows for immediate detection of any deviations from the emission standards during actual driving conditions and not just during lab testing.

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 back 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 conscious of the importance of advanced safety technologies and are proactively integrating them into our products to offer our riders the peace of mind and safety.

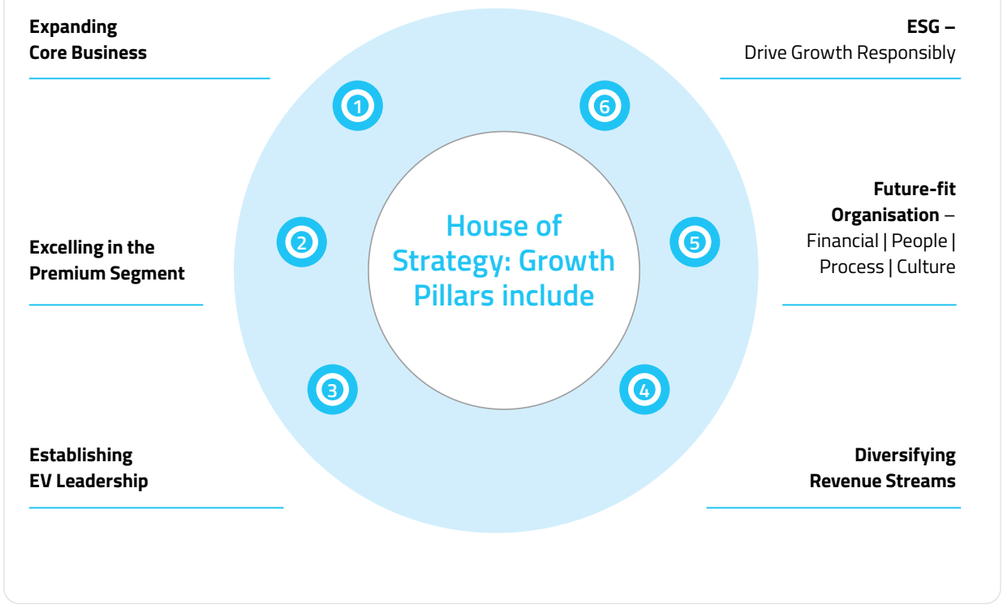
Outlook

In FY 2025-26, the Indian two-wheeler industry is poised to build upon the U-shaped recovery trajectory observed over the preceding three fiscal years. The sector is projected to progressively approach the peak performance levels attained in FY 2018-19. Furthermore, the industry is expected to demonstrate strong growth, potentially outpacing other segments in the broader automotive landscape. This optimistic outlook is underpinned by several factors, viz. a strengthening of rural demand, recovery of demand in the core motorcycle and scooter markets, a sustained acceleration in the adoption of electric vehicles (EVs), and an anticipated higher growth rate within the premium motorcycle segment.

The projections are positive, and the industry is expected to continue to expand substantially in the next decade. The EV-ICE transition could witness a further transition. Beyond products and services, we will invest behind revamping the consumer experience across our physical and digital touchpoints to delight the ever- evolving consumer behaviour.

Charting Strategic Progress

Strategic progress is systematically achieved through the 'Changing Gears' framework, which operates within the overarching 'House of Strategy' and guides the organisation's strategic direction towards the year 2030. The Company's strategic focus is centred on Growth and Operating pillars, underpinned by innovation, digitalisation, and comprehensive service offerings, all aimed at enhancing value chain efficiency and maintaining a sustainable competitive advantage within the industry.



Grow the Core

Expanding the 100/110cc Segment

The 100/110cc motorcycle industry continues to be the largest contributor to the Indian two-wheeler industry and we continue to hold a strong foothold in this space. The mass commuter segment is the first step for Indian customers to move to motorised two wheelers. Adoption of these vehicles by the larger population driven by aspiration, financing and opportunity, present a major opportunity to the industry. Your Company is working on various initiatives for the expansion of this category to attract such first-time buyers, including marketing interventions to aid conversion. Mileage, affordability and durability are the key pillars on which the Company focuses on the appeal to the customers.



Splendor's sustained success exemplifies Hero MotoCorp's commitment to ongoing innovation, brand reliability, and product dependability, further enhanced by the launch of the Splendor+ XTEC 2.0. This model offers a synthesis of classic design, advanced technology, and practical functionality, solidifying the Splendor's emotional connection with consumers. It boasts excellent fuel efficiency and several segment-first technological features, such as a new LED Headlight with HIPL, an Eco Indicator, and a Hazard Light for enhanced safety. It symbolises advancement and the enduring aspirations of 40 million satisfied Splendor customers.

Increase Market Share in the 125cc Segment

The 125cc motorcycle market has grown in the past few years as it benefitted from the downtrade of the more expensive larger bikes and also as it serviced rising aspirations of the 100/110cc customers. Within this segment, the Sporty 125cc sub-segment with premium features attracted additional customers, including replacement buyers from <200cc premium segment. We are working on multi-pronged strategy to increase both volumes and market share in the segment, focusing on the Sporty 125cc sub-segment.

Through the introduction of new models and upgrades to existing leading models, the 125cc motorcycle portfolio provides a diverse array of options to consumers across commuter, stylish and sporty sub-segments.

Sporty, Premium, and Youth-Oriented with Connectivity: The Xtreme 125R has successfully engaged a new, young, aspirational premium customer base, resulting in strong market response with 65,000 retail units sold during the festive period. Production capacity was increased to meet heightened demand, and market reach and awareness were enhanced through targeted campaigns, leading to substantial market share gains. Furthermore, the Xtreme 125R has achieved significant market share growth in export markets, notably becoming the leading brand in its segment in Bangladesh. Expansion into additional Latin American and other international markets is planned.

Emphasis on Fuel Efficiency Superiority: A large-scale, regionally adapted fuel efficiency campaign, featuring advertising that highlights the Super Splendor XTEC's 69 km/l fuel efficiency, has resonated with consumers. The contextual messaging disseminated across various media channels has been particularly effective.

Driving Brand Advocacy – Trust Campaign and LED Variant Launch: The launch of the LED variant of the Glamour model, alongside the 'Original Glamour OG' campaign featuring actor Ram Charan, has served to maintain customer engagement and rebuild brand credibility. The campaign specifically targets the rejuvenation of the Glamour brand.



Increase Share in Scooters

The scooter industry, forming an integral component of the core market, has also experienced a discernible trend of premiumisation, with consumers increasingly demanding higher-capacity 125cc models that offer upgraded features, enhanced styling, and improved power specifications. Consequently, the contribution of this sub-segment has increased significantly from 26% in FY 2019-20 to 47% in FY 2024-25. We are strategically focused on enhancing our market share in this segment through the introduction of multiple new models incorporating industry and segment-first innovations, which include:

New Destini 125
Embodies Hero's commitment to innovation with 30 patent applications and pioneering features, such as an illuminated start switch and auto-cancel winkers, designed to improve rider convenience and safety. This model is positioned as an ideal family scooter, offering segment-leading mileage and an ergonomically optimised riding experience.

Xoom 125
A precision-engineered vehicle, the Xoom 125 aims to redefine the 125cc scooter segment with class-leading performance, demonstrating the fastest acceleration within its segment from 0 to 60 kmph in 7.6 seconds. It features 14" wheels, in contrast to the predominant 12" wheels found in other scooters, along with wider tyres and an extended wheelbase.

Xoom 160
Equipped with a 156cc liquid-cooled engine, the Xoom 160 will incorporate i3s silent start technology and 4-valve technology to optimise efficiency and high-speed performance. The package will be completed with 14" wheels and advanced features, including a smart key with remote seat access, dual-chamber LED headlamps, and a front disc brake with ABS.

Focused on the Top 10 Markets in Global Business

Hero MotoCorp strategically concentrates its export endeavours on its top 10 identified markets while concurrently nurturing growth in other international regions. This focused approach yielded a commendable growth rate in our export markets that was twice the industry average in FY 2024-25. Our key global focus markets include Bangladesh, Colombia, Türkiye, Mexico, Nepal, Guatemala, Nigeria, the Democratic Republic of Congo (DRC), and the Philippines. Our market presence in these regions was augmented through the strategic introduction of market-fit products and the implementation of refined distribution strategies, with notable success observed following the exceptional market response to the launch of the Xtreme 125R in Bangladesh, which significantly contributed to export growth. We further bolstered our presence with various other launches in global markets as part of the expansion strategy.

This led to significant increase in premium portfolio contribution in global markets.

Furthermore, we actively explored new markets, including a significant and successful re-entry into Nepal. The Parts and Accessories business segment demonstrated substantial growth in our global markets, recording a robust increase of 26% over the preceding fiscal year. Our strategy for strengthening the Hero brand in international markets encompasses the creation and dissemination of corporate films, the establishment of strategic partnerships, and the leveraging of the Hero MotoSports platform to effectively showcase the Company's premium product focus and technological capabilities.

To stimulate demand in these markets, targeted financing schemes tailored to various customer segments were introduced, and the 'Wheels of Trust' exchange platform was implemented to facilitate customer upgrades and drive sales.





Making Finance More Accessible

Our retail financing initiatives employ a multi-pronged approach, characterised by strategic partnerships with various banks and Non-Banking Financial Companies (NBFCs), alongside customer-centric schemes meticulously designed to enhance affordability, accessibility, and overall convenience for prospective purchasers of our two-wheelers. These concerted efforts play a significant role in driving sales volumes and expanding our market reach across India. While FY 2024-25 did present specific challenges for NBFCs with substantial exposure to micro-financing, primarily attributable to increased delinquency rates, a series of prudential regulatory measures served to bolster the resilience of the Microfinance Institution sector. Notwithstanding these industry-wide pressures, Hero MotoCorp's contribution of retail finance to its sales volumes remained robust, sustaining at levels exceeding 60%, thereby demonstrating a resilient financing ecosystem that ranks among the most effective within the industry. It is our assessment that a more favourable environment within the micro-finance sector would have further stimulated consumption, supported by the availability of quality financing solutions.

This robust performance was underpinned by the strategic offering of tailored financing solutions, such as:

The Digital Retail Finance Platform: Hero MotoCorp launched its Digital Retail Finance Platform in June 2024, aimed at enhancing transparency, availability and ease for customers seeking financing options. The platform benefits customers and also supports Hero's channel partners in providing suitable finance schemes tailored to the customers' specific requirements. By the end of FY 2024-25, Hero MotoCorp has already onboarded more than 15 financiers on the platform with a loan sanction time of less than 5 minutes.

Suvidha (DCC) Scheme: Caters to the unbanked or underbanked customers, ensuring they have access to financing options.

Aadhaar-based Funding: Customers who do not have traditional income proofs can avail financing through this scheme.

Low Down Payment Schemes: Schemes with low down payment options enable customers who may not have substantial funds to upgrade to a motorcycle or scooter.

Kisan Kisht Scheme: Support farmers, providing them with tailored financing solutions to meet their specific requirements.

Honour First Scheme: Exclusive finance options are available for the Armed Forces personnel through this scheme, which is applicable in Canteen Stores Departments (CSDs).

No Hypothecation Finance: Financing options that eliminate the need for customers to hypothecate their vehicles, ensuring convenience and ease of ownership.

Card Offers: Collaborations with various card issuers for special finance offers to cardholders.

Upgradation of Channel Network

The 'Hero 2.0' channel network upgrade represents a strategic initiative aimed at the comprehensive transformation of the Company's sales and service network. The primary objective of this upgrade is to provide an enhanced and premium experience for our customer base, characterised by a contemporary design aesthetic and a more engaging environment conducive to customer interaction, including upgradation of the after-sales service network. The channel network upgrade is further supported by the implementation of a comprehensive sales training programme designed to equip our personnel with the requisite skills and knowledge. As of the current reporting period, 90% of our retail outlets across India have been successfully upgraded under this strategic initiative.

Win in Premium

With the evolving aspirations of customers, the industry anticipates continued growth in the premiumisation and the premium segment. Hero MotoCorp is strategically focused on reimagining its presence within this segment and reinforcing its market position through the establishment of enhanced distribution channels and the provision of a superior customer experience.

Build Portfolio

Recognising the discerning preference of premium customers for variety, Hero MotoCorp has strategically expanded its premium product portfolio to offer a wider array of options. Following a series of significant product launches in the preceding fiscal year, the Company sustained this momentum with two major introductions in Fiscal Year 2025: the Xpulse 210 and the Xtreme 250R, which have demonstrably transformed customer perceptions of the brand's premium offerings. The prior year's launches, encompassing the Xtreme 160R 4V, Karizma XMR, Harley-Davidson X440, and Mavrick 440, serve as tangible indicators of the technological advancements achieved and the capability building undertaken across the value chain. The strategic strengthening of these brands will be pursued through our established 4C framework, emphasising Culture, Collaboration, Community engagement, and compelling Content creation.

Focused Marketing

Marketing initiatives for premium motorcycles are strategically amplified and targeted, with a specific emphasis on lifestyle integration, performance capabilities, and technological attributes to resonate with a distinct consumer demographic that extends beyond the conventional commuter base, and building a premium imagery for Hero. A significant enhancement of digital marketing strategies is being implemented to effectively engage the contemporary customer, who exhibits a high level of technological proficiency. This entails the deployment of sophisticated social media campaigns, targeted online advertising, and the creation of compelling digital content that comprehensively illustrates the advanced functionalities and performance advantages of our premium motorcycle offerings. Furthermore, our active engagement with the burgeoning motorcycle riding community is proving particularly appealing to the greater than 200cc segment, thereby establishing a notable and increasingly influential presence for the organisation within this specific market segment.

Strategic Alliances: Harley Davidson

The strategic alliance with Harley-Davidson constitutes a pivotal development, enabling Hero MotoCorp to leverage Harley Davidson's esteemed brand appeal and strategically enter the higher displacement premium segment of the motorcycle market with models commencing with the Harley Davidson X440. Subsequent to the initial collaboration, both companies have announced an extension of their partnership. This expanded alliance aims to further develop the Harley Davidson X440 into new variants and to jointly engineer an entirely new motorcycle, intended for distribution within the Indian market and select international markets, thereby broadening the scope and impact of this strategic collaboration.

Roll Out of Premia Stores

Premia retail establishments are strategically conceptualised to offer an elevated and immersive environment for consumers expressing interest in premium vehicular offerings. The architectural design incorporates contemporary aesthetics, visually appealing presentations, and a deliberate integration of digital technologies to optimise customer engagement and interaction. Within these establishments, distinct zones are allocated to each premium brand—encompassing Hero's high-end models, Harley Davidson motorcycles, and VIDA electric two-wheelers—thereby cultivating a unique and differentiated brand experience within a unified retail location. Currently, Hero MotoCorp operates a network exceeding 80 Premia dealerships across the nation and intends to strategically expand this franchise in FY 2025-26, leveraging operational insights and learnings derived from the existing network of stores. The enhanced sales experience facilitated by these retail outlets is evidenced by a Net Promoter Score (NPS) of 78.5 and a Hero Happiness Score of 9.1, reflecting positive sentiment and appreciation for the refined retail format among both dealer partners and end consumers.



Build EV Leadership

During the year, we made substantial investments and took notable steps to establish itself in the growing Indian EV market. We made launches across segments and price points with product differentiation. We entered the mass segment with a sub- ₹ 1 laks price point by launching the VIDA V2 range of electric scooters, which offer notable performance, including a top speed of 90 km/hr and acceleration from 0-40 km/hr in 2.9 seconds. The removable batteries offer added advantage that can be detached from the scooter and charged at any 5A socket. This is supported by a comprehensive infrastructure comprising around 4,000 fast-charging stations and over 500 service centres distributed across more than 250 cities throughout India.

A key objective has been to deliver an enhanced customer ownership experience and mitigate prominent challenges encountered by EV purchasers. The VIDA V2 includes a vehicle warranty of 5 years or 50,000 km, and a battery pack warranty of 3 years or 30,000 km, aimed at fostering customer confidence and reliability. The Company is focused on attaining cost leadership within the EV segment through efficient component sourcing, streamlined manufacturing processes and economies of scale.

Partnerships and Collaborations

Strategic investments have been made in Euler Motors, an electric three-wheeler manufacturer, signifying the Company's expansion into the fast-growing electric three-wheeler sector and adding value through diversification of its electric vehicle portfolio, while continuing to cement its leadership in the future of sustainable mobility.

Taking our collaboration further with Ather Energy, a partnership has been established to develop an interoperable fast-charging network, designed to accelerate the adoption of electric vehicles. This collaboration affords electric vehicle users access to both VIDA and Ather Grid charging stations. Efforts are being directed towards leading the transition to green mobility through the expansion of charging network infrastructure in conjunction with HPCL, BPCL and Jio BP fuel stations throughout India.

Advancements have been made in the development of electric motorcycles in collaboration with Zero Motorcycles, a global leader in electric motorcycles and powertrains.

This California-based entity integrates advanced automotive technology with conventional motorcycle design to enhance the riding experience for international consumers.

Diversify Revenue Streams

Our strategic focus encompasses the expansion and diversification of non-product revenue streams through the capitalisation of supplementary and adjacent market opportunities. Key areas of emphasis include:

- Scaling the Parts, Accessories, and Merchandise (PAM) business segment
- Platformisation initiatives, monetisation of digital assets, and the strategic utilisation of data

Scale-up PAM Business

The Parts, Accessories, and Merchandise (PAM) business remained a substantial contributor to the Company's performance during FY 2024-25. As a result of strategic initiatives aimed at expanding this segment, a record revenue of ₹ 5,828 crore was achieved, demonstrating a growth of 8% over FY 2023-24. The organisation is committed to providing customers with a comprehensive solution for their non-vehicular requirements, through the reinforcement of a strategic approach focused on augmenting the business's depth and breadth.

Increasing Breadth: The Company's strategic commitment to the expansion of its distribution network, initiated with the Hero Genuine Parts Distributors (HGPD) programme in 2018, remained a key operational priority throughout FY 2024-25. Our strategic approach involved the systematic identification of underserved market areas and a determined effort to enhance distribution penetration, thereby ensuring greater availability of our comprehensive Parts and Oil product lines. Recognising the significant latent demand within rural markets, we further amplified our network expansion initiatives through the strategic development and extension of our presence to the Taluka level, aiming to enhance accessibility and cater to a broader customer base in these regions.

Increasing Depth: The Company's portfolio of aftermarket products encompasses Spare Parts, Engine Oil, Bike Care Products, Tyres, Batteries, Merchandise, and Accessories. Our sustained initiatives aimed at augmenting the average transaction value per retailer, notably through the proactive inclusion of C&D retailers within the framework of the foster program, have significantly contributed to the robust revenue growth observed within this business segment. This included Hero Genuine Oil (HGO) portfolio, which achieved a year-on-year growth of 13%.

Our Global Parts Center (GPC), situated in Neemrana, Rajasthan, provides a substantial storage capacity of approximately 26,000 Stock Keeping Units (SKUs). We have fully optimised the operational efficiency of this facility to maximise the utilisation of our existing storage capacity. In addition to our current infrastructure, we have earmarked a strategic investment of ₹ 600 crore in the state of Andhra Pradesh over the next two fiscal years for the establishment

of a state-of-the-art Global Parts Center 2.0 in Tirupati. This strategic investment underscores our unwavering commitment to enhancing our logistical and operational capabilities and further strengthening our presence in the southern region.

Digitalisation

The Company embarked on a strategic journey to drive purpose-led growth and unlock operational efficiencies through the adoption of future-fit technologies. As processes, technology infrastructure, data management, and advanced analytics converged, this transformative journey redefined our operational paradigms, embracing simpler, faster, and seamlessly interconnected solutions to effectively address industry disruptions. This digital transformation has enabled us to enhance operational efficiency across key functional areas, including manufacturing processes, sales operations, after-sales service delivery, and vendor development, by strategically leveraging advanced analytics, Internet of Things (IoT) technologies, and process automation.

Your Company strategically leveraged digital platforms to enhance the accessibility of parts and accessories for our customer base. This includes the development and maintenance of online platforms and mobile applications wherein customers can readily identify and procure genuine components. Furthermore, we integrated our operational framework with the Open Network for Digital Commerce (ONDC) to further expand the digital reach of our genuine parts offerings, thereby streamlining the after-sales service experience and expanding the number of sellers and the listed Stock Keeping Units (SKUs) from 1,100 to 3,000. This integration significantly enhances our geographical reach and provides end-customers with a broader range of procurement options.

Your Company maintains a strong focus on the integration of digital channels to enhance the overall customer journey. This includes the ongoing augmentation of the user interface of our digital platforms to cater to both pre- and post-purchase customer needs. A key initiative in this regard was the launch of the Hero One App, designed to provide customers with a seamless ownership experience. This application has demonstrated significant success in enhancing the product lifecycle journey of our customers, evidenced by 1.28 million downloads and 1.40 million active monthly users. Furthermore, the Service App 2.0 provides an integrated digital journey, incorporating live workshop management and technician management functionalities to optimise the after-sales service process.

Build a Future-fit Organisation

Your Company is actively engaged in the strategic development of a 'future-fit organisation' through a multi-faceted approach encompassing financial resilience, human capital development, cultural evolution, and process optimisation, thereby ensuring comprehensive organisational preparedness. We are committed to maintaining robust margins, both overall and at the business unit level, while concurrently making strategic investments to facilitate sustained growth. To complement these objectives, capabilities are being strategically strengthened across various critical domains, including Research and Development (R&D), the premium product segment, the Electric Vehicle (EV) sector, and the digital landscape. We endeavour to establish an efficient operating model within the organisation, characterised by a horizontally structured and role-based framework that fosters greater empowerment and accountability at all levels. The Company has prioritised the advancement of internal candidates to leadership positions, while simultaneously cultivating future leaders through robust talent pipeline and succession planning initiatives across various organisational strata. Furthermore, the Company remains open to the strategic recruitment of external candidates to augment its leadership capabilities.



Quality and innovation constitute the foundational principles of our organisational ethos, and we are resolutely focused on delivering 'first time right' quality products. We are actively pursuing the implementation of lean methodologies and the digitalisation of our end-to-end processes across the entire organisation, recognising the paramount importance of efficiency and agility in today's competitive landscape. This strategic imperative involves a significant impetus towards the digital transformation of the supply chain, the effective utilisation of data analytics, the comprehensive digitalisation of customer experience, the expansion of digital sales channels, and the leveraging of data-driven marketing strategies to create seamless and integrated interactions for customers, distributors, and retailers.

Drive ESG

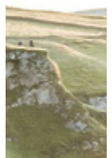
Hero MotoCorp distinguishes itself as the sole Indian two-wheeler brand to have earned a coveted position on the prestigious Dow Jones Sustainability Index (DJSI), a recognition reserved for the top 10% of companies globally demonstrating excellence in Environmental, Social, and Governance (ESG) standards. This extraordinary feat positions us uniquely on the global stage, establishing Hero MotoCorp as one of the top four global automobile companies featured on the esteemed DJSI World Index. Furthermore, we are one of only two Indian automotive companies recognised on the DJSI Emerging Markets Index.

Building upon this significant milestone, Hero MotoCorp has also been featured in the esteemed S&P Global Sustainability Yearbook 2025, securing the designation of 'Industry Mover' with a commendable high score of 69, signifying substantial year-on-year improvement in our sustainability performance relative to our industry peers.

Our commitment to environmental stewardship was further recognised through the receipt of the 11th CII National Award for Environmental Best Practices in 2024. Additionally, we achieved significant recognition in workplace safety by winning the prestigious Sword of Honour from the British Safety Council.

While these recognitions underscore the significant strides we have made in our ESG commitments, demonstrating our strong focus on environmental sustainability, social responsibility, and robust governance, we have established even more ambitious objectives and targets. Your Company is committed to achieving 100% carbon neutrality and zero hazardous waste status, ensuring product recyclability, establishing green dealerships, and attaining 500% water positivity. These environmental goals will be complemented by our dedication to championing and advancing stringent safety standards and protocols. We are actively progressing towards initiating and leading large-scale impactful social programmes and are deeply engaged in corporate social responsibility initiatives that benefit communities, particularly in critical areas such as road safety. Furthermore, we have placed increased emphasis on employee well-being and strategic talent management, with a specific target of achieving 30% gender diversity within our workforce by the year 2030. To ensure effective and ethical operations, we have established robust structures and processes for corporate governance, with a strong focus on risk management, Board effectiveness, ethical conduct and responsible sourcing practices. Transparent reporting is ensured through the periodic review of all tax positions and constructive engagement with relevant tax jurisdictions.

We have actively collaborated with multiple stakeholders to enhance our organisation's performance across critical sustainability matters and significant operational domains. We are dedicated to the adoption of new technological advancements within our operations and to facilitate the comprehensive collection of ESG-related data. Our specific ESG goals across the Environment, Social, and Governance fronts have been clearly articulated and we are actively progressing towards their fulfilment.







Operational Highlights

Across the organisation, we are committed to driving performance improvements and operational excellence through a multifaceted strategy. Central to this effort is the extensive adoption of digital technologies—from advanced analytics and real-time data monitoring to automated workflows and cloud-based collaboration platforms—that streamline processes, eliminate redundancies, and accelerate decision-making.

Equally critical is our focus on safety. We continuously refine and reinforce stringent health, safety, and environmental protocols, supported by digital tools such as wearable sensors, predictive-maintenance algorithms, and mobile safety-audit applications. These innovations help us identify and mitigate risks proactively, ensuring that every employee returns home safe each day.

Sustainability underpins every initiative we undertake. By integrating eco-friendly processes—such as waste-heat recovery, water-reduction systems, and energy-efficient production techniques—we minimise our carbon footprint and conserve precious natural resources. These measures not only align with global environmental standards but also position us to meet and exceed our own ambitious decarbonisation targets.

At the same time, we are cultivating an inclusive and supportive workplace culture where every team member feels valued, heard, and empowered. Through targeted learning and development programmes, mentorship networks, and flexible work arrangements, we encourage collaboration, creativity and continuous skill enhancement.

Our sustained investments in these areas are designed to embed innovation into our DNA and nurture a high-performance mindset. We believe that by empowering our people with the right tools, training, and support, we will unlock new levels of productivity, resilience, and long-term value for all our stakeholders.



Ignite a culture of Racing

Team Hero MotoSports sustained its competitive performance throughout FY 2024-25. A notable achievement was the team's victory in the FIM World Rally-Raid Championship (W2RC) 2024. This significant win marked the sixth overall FIM world title and the first instance of an Indian manufacturer earning this prestigious accolade. The Championship was secured by Ross Branch, following his exceptional performance throughout the racing season. This triumph also represented a significant milestone for the nation, solidifying its position within the elite ranks of larger and more experienced international teams.

In an innovative endeavour to engage racing and adventure enthusiasts within India, we introduced the Rally Life Boot Camp, a novel format providing a unique opportunity for participants to receive instruction and training from top-tier Dakar Rally athletes. The inaugural iteration of this Boot Camp, held in Pune, garnered enthusiastic participation from over 150 individuals and their motorcycles, who engaged in training sessions under the guidance of the esteemed Hero MotoSports rider, Joaquim Rodrigues.

Key Performance Indicators*

	FY 2024–25
Domestic sales	5.55 mn units
Domestic market share	29.5%
Domestic motorcycle market share	42.6%

Segment-wise Volume

	FY 2024–25
Entry segment	0.97 mn units
125-cc deluxe sales	0.69 mn units
Scooter segment sales	0.33 mn units
100-cc deluxe segment	3.48 mn units
Premium segment sales	0.07 mn units

*Figures pertain to domestic ICE business

Hero for Startups

The 'Hero For Startups' programme was initiated with the explicit objective of revolutionising mobility within the Indian subcontinent and in international markets. This strategic programme, which is aligned with the visionary principles of the Honourable Prime Minister Shri Narendra Modi's Atmanirbhar Bharat initiative, serves as a pivotal platform for enhancing India's competitive standing in the global arena. Its fundamental purpose is to identify and provide crucial financial support to innovative startup ventures nationwide that exhibit demonstrable potential to fundamentally reshape the future landscape of the automotive sector.

Program Objectives

Foster Innovation: To catalyse the development of cutting-edge technologies and disruptive solutions with the aim of fundamentally transforming the mobility sector.

Strengthen Innovation: To cultivate strategic collaborations with emerging startup enterprises, providing them with essential resources and comprehensive support to facilitate the creation of technology-driven innovations that invigorate the automotive industry.

Sustainability and Long-Term Impact: To guide the future trajectory of mobility through the promotion of innovation that is both scalable and sustainable, with a primary focus on generating long-term positive impact.

The programme is designed to:

- Drive technological advancements and pioneering solutions to revolutionise the mobility sector
- Enhance innovation through strategic partnerships with emerging startups, providing essential resources and support for technology-driven advancements that revitalise the automotive industry
- Guide the future of mobility via scalable and sustainable innovation with a focus on long-term impact

Key Features

Business Development and Scale-up Opportunities: Opportunity to work on remunerated Proof of Concept (PoC) with Hero MotoCorp, to develop and scale innovations and integrate the solutions into Hero's product portfolio.

Technical Support: Access to Hero's R&D, manufacturing and business teams, to have resources to test, develop, and deploy their solutions.

Bootcamps and Capacity Building: Tailored bootcamps focusing on enhancing technological and operational capabilities of startups, preparing for future industry challenges and ensuring sustainability of their solutions.

Mentorship from Hero's Leadership: Guidance from experienced industry professionals and Hero's leadership team, empowering them to scale their ventures and make transformative impact on the mobility sector.

Championing Sport

Hero MotoCorp has embraced sport as a powerful catalyst for social transformation. We believe that, much like our two-wheelers, athletics unite communities, build character, and inspire ambition. Our commitment transcends sponsorship—it reflects a deep conviction that supporting sport is integral to nation-building and personal growth.

A Unified Sporting Vision

Guided by the principle 'Championing Sport. Empowering Youth. Elevating India.', we connect local talent to global platforms. Whether on a neighbourhood field or an international arena, we stand alongside athletes—providing resources, infrastructure, and encouragement that nurture dreams and unlock potential.

Hockey: Reviving India's Heritage

No sport is more entwined with India's heritage than hockey. As Global Partner to the International Hockey Federation (FIH) since 2010, Hero MotoCorp champions both elite and grassroots initiatives. We entered into a strategic partnership with the FIH



for a period of five years, assuming the role of Title Sponsor for the Hockey India League for the ensuing three seasons, commencing with the 2024-25 season. We support FIH Men's and Women's World Cups, the Pro League, Hockey5s, and junior formats, while strengthening domestic competitions such as the Hero Hockey India League and the newly-launched Hero Women's Hockey India League—an important step for gender equity.

These leagues bring world-class hockey to cities and towns nationwide, inspiring youth and providing clear pathways to professional play. Our collaboration with Indian hockey legend Sardar Singh—whose journey from humble beginnings to national captain embodies discipline and determination—illustrates our belief in sport as a vehicle for social mobility. Through infrastructure development, coaching clinics, and community partnerships, we aim to restore hockey's revered place in India and foster a new generation of champions.

Cricket: Fuelling the Nation's Passion

Cricket is more than a game in India; it is a unifying force. Since our inaugural Hero Cup in 1993, Hero MotoCorp has been woven into cricket's fabric. We have sponsored bilateral series of the Men's National Team, as well as marquee events such as the IPL, CPL, ICC World Cup and Asia Cup.

Our dedication to emerging talent remains steadfast. We proudly welcome Abhishek Sharma—dynamic young batter for Sunrisers Hyderabad—as our newest brand ambassador. His fearless approach and explosive potential mirror our forward-looking vision. Over the years, we have aligned with legends such as Sourav Ganguly, Yuvraj Singh, Virender Sehwag, and Smriti Mandhana, leveraging their influence to inspire millions and elevate the sport's profile.

Beyond marquee events, we support academy programmes, talent hunts, and performance analytics to identify and mentor promising cricketers from diverse backgrounds. By integrating educational initiatives with athletic training, we ensure holistic development, preparing athletes for success both on and off the field.

Golf: Nurturing Precision and Perseverance

Golf embodies focus, patience, and excellence—qualities at the heart of our ethos. Hero MotoCorp proudly sponsors four marquee tournaments: the Hero Indian Open (DP World Tour), Hero Women's Indian Open (Ladies European Tour), Hero Dubai Desert Classic (DP World Tour), and the Hero World Challenge (PGA Tour invitational hosted by Tiger Woods). Our organisation extended its title sponsorship of the Hero World Challenge through the 2030 playing season, underscoring our continued commitment to the sport of golf.

Since 2014, our partnership with Tiger Woods has elevated our global presence and underscored our commitment to the sport's highest standards. Yet our vision extends beyond elite competition. We invest in India's rising stars—Pranavi Urs, Tvesa Malik, and Diksha Dagar—providing coaching, exposure, and support that empower them to compete on the world stage. Emerging talents like Akshay Bhatia and Sahith Theegala, of Indian origin, also benefit from our backing, proving that with the right support, ambition knows no borders.

Building Sustainable Ecosystems

Our role as a sports enabler extends beyond event sponsorship. We invest in:

- **Infrastructure** with upgrading stadiums, practice facilities, etc. to world-class standards.
- **Grassroots Outreach** conducting clinics and equipment drives in underserved communities.
- **Education Partnerships** by collaborating with schools and universities to embed sports in curricula.
- These initiatives create sustainable ecosystems where talent can emerge organically, ensuring long-term impact and broadening participation across socio-economic strata.

Measurable Impact and Future Outlook

Over the past decade:

Community Reach
Over 100,000 youth have benefitted from free coaching and equipment grants.

Competitive Success
Numerous athletes nurtured in our programmes have achieved state-level and national honours.

Equity Gains
Women's participation in supported leagues has increased by over 50%.

Yet, despite these milestones, we remain humble. Our journey is one of continuous learning, responsive adaptation, and deeper collaboration with sports federations, policymakers, and local communities. We are exploring cutting-edge talent scouting tools, expanding digital engagement platforms, and refining our support frameworks to meet evolving needs.

Hero MotoCorp does not merely build mobility—we build momentum. We do not just manufacture vehicles—we fuel dreams, pride, and possibility. Through golf, hockey, cricket, and an expanding array of sports initiatives, we unite purpose with performance. As athletes cross finish lines, lift trophies, and break barriers, they carry forward our belief that every Indian deserves the opportunity to shine. Together, we champion sport, empower youth, and elevate India—rallying around the vision that a true Hero inspires the world to dream bigger, aim higher, and rise together.

Customer Outreach Programmes

Our organisation implements a comprehensive spectrum of customer outreach programmes, encompassing both direct consumer engagement strategies and broader community-focused initiatives. The core values of energy, enthusiasm, and determination that define Hero MotoCorp enable us to establish profound connections with the contemporary youth demographic. A notable initiative during the reporting period was the launch of an innovative festive campaign, entitled 'Shubh Muhurat Aaya, Hero Saath Laya,' marking the third iteration of Hero MotoCorp's Grand Indian Festival of Trust (GIFT). This campaign strategically featured youth icons and actors, Divyendu Sharma and Hansika Motwani, in a ground-breaking GenAI-powered campaign activated across six languages for real-time lead nurturing and personalised customer interaction.

Furthermore, the Company is actively engaged in augmenting its power brands and cultivating enhanced brand awareness amongst its customer base. A recent significant undertaking in this regard was the unveiling of the latest campaign for the Hero Xtreme Power Brand, prominently featuring global icon Virat Kohli. The central theme of this campaign revolves around the Xtreme brand's core motto, 'Challenge the Xtreme', and effectively showcases the power, precision, and overall performance attributes of the Xtreme 125R and Xtreme 160R 4V motorcycle models. In addition to traditional marketing avenues, we are also strategically strengthening the gaming imagery associated with the Xtreme 125R through a sponsorship of Playground Season 4, recognised as the largest gaming reality show, and a collaborative tie-up with Krafton for various on-ground gaming activations aimed at engaging a younger, digitally native audience. In addition to the above activations, various other campaigns were launched highlighting product differentiation viz. the 'Original Glamour OG' campaign featuring Ram Charan (highlighting the new LED Headlamps and rebuilding brand credibility) and 'Thaat 69 Ke' campaign featuring Divyendu Sharma for Super Splendor XTEC (highlighting mileage and fuel efficiency).

Cost-saving Initiatives

Our organisational teams engage in persistent and dedicated efforts to enhance productivity through the implementation of various strategic initiatives. These initiatives are specifically directed towards the reduction of work content, the optimisation of variable manufacturing costs through improvements in tooling efficiency, the prudent management of consumables, the enhancement of energy efficiency, and the maximisation of yield.

Development of Channel Network

We are committed to building a future-ready channel ecosystem by reimagining and optimising channel formats to deliver a seamless, standardised experience across all touchpoints. Our focus is on creating a unified retail journey that reflects Hero MotoCorp's evolving brand and customer aspirations.

On the ground, our geographical expansion continues at pace. We have significantly accelerated the rollout of Hero 2.0 stores—now numbering nearly 930+ stores within a year, at a rapid pace of over 1 store per day. Simultaneously, our premium footprint continues to strengthen with the growing presence of Hero Premia stores 80 stores across 73 towns reinforcing our presence in the premium two-wheeler segment.

To ensure agility and performance, we have instituted robust new review frameworks that provide continuous monitoring and support across the channel network. These initiatives are enabling a more responsive, scalable, and customer-focused retail architecture aligned with our long-term growth ambitions.



Aligned with our sustainability commitments, we are advancing the Green Partner Development Programme—an initiative aimed at transforming our dealerships into eco-friendly spaces. We aim to have 100% green dealerships by 2030. From adopting biodegradable consumables and cool roofing solutions to embracing solar energy, dry washing techniques, and water recycling systems, we are enabling a greener, more responsible retail footprint.

We are equally focused on strengthening the capabilities of our channel partners. In FY 2024-25, we held structured learning programmes in collaboration with leading business institutes, ensuring our partners remain ahead of the curve. Key initiatives like the 'Succession Planning' framework and the 'Channel Onboarding Programme' are helping build a future-ready dealer ecosystem.

Our 'Women in Successful Entrepreneurship (WISE)' programme, in partnership with BML Munjal University is empowering our women dealer entrepreneurs and fostering a more diverse and dynamic business network.

Financial Performance

Particulars	FY 2024-25	FY 2023-24
Motorcycles and Scooters sold (No. of units in lakh)	58.99	56.21
Income (₹ crore)		
- Revenue from Operations	40,756	37,456
- Other Income	1,056	893
Total Income (₹ crore)	**41,812**	**38,348**
Expenses (₹ crore)		
- Cost of Materials Consumed & Changes in Inventories	27,069	25,431
- Employee Benefit Expenses	2,595	2,402
- Other Expenses	6,021	5,097
Total expenses (₹ crore)	**35,684**	**32,930**
Profit Before Tax (₹ crore)	6,128	5,258
Tax Expense (**₹ crore**)	1,518	1,290
Profit After Tax (₹ crore)	4,610	3,968
Other Comprehensive Income (**₹ crore**)	(12)	(22)
Total Comprehensive Income (₹ crore)	**4,598**	**3,946**
Earning per Equity Share on Profit After Tax (₹)	231	199

Key Financial Ratios

Particulars	FY 2024-25	FY 2023-24	Change
Trade Receivables Turnover Ratio	16.28	17.34	-6.11%
Inventory Turnover Ratio	18.66	17.67	5.58%
Interest Coverage Ratio	324.20	309.12	4.9%
Current Ratio	1.87	1.50	25.25%
Debt Equity Ratio	0.01	0.01	0.00%
Operating Profit Margin (%)	12.49	12.13	2.97%
Net Profit Margin (%)	11.03	10.35	6.55%
Return On Equity (%)	24.40	22.88	6.64%

COMMENTARY

Trade Receivables Turnover Ratio – The debtor turnover ratio decreased from 17.34 times in FY 2023-24 to 16.28 times in FY 2024-25. This change is primarily attributable to a lower average outstanding balance in comparison to the previous year.

Inventory Turnover Ratio – The inventory turnover ratio has witnessed an increase from 17.67 times in FY 2023-24 to 18.66 times in FY 2024-25. This improvement in inventory turnover is mainly on account of lower average inventory levels.

Interest Coverage Ratio – The interest coverage ratio has increased by 4.9% primarily due to higher profits during the year. This upward trend signifies improved financial health and a stronger ability to comfortably meet interest obligations.

Current Ratio – The current ratio has increased from 1.50 times to 1.87 times, which has seen as positive change on account of a higher increase in current assets. 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 12.13% to 12.49%. This improvement is primarily due to better realisation, effective cost control & value engineering.

Net Profit Ratio/Margin (%) – The net profit margin has experienced an increase from 10.35% to 11.03%, 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 22.88% to 24.40%. This improvement highlights our increased efficiency in utilising the Company's resources to generate profits.





Human Resources

Hero MotoCorp places a high priority on the strategic development of its human capital to cultivate a dynamic and inclusive workplace environment conducive to professional advancement. The organisation emphasises comprehensive talent development strategies, ensuring the provision of ongoing educational and career growth opportunities for its entire workforce. Employees are regarded as critical assets integral to organisational success, and commensurate investments are made in their professional development and overall well-being. Innovation and collaborative engagement are actively encouraged across all functional domains, and significant contributions are formally acknowledged and appropriately rewarded through established organisational frameworks. The organisation's human resources strategies are consistently aligned with a strong dedication to the principles of sustainability, the advancement of environmentally conscious operational practices, and responsible corporate conduct. The company maintains a focused commitment to promoting employee diversity and has made substantial progress throughout the fiscal year in augmenting the representation of diverse talent across its organisational structure.

Corporate Social Responsibility

Hero MotoCorp maintains a steadfast commitment to the empowerment of communities and the proactive promotion of sustainable development practices. We prioritise strategic investments in education, safety, healthcare infrastructure, environmental conservation efforts, and community development initiatives, all meticulously designed to generate a significant and beneficial impact on society and the environment. We are working towards road safety awareness and skill development programmes. Our community development endeavours are specifically focused on effecting positive and lasting environmental change and contributing substantively to the cultivation of robust and healthy communities. Hero MotoCorp's profound dedication to Corporate Social Responsibility (CSR) serves as a clear manifestation of its core organisational values and its steadfast commitment to principles of social accountability.

Risk Management

A comprehensive risk mitigation strategy is fundamentally essential for addressing both internal and external vulnerabilities in our ongoing pursuit of operational excellence. Rigorous risk management practices are critically important not only to provide robust protection against external contingencies and minimise the repercussions of internal issues, such as product recalls, but also to assure the uninterrupted continuity of operational processes and maintain the strength of our brand reputation. This steadfast commitment to risk management is a fundamental tenet of our business activities and is meticulously overseen by our dedicated Risk Management Committee (RMC), a standing committee of the Board of Directors. By proactively identifying potential risks and diligently disseminating pertinent updates, detailed mitigation strategies, and emerging trends to the RMC, we enhance our organisational resilience through the implementation of robust business continuity planning (BCP) protocols and our inherent capacity to effectively manage multifaceted challenges, thereby preserving stakeholder trust and bolstering confidence in our brand within the competitive market landscape.

Internal Controls

The Company possesses a comprehensive internal controls framework that is firmly established within its operational processes. The Audit and Assurance function serves as an instrumental element in providing assurance to the Board of Directors concerning the adequacy and effectiveness of these controls. Moreover, it furnishes strategic counsel to management regarding the evolving risk environment, thereby enabling the proactive identification and mitigation of potential risks. The internal audit plan is formulated in close conjunction with management, taking into account the requirements of statutory auditors and prioritising critical risks that are aligned with the Company's strategic objectives. Principal findings derived from internal audits are subject to quarterly review by the Audit Committee, which also oversees the advancement of management actions arising from these reviews. Technological advancements are leveraged to optimise internal audit processes. Automation and sophisticated analytical tools, including data analytics, artificial intelligence, and machine learning, are implemented to facilitate continuous monitoring, thereby ensuring a pre-emptive approach to risk management throughout the organisation.

Statutory Reports **and Financial Statements**

Statutory Reports

Board's Report and its Annexures 118

Financial Statements

Standalone 228

Consolidated 294

Dear Members,

Your Directors are pleased to present the forty second annual report, together with the Company's audited financial statements for the financial year ended March 31, 2025.

FINANCIAL RESULTS – STANDALONE & CONSOLIDATED

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

(₹ in crore)

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Total Income	41,812.29	38,348.27	41,967.50	38,643.16
Profit before Finance cost and Depreciation	6,923.59	6,148.26	6,989.92	6,204.17
Expenses				
Finance cost	19.92	18.50	70.65	76.37
Depreciation and amortisation expenses	775.86	711.41	824.59	757.36
Profit from ordinary activities before share of Profit / (Loss) of associates	**6,127.81**	**5,418.35**	**6,094.68**	**5,370.44**
Profit/ (Loss) of associates				
Share in net profit / (loss) of associates	-	-	(161.12)	(120.25)
Exceptional items – VRS expenses	-	159.99	-	159.99
Profit from ordinary activities before tax	**6,127.81**	**5,258.36**	**5,933.56**	**5,090.20**
Tax expense				
Current tax	1,443.10	1,260.95	1,448.02	1,264.18
Deferred tax	74.76	29.45	109.73	83.86
	1,517.86	**1,290.40**	**1,557.75**	**1,348.04**
Net Profit from ordinary activities after tax	**4,609.95**	**3,967.96**	**4,375.81**	**3,742.16**
Other comprehensive income /loss (net of tax)	(12.03)	(22.35)	(39.04)	(32.86)
Total comprehensive income for the year	**4,597.92**	**3,945.61**	**4,336.77**	**3,709.30**
Net Profit / (loss) attributable to				
a) Owners of the Company	4,609.95	3,967.96	4,378.48	3,744.83
b) Non-controlling interest	-	-	(2.67)	(2.67)
Other comprehensive income attributable to				
a) Owners of the Company	(12.03)	(22.35)	(32.10)	(32.76)
b) Non-controlling interest	-	-	(6.94)	(0.10)
Total comprehensive income attributable to				
a) Owners of the Company	4,597.92	3,945.61	4,346.38	3,712.07
b) Non-controlling interest	-	-	(9.61)	(2.77)
Balance of profit brought forward	15,181.42	13,934.48	14,870.51	13,862.79
Dividend				
– Interim	2,000.11	1,999.22	2,000.11	1,999.22
– Final	799.72	699.45	799.72	699.45
Adjustment on account of change in controlling interest	-	-	3.99	(4.20)
Other comprehensive income (net of income tax)	-	-	(24.96)	(34.24)
Balance carried to Balance Sheet	**16,979.51**	**15,181.42**	**16,428.19**	**14,870.51**
Earnings per equity share on Net Profit from ordinary activities after tax (face value ₹ 2/- each) (In Rupees)				
– Basic	230.53	198.53	218.96	187.36
– Diluted	230.25	198.18	218.69	187.04

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

During FY 2024-25, your Company clocked sales of 58.99 lakh units over 56.21 lakh units in the previous FY. Revenue from operations was ₹ 40,756.37 crore as compared to ₹ 37,455.72 crore in FY 2023-24, registering an increase of 8.81%.

Profit Before Tax (PBT) in FY 2024-25 was ₹ 6,127.81 crore as compared to ₹ 5,258.36 crore in FY 2023-24, reflecting an increase of 16.53%. Profit After Tax (PAT) in FY 2024-25 was ₹ 4,609.95 crore as against ₹ 3,967.96 crore in FY 2023-24, an increase of 16.18% from the previous year.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) stood at 14.40% in FY 2024-25, as compared to 14.03% in FY 2023-24.

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, 2025 along with Auditor's Report are provided in this annual report.

UPDATE ON SIGNIFICANT MATTERS

Effective April 30, 2025, Mr. Niranjan Gupta stepped down from his position as Chief Executive Officer (CEO) of the Company. Subsequently, with effect from May 1, 2025, Mr. Vikram S. Kasbekar, the Executive Director, assumed the position of Acting CEO. Mr. Kasbekar would also continue in his position as Executive Director.

During the year ended March 31, 2024, the Income Tax Authorities had disallowed certain expenses incurred in prior periods and made a demand of ₹178 crore. The Company evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information had filed an appeal with the Commissioner of Income Tax – Appeals in April 2024.

There were investigations instituted against the Company by government agencies in the past. During the current year, certain investigations against the Company were concluded favourably, while uncertainty exists regarding the ultimate outcome of the other investigations, based on the developments in favour of the Company's position and external legal advice, the Company after considering available information and facts, as of the date of approval of the financial statements, has not identified any adjustments, disclosures or any effect to financial statements or financial information. These facts have also been disclosed in the note no. 34 of the standalone financial statements and note no 36 in the consolidated financial statements. The audit report (standalone and consolidated) remains unmodified.

CAPITAL STRUCTURE

The authorised share capital of the Company as on March 31, 2025 stood at ₹ 58,00,00,000 divided into 25,00,00,000 equity shares of face value of ₹ 2 each and 8,00,000 preference shares of face value of ₹100 each.

During the year under review, 89,095 equity shares of face value ₹ 2/- each were allotted on exercise of Employee stock options, Restricted Stock Units and Performance Restricted Stock Units, by the employees of the Company, issued under the Employee Incentive Scheme-2014. Consequently, the issued and paid-up share capital of the Company as on March 31, 2025 was ₹ 40,00,21,672 divided into 20,00,10,836 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 ₹ 65/- per equity share (3,250%) of face value of ₹ 2/- each in addition to an overall Interim Dividend of ₹ 100/- per share (5,000%), aggregating a total dividend payout of ₹ 165/- per equity share (8,250%) for FY 2024-25. In the previous year, total dividend payout of ₹ 140/- per equity share (7,000%) 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. The Company has fixed Thursday, July 24, 2025 as the record date for the purpose of determining the entitlement of Members to receive the dividend for FY 2024-25

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.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/dividend_distribution_policy_2024.pdf

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and analysis report forms an integral part of this Annual 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 2024-25, there was no change in the nature of Company's business.

CAPACITY EXPANSION, NEW PROJECTS & STRATEGIC ALLIANCES

During FY 2024-25, your Company concentrated its efforts on seizing opportunities, making strategic investments, and enhancing business resilience, all while prioritising growth and the fortification of its product portfolio.

A thorough analysis of economic conditions and challenges related to commodities enabled us to reassess our manufacturing capabilities and optimise resource allocation, allowing for a more comprehensive approach to improving capacity utilisation.

During the period under review, the Board of Directors at its meeting held on February 6, 2025 approved an investment of upto ₹ 5.15 crore for the purpose of Solar Power Wheeling

for the Company's Dharuhera and Gurugram plants by setting up a Special Purpose Vehicle in partnership with Clean Max Enviro Energy Solutions Private Limited. Further, the Board at its meeting held on March 20, 2025 approved a strategic investment of upto ₹ 525 crore in Euler Motors Private Limited, commercial electric vehicle manufacturer. The Company completed acquisition of 34.10% shares in Euler Motors on May 9, 2025.

GLOBAL FORAYS

Redefining Global Mobility with Precision, Purpose, and Performance

In FY 2024-25, your Company reaffirmed its position as a formidable force in global mobility, delivering an exceptional export performance with 2,87,429 units dispatched, representing a robust growth of 43.05% over the previous fiscal year. This success was a testament to the Company's strategic clarity, market responsiveness, and executional excellence across geographies.

Key Growth Drivers in FY 2024-25

1. **Market-Focused Strategy: Driving Growth Through Hyper-Local Execution**

   In FY 2024-25, your Company continued to sharpen its global growth trajectory through a hyper-local, insights-led strategic approach, tailored to the unique demands of each market. By deploying deep consumer insights, agile planning, and strong in-market execution, Hero has made significant strides in key geographies such as Mexico, Argentina, Guatemala, Colombia, Bangladesh, and Nepal.

   Two of Hero's joint venture markets stood out with exceptional performance:

   - Bangladesh recorded a retail growth of 51.3%, a testament to the strength of brand trust, new product launches, and focused channel strategies.
   - Colombia delivered a remarkable 66% year-on-year retail growth, driven by premium product portfolio, strong retail expansion, and impactful brand engagement.

2. **Product Portfolio Enhancement**

   To address shifting customer preferences and elevate brand relevance, the Company introduced several new models, including the Xtreme / Hunk 125R, Hunk 150 Xtec, Xpulse 200 4V Euro5+, and Dash 125 Euro5+. These launches catered to both premium aspirations and commuter needs, strengthening Hero's value proposition in diverse markets.

3. **Brand Building with Cultural Resonance**

   Your Company amplified brand presence through innovative storytelling and localised engagement. Strategic campaigns, including high-impact association with brand ambassadors in Latin America, enhanced the brand deal. The Company also executed major brand activations with Xtracks across Nepal, Turkey, Colombia, Mexico, and Argentina, reinforcing superior customer experience and brand preference.

4. **Strategic Market Expansion**

   The Company marked key milestones in its global footprint with:

   - Launch of operations in the Philippines.
   - Re-entry into Nigeria.
   - Relaunch of operations in Nepal.
   - Commencement of dispatches to Sri Lanka.

   These developments underscore Hero MotoCorp's commitment to long-term partnerships and sustainable growth across emerging markets.

5. **Customer-Centric Transformation – Hero Sure**

   Hero's launch of the Hero Sure Exchange Platform in Nepal marked a new chapter in customer lifecycle management. The platform enables seamless upgrade options, improves brand loyalty, and redefines the after-sales experience—setting a new benchmark in customer-centric innovation.

6. **Digital Ecosystem Reinforcement**

   FY 2024-25 also saw the Company accelerate its digital transformation with:

   - A refreshed corporate website.
   - Deployment of an agile Lead Management System (LMS).
   - Rollout of a comprehensive Dealer Management System (DMS).

   These initiatives created a more responsive, transparent, and interconnected global ecosystem.

INNOVATION

Hero Innovation Team: Building a Culture of Co-Creation for a Future-Ready India

FY 2024-25 has been a landmark year for Hero Innovation Team a testament to your Company's commitment to nurturing a deep-rooted, inclusive, and forward-thinking innovation culture. Guided by our Chairman's vision, Hero Innovation Team has emerged as a powerful enabler of change.

Fostering Internal Innovation – Tapping the Power of Our People

The FY 2024-25 edition of our Idea Contest demonstrated the untapped creative potential within the Company. With over 1,400 ideas submitted by employees across the organisation, the program reflects the growing enthusiasm and participation in shaping Hero's innovation agenda. Importantly, we recorded a significant increase in diversity participation—from 6% to 23%—underscoring our effort to democratise innovation and make it more inclusive.

Enabling Entrepreneurial Ecosystems – Hero for Startups

The Hero for Startups initiative has matured into a robust national accelerator. The program offers selected start-ups the access to world-class resources, mentorship, and business development opportunities to scale their solutions and create a meaningful impact. A key highlight has been the signing of 6 MoUs and 2 collaborative partnerships with various state governments and startup missions, creating formal pathways for collaborative problem-solving, pilot projects, and deployment opportunities.

Driving Social Innovation – Hero Sambhav

In FY 2024-25, we launched Hero Sambhav, under the visionary guidance of our Executive Chairman, Dr. Pawan Munjal to initiate the possibility of fostering entrepreneurial talent within our own Hero family. The program received an overwhelming response, with 158 applications from across the country. Notably, 55% of the applications came from women innovators, a strong signal of Hero's growing role in amplifying underrepresented voices in innovation.

Igniting Young Minds – Young Innovators Program

Through the Young Innovators Program, Hero Innovation Team reached out to over 200 students across Delhi NCR, culminating in a cohort of 42 students. These students came from 17 different schools, with programs running both at our Gurugram and Haridwar facility, fostering immersive, hands-on learning experiences.

Strengthening Our Network – Hero Dealer Innovation Community

FY 2024-25 also saw the formal launch of the Hero Dealer Innovation Community, unveiled by our Executive Chairman, Dr. Pawan Munjal, at the National Dealer Conference, in Barcelona. This first-of-its-kind platform brings together 256 dealers from across India into a single innovation cohort. It encourages localised innovation, peer learning, and collaborative solutioning within our extended partner ecosystem.

Scaling Through Strategic Partnerships – A Multi-Stakeholder Approach

We entered into collaborative partnerships with the Ministry of Electronics and Information Technology (MeitY) to align with India's digital innovation goals. Hero Innovation Team also had the honour of being conferred with the Corporate Innovation Champion recognition award by MeitY, Government of India, at the coveted Startup Mahakumbh organised by the Department for Promotion of Industry and Internal Trade. We were also recognised by the India Energy Storage Alliance as the Technology Innovation of the Year (EV Battery), Innovation Catalyst and Innovation leader.

ETHICAL PRACTICES

Pledged to ethical and responsible conduct, your Company 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. Your Company 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 quality philosophy is anchored in an unwavering commitment to excellence, a principle we translate into tangible action through robust quality management practices that permeate every stage of our value chain. This commitment is realised through a meticulously structured approach, encompassing rigorous design verification and validation protocols, coupled with meticulous product development practices that prioritise precision and innovation. The Quality team took the lead in establishing a framework for Perceived Quality thereby focusing on critical areas to improve the product appeal through an engineering driven methodology. This has helped in establishing a clear roadmap for future models in the areas of Fit/Finish and haptics.

By strategically refining prior initiatives and proactively embracing cutting-edge digitalisation – including Digital Control Plans and Supplier Audits extending to Tier 2, with Digital Pre-dispatch reports planned for future implementation – we've fortified our supply chain's resilience and efficiency. Within our manufacturing quality operations, we've prepared a digital Poka-Yoke repository for quick feedbacks and horizontal deployments, alongside other real-time performance dashboards that provide comprehensive visibility for tracking key operational metrics.

Our new Field Technical Support vertical is structured with a customer-oriented and competence-based approach, guided by our Chief Quality Officer (CQO), and is focused on rapidly resolving new model issues and market quality concerns. Furthermore, to proactively ensure defect-free launches and achieve 'First Time Right' quality for new models, we've established a dedicated Development Quality Excellence department. By including all stakeholders in our quest for world-class quality, we support our goal of promoting a culture of quality across the value chain.

SAFETY AND WELL BEING OF EMPLOYEES

Safety is an overriding priority at your Company. The Company has taken utmost care in building inherent safety mechanisms in its machines, equipment's and processes and put in the best efforts to provide safe and comfortable working conditions. The Company has an 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.

We have introduced hardware control to minimise the impact such as provision of Material Handling Equipment (MHE) anti-fatigue mat, footrest, conveyors, working platform, noise & vibration dampeners, dust & fume extraction system, ventilation, comfort cooling, etc. Administrative controls such as management of remote/lone working, reallocation, discouraging overstay, periodic health examination, mental wellness programs, health talks, counseling sessions, yoga and meditation programs, survey and assessment of mental health, fairness and transparency in appraisal processes, flexible work time policy, flexible leave policies, job and role enrichment, supporting and promoting diversity at the workplace and various insurances for employees and families. Suitable and effective Personal Protective Equipments (PPEs) are designed and deployed on every workstation e.g. ear defenders and gloves are provided to manage high noise & vibration.

The Management of Change (MOC) process is used to manage risks that may arise out of the change made in existing system. MOC implementation has drastically improved the safety measures in course executing changes in the plant and process. We then started doing quantitative Risk Analyses (RA), employing suitable RA techniques such as Pre-Startup Safety Review, Hazop, and Quantitative Risk Assessment, involved relevant stakeholders, and had synergy among teams. This helped us visualise hidden risks, reduced turnaround time and the no of snags in changes being made. We have developed our programs and initiatives, which comply with legal and statutory requirements and international standards ISO-45001, British safety council Five-star rating OHS standard, and standards developed by bodies including International Labour Organisation and World Health Organisation so that we can implement best practices to promote wellness and safety at our workplace.

The Sword of Honour has been awarded based on the excellence in Occupation Health & Safety management at Gurugram plant in accordance to the British Safety Council Five Star Occupational Health and Safety Audit Specification 2023. Earlier, the plant was awarded the Five Star grading with a score of more than 92% for the qualification period August, 2023 to July, 2024.

DIVERSITY & INCLUSION

Our ongoing commitment to Diversity, Equity, and Inclusion

Building on the foundations laid in the previous fiscal year, FY 2024-25 has seen us further embed Diversity, Equity, and Inclusion (DE&I) into the core of our operations and culture. Our commitment to fostering a workplace where every individual feels valued, respected, and empowered remains unwavering. This year, we have not only sustained our efforts but also expanded our initiatives to create a more inclusive and equitable environment for all.

Greens Shoots: Our expanding impact

- 43% increase in joining of Women in FY 25.
- 18.7% increase in the total number of women in workforce.
- 85% returning mothers continue to work with us.
- 25% increase in Women Senior Management.

Empowering Women in Leadership

Our commitment to nurturing women in leadership roles remains a key priority. We have continued to invest in programs designed to support their growth and development:

- **Women in Leadership Programme (in partnership with BML University):** This program, tailored for women employees aspiring to managerial and leadership positions, has successfully concluded its 8th batch this year. We are proud to see the continued impact of this program in empowering women to advance their careers.
- **SheLeads: Leaders without Limit:** Building on our leadership development initiatives, we introduced "SheLeads: Leaders without Limit," a transformative journey designed to empower women employees to embrace their "Power of Self."
  - This 3-month program focuses on cultivating a growth mindset, enhancing self-belief, and enabling participants to unleash their full potential.
  - We celebrated the successful completion of the 1st batch of "SheLeads" this year.
- **MOMentum:** We recognise the unique challenges faced by women during maternity leave and the transition back to work. Our "MOMentum" initiative provides dedicated coaching and counseling sessions to women employees during this critical phase, ensuring they feel supported and valued. This program also ensures a smooth return to work.
- **SheRides:** SheRides is a riding programme for women employees that we curated to encourage more women to take up riding of motorcycles, navigate different terrains, and find a tribe who can support their learning journey. We have had 150 women employees sign for this and there is a lot of excitement around it.

Fostering a broader culture of Inclusion

Beyond gender diversity, we are committed to building a workplace where all forms of diversity are celebrated and embraced. This year, we have taken further steps to enhance inclusivity across the board.

DE&I Sensitisation for Leadership: We have designed and implemented comprehensive sensitisation workshops for our leadership teams to deepen their understanding of DEI principles, unconscious biases, and the impact of these factors on workplace culture and decision-making.

Fine Balance Workshop: our "Fine Balance" workshop encourages open and honest dialogue about creating an inclusive workspace. By bringing together cross-functional teams, including Functional Heads and their N-1s, we are fostering a shared understanding of the importance of inclusivity and driving collective action.

Recognition of DE&I efforts

- **Best Companies for Women in India, Manufacturing 2024-25** by Avtar and Seramount. The Award recognises your Company's strategic and progressive policies and practices to scale up the number of women in its workforce contributing to a larger systemic change in the participation of women in the automotive workforce.
- Honored as one of the **"Best organisation for Women", Economic Times 2024-25** for the third consecutive year.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As on March 31, 2025, your Company has 6 subsidiaries including step down subsidiaries and 2 associate companies. The performance of these companies are regularly monitored.

The annual accounts of these subsidiary companies are available on the website of the Company viz. 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 and associate 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 associates 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 manufacturing, 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 2024-25, HTCG has reported unadjusted revenue of ₹ 157.58 crore and a net profit of ₹ 7.80 crore.

HMCL NETHERLANDS B.V. ('HNBV')

HNBV is a wholly owned subsidiary of your Company, incorporated in Netherlands as a private company with limited liability under the laws of The Netherlands with the primary objective of promoting overseas investments. During FY 2024-25, HNBV has reported turnover of ₹ 7.69 crore and a net loss of ₹ 113.14 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, on a fully diluted basis. 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 2024- 25, the Company has reported unadjusted revenue of ₹ 671.70 crore and a net loss of ₹ 22.50 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 Niloy Motors Limited, 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 units per annum. During FY 2024-25, HNBL reported unadjusted revenue of ₹ 562.28 crore and a net profit of ₹ 1.20 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 2024-25, HMCLA has reported unadjusted revenue of ₹1.19 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 60% of the equity share capital in HMCMMA. During FY 2024-25, HMCMMA has reported unadjusted revenue of ₹ 470.50 crore and a net profit of ₹ 9.92 crore.

Associate Companies

HERO FINCORP LIMITED ('HFCL')

HFCL is an associate of your Company, incorporated in the year 1991. Your Company holds 41.15% 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 2024-25, HFCL has filed its Draft Red Herring Prospectus dated July 31, 2024, with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the Initial Public Offering of its equity shares comprising of a fresh issue of Equity Shares and an offer for sale of Equity Shares by certain existing and eligible shareholders of HFCL. The Offer is subject to receipt of regulatory approvals, market conditions and other considerations.

During FY 2024-25, HFCL's Profit attributable to the Company is ₹ 17.44 crore.

ATHER ENERGY LIMITED ('AEL')

AEL is a public limited company, focused on developing, designing and selling premium electric two-wheelers. The shareholding of your Company in AEL is 39.60% as at March 31, 2025. During FY 2024-25, AEL's loss attributable to the Company is ₹ 191.49 crore. During the year under review, AEL successfully completed its Initial Public Offering and subsequently listed its equity shares on BSE Ltd. and National Stock Exchange of India Limited (NSE) on May 6, 2025.

EULER MOTORS PRIVATE LIMITED ('EULER MOTORS')

In May 2025, your Company acquired 34.10% shareholding (on a fully diluted basis) of Euler Motors. Consequently, Euler Motors has became an Associate Company of HMCL. Euler Motors is engaged in the business of designing, manufacturing, selling and servicing of electric three and four-wheeler vehicles.

During the period under review, no company ceased to be the subsidiary/associate of the Company.

Material Subsidiaries

The Board of Directors of your Company ('the Board') has approved a policy for determining material subsidiaries. As on March 31, 2025, your Company does not have a material subsidiary.

The Policy for determining material subsidiaries can be viewed on the Company's website, 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_on_material_subsidiaries_06_02_2025.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Appointments & Re-appointments

During the FY 2024-25, the following Directors were re-appointed with the approval of the shareholders of the Company:

1. Mr. Vikram S. Kasbekar (DIN : 00985182) as Whole-time Director for a period of three (3) years commencing from August 8, 2024 upto August 7, 2027.
2. Ms. Tina Trikha (DIN : 02778940) as Non-Executive Independent Director, for a second term of five (5) years, with effect from October 23, 2024 upto October 22, 2029.
3. Ms. Camille Tang (DIN : 09404649) as Non-Executive Independent Director, for a second term of three (3) years, with effect from November 19, 2024 upto November 18, 2027.
4. Mr. Rajnish Kumar (DIN : 05328267) as Non-Executive Independent Director, for a second term of three (3) years, with effect from November 25, 2024 upto November 24, 2027.

Further, based on the recommendation of the Nomination and Remuneration Committee and considering eligibility, extensive knowledge, skills, experience, time commitment, availability, attendance and contributions in Board and committee meetings and the report of performance evaluation, the Board of Directors at its meeting held on May 13, 2025, subject to the approval of the members by way of special resolution, has approved the re-appointment of Air Chief Marshal Birender Singh Dhanoa (Retd.) (DIN: 08851613) as a Non-Executive Independent Director, not liable to retire by rotation, for second term of five (5) years commencing from October 1, 2025 upto September 30, 2030 (both dates inclusive).

In terms of the applicable provisions of the Act and the Articles of Association of the Company, Ms. Vasudha Dinodia (DIN: 00327151), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

Brief resume and other details for the above said Directors have been furnished in the 'Annexure A' of the Notice of AGM.

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.

The Company has a robust succession planning process which is overseen by the Nomination and Remuneration Committee. During FY 2024-25, none of the Directors resigned from the Company.

(ii) Declaration by Independent Directors

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) and Schedule IV 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 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 judgement 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 Act 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.

(iii) Key Managerial Personnel

During the year under review, Mr. Niranjan Gupta tendered his resignation from the role of Chief Executive Officer effective from April 30, 2025. The Board has appointed Mr. Vikram S. Kasbekar, Executive Director, to assume the role of Acting Chief Executive Officer (CEO) of the Company, effective from May 1, 2025.

As on March 31, 2025, Dr. Pawan Munjal, Executive Chairman, Mr. Niranjan Gupta, Chief Executive Officer, Mr. Vivek Anand, Chief Financial Officer and Mr. Dhiraj Kapoor, Company Secretary and Compliance Officer were the Key Managerial Personnel of the Company, in compliance with Section 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Following Mr. Gupta's resignation, Mr. Vikram S. Kasbekar has been appointed as the Acting Chief Executive Officer (CEO) starting from May 1, 2025.

None of the KMPs are debarred by SEBI from being associated as a KMP of the Company.

BOARD MEETINGS

During FY 2024-25, eight (8) 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 2024-25, 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, it's Committees, the Chairman and the individual Directors was carried out for FY 2024-25. The Nomination and Remuneration Committee conducts a comprehensive review of the evaluation framework based on which the Board carries out the evaluation. The evaluation process employs structured questionnaires covering various aspects for the assessment.

The evaluation criteria for the Board and Directors includes among other factors, composition of Board, balance of expertise, experience and diversity, engagement in strategic planning process, business plans, capital expenditure, pro-activeness in monitoring business challenges, constructive discussions on business matters, established robust frameworks for statutory compliance, risk management, & internal financial controls. In line with the emerging trends, the Board of Directors were also evaluated on the parameters like Company's preparedness for future, Environment, Social and Governance, information security and Corporate Social Responsibility.

The Non-Executive Directors were evaluated on various factors including intellectual independence, understanding of the Company's vision, mission, strategies, quality of their contributions, their reliance on factual information and awareness with latest developments in the areas of financial reporting, technology, industry trends, contribution in corporate governance practices, 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, update 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.

The performance evaluation of the Chairman and Executive Director was based on various criteria, inter alia, including their intellectual independence and the quality of their contributions and standards of conduct, their ability to concentrate on strategic matters, engage constructively with board members and key stakeholders and comprehend the governance, regulatory, and oversight functions of the Board. They were also evaluated on their capacity to balance the interests of shareholders, customers, employees, and other stakeholders, as well as their understanding of the regulatory and legislative landscape. Furthermore, their judgement in handling sensitive issues, skills in analysing and addressing uncertainties, adversities, and conflicts, willingness to present differing viewpoints and commitment to fulfilling their obligations and fiduciary responsibilities as directors were also taken into account.

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 Board possesses necessary skills and expertise including a diverse composition and exhibits overall effectiveness. It prioritises all essential aspects of the business, concentrating on strategic discussions and effectively engages with management in all key areas. The leadership has immensely gained from its guidance. The Board members conveyed their appreciation for the strategy and familiarisation programs organised by the Company during the year. The details of familiarisation programme are available on the Company's website at www.heromotocorp.com. The Board committees have also been functioning well and contributing effectively. The performance of individual directors was found satisfactory. Suggestions/ feedback relating to focus on EV, premium segment and international markets were given by the Board members.

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, 2025, 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 judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of the Company affairs as at March 31, 2025 and of the profit and loss of your Company for the financial year ended March 31, 2025;
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, 2025 have been prepared on a going concern basis;
5. that they 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 they 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), Performance Restricted Stock Units (PRSUs), 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 & Compliance Officer, 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.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Renumeration.pdf

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

1. To determine remuneration of Directors, KMP, 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. 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 ('SBEB Regulations'), the NRC of your Board, inter-alia, administers and monitors the Employees' Incentive Scheme, 2014 (Scheme) of your Company.

Applicable disclosures as stipulated under the SBEB Regulations with regard to the Employees' Stock Option Scheme are available on the Company's website, www.heromotocorp.com and can be viewed at the following link: https://www.heromotocorp.com/en-in/company/investors/annual-report.html?key1=annual-report&key2=2024-25. Further, there is no change in the Scheme and the Scheme is in compliance with the SBEB 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 ESOPs, RSUs and PRSUs has been implemented in accordance with the SBEB Regulations and the resolution passed by the members through postal ballot. The certificate would be placed/ made available at the ensuing annual general meeting for inspection by the members.

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** and forms an integral part of the Annual Report. Pursuant to Section 136 of the Act read with Rule 5 of the Rules, the report is 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 & Compliance Officer 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 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/Code%20of%20conduct.pdf

In terms of Listing Regulations, a report on Corporate Governance is enclosed as **Annexure II** and a certificate from M/s SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600) confirming compliance of the conditions of Corporate Governance is annexed as **Annexure – III** to this report. Further, the certificate on Non-disqualification of Directors and compliance certificate pursuant to regulation 17(8) and 34(3) of Listing Regulations are 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 ₹ 10.43 crore for the FY 2016-17 interim and final & FY 2017-18 interim and 13,199 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 ₹ 10.84 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 FY25 was ₹ 21.27 crore. Further, the cumulative amount of unpaid dividend lying in various unpaid dividend account(s) of the Company, as on March 31, 2025, is ₹ 22.27 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 2024-25, 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	4,761.35	1,663.22	6,424.57
Addition	123.83	211.77	335.60
Reduction	-	147.11	147.11
Closing Balance	4,885.18	1,727.88	6,613.06

DEPOSITS

Your Company has neither accepted nor renewed any deposits during FY 2024-25 in terms of Chapter V of the Act.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During FY 2024-25, 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 2024-25, 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.

In accordance with the established procedure, relevant information regarding each Related Party Transaction, along with the necessary justifications, is submitted to the Audit Committee as mandated by the SEBI Circular. 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 Act and the Listing Regulations, wherever required. During FY 2024-25, 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. Further, all the related party transactions are quarterly reviewed by the Audit Committee and the Board. During FY 2024-25, 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 Regulations and 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 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_party_transactions_policy_06_02_2025.pdf

RISK MANAGEMENT FRAMEWORK

Our Enterprise Risk Management (ERM) framework ensures a structured and proactive approach to the identification, assessment, and mitigation of risks that could impact our business operations. While this is the key driver of our business resilience, our core values, culture and commitment to stakeholders – employees, customers, investors, regulatory bodies, and the community around us form the backbone of our ERM framework. By embedding risk management into our decision-making processes, we aim to safeguard our objective while we foster a culture of risk awareness across levels within the organisation.



Culture of Risk Awareness

To embrace a culture of risk awareness from day one, we introduced introductory risk management sessions for new joiners, fostering risk-based thinking. Additionally, the Risk Team launched regional sessions on risk management, crisis management, and business continuity, reinforcing a risk-aware culture and promoting informed decision-making across all levels and regions.

The Risk Team initiated risk registers with critical business functions to develop their respective functional risk registers, to ensure a bottoms-up, structured, and, proactive approach to risk identification and mitigation.

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 an independent 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, 52 complaints were received through various reporting channels and 1 complaint was carried forward from the previous year. Out of these, 49 complaints have been investigated and remaining 4 complaints received in March 2025 are under investigation.

During FY 2024-25, 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 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/whistle_blower_policy_2024.pdf

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Hero MotoCorp's commitment to the people, planet, and communities has been its foundation. Under our CSR umbrella, Hero We Care, we work on initiatives that create a greener, safer, and more equitable world. From empowering communities and upskilling women to enhancing healthcare for the underprivileged, we are shaping a future where progress is sustainable, diverse, and inclusive. Guided by our core values, we continue to drive positive change, ensuring that our growth benefits society. In the FY 2024-25, your Company received several accolades for its Corporate Social Responsibility initiatives, including the ET Challenger 2GOOD Award for All-Round Excellence from the Economic Times, recognition for Best Aid in Sports initiatives, and the Most Influential Higher Education initiative (Project Shiksha), among others.

At Hero MotoCorp, we don't just build vehicles - we build a better tomorrow.

The Company's Sustainability and Corporate Social Responsibility (SCSR) Committee functions under the direct supervision of Dr. Pawan Munjal, Executive Chairman of the Company, and also the Chairman of the SCSR Committee. During the year, the SCSR Committee comprised of Dr. Pawan Munjal (Chairman), Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Ms. Tina Trikha as Members of the SCSR Committee.

The Committee has been reconstituted w.e.f May 13, 2025 and it comprises of four Directors viz. Ms. Vasudha Dinodia (Chairperson), Ms. Tina Trikha, Prof. Jagmohan Singh Raju and Ms. Camille Tang.

POLICY

During FY 2024-25, the CSR policy of the Company was amended to include the following changes:

- The CSR vision of the Company.
- Guiding principles of greener, safer and equitable society.
- The term 'stakeholders' has been defined in the CSR Policy. It encompasses not only the constituents outlined in our CSR Policy but also the beneficiaries.
- Changes made to bring more objectivity in the monitoring process adopted by the Company.
- The scope of impact assessment has been broadened.

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-polices/policies/pdfs/csr_policy_2024.pdf

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

a) The Company's success is evaluated not only on economic growth but also on contributions to social, environmental, and governance aspects. The CSR projects of Hero MotoCorp focus on creating a greener, safer, and equitable society.

b) Greener initiatives include sustainable resource management and environmental conservation.

c) Safer initiatives focus on road safety and community safety through awareness programs and training.

d) Equitable initiatives promote diversity, inclusion, and community development, with a focus on supporting armed forces veterans and their families.

e) Implementation of CSR activities can be done directly by the company or through an implementing agency, with a focus on clear objectives, timelines, and employee engagement.

f) A robust monitoring system tracks progress and ensures optimal benefits for stakeholders, with regular reports submitted to the Committee.

g) An annual action plan is formulated by the Committee and approved by the Board, detailing CSR projects, implementation, funding, and monitoring mechanisms.

FY 2024-25 update

During the year under review, your Company spent ₹ 80.54 crore on its CSR activities which is over 2% of the average net profits of preceding 3 financial years. The implementation and monitoring of the CSR is in compliance with the CSR objectives & 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 2024-25, which is annexed as **Annexure – VI.** The overview of CSR activities carried out in FY 2024-25 is provided in a separate section in this annual report.

AUDIT COMMITTEE

During the year, the Audit Committee of your Company comprised 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

The Committee has been reconstituted w.e.f May 13, 2025 and it comprises of four (4) Directors viz. Ms. Tina Trikha, Air Chief Marshal BS Dhanoa (Retd.), Prof. Jagmohan Singh Raju and Mr. Vikram S. Kasbekar. Ms. Tina Trikha continues to be the Chairperson of the Committee.

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),a peer reviewed firm, were appointed as the Statutory Auditors of the Company from the conclusion of the 39th Annual General Meeting held in the year 2022 until the conclusion of the 44th Annual General Meeting of the Company to be held in the year 2027. 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.

The statutory auditors are a peer reviewed firm, independent of the management and the Company and are professionals appointed to ensure objectivity and impartiality in audit process. The auditors have extensive experience and technical competence in auditing practices, financial reporting and regulatory compliance. Their independence coupled with their professional expertise enables them to carry out their duties effectively, providing a fair assessment of the Company's financials.

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 2024-25. The Cost Auditors will submit their report for the FY 2024-25 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 FY 2025 - 26. M/s R J Goel & Co. have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and have also certified that they are free from any disqualifications specified under Section 141(3) of the Act. 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 AGM.

In the opinion of the Board, considering the scope of the audit, the proposed remuneration payable to the cost auditors would be reasonable and fair and commensurate with the scope of work carried out by them. The notice of AGM includes the required resolution for members to ratify the Cost Auditor's remuneration.

Secretarial Auditors

M/s. SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600), a peer reviewed firm, were appointed to conduct Secretarial Audit of your Company for the FY 2024-25. The Secretarial Audit Report for the said year is annexed herewith 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, based on the recommendation of Audit Committee and subject to the approval of the members in the ensuing AGM has approved the appointment of M/s. SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600) as Secretarial Auditor of your Company for a term of five (5) consecutive years commencing from FY 2025-26. Key considerations includes technical capabilities, independence, industry, subject matter expertise, profile of the audit partners and their teams, quality of audit practices and the firm's prior association with the Company. M/s. SGS Associates LLP, have provided requisite certificate regarding their eligibility and qualification. They have also certified that they are peer reviewed and they are free from any disqualification specified under Regulation 24A of Listing Regulations, SEBI Circular No. SEBI/HO/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, Company Secretaries Act, 1980 and ICSI Auditing Standards.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Company maintains a sound and well-integrated system of internal controls. Comprehensive policies, guidelines, and procedures govern all significant business processes. The internal control system is designed to provide reasonable assurance regarding the reliability of financial and other records for the preparation of statements and the safeguarding of assets. The Company employs a comprehensive Internal Financial Controls (IFC) framework encompassing control design, testing, and the remediation of identified weaknesses. Risk and Control Matrices (RCMs), aligned with materiality, are established for all key processes, detailing control descriptions, associated risks, control ownership, operating frequency, relevant financial assertions, and fraud risk indicators. Recognising evolving business dynamics and organisational changes, new RCMs and updates to existing controls are implemented annually. The design and operating effectiveness of controls are assessed annually. Based on our assessment during the year, no material weaknesses in the design or operation of internal controls were identified.

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 (Code). 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 (UPSI). The Code also 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 PIT Regulations. 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 maintains a SDD that is seamlessly integrated with the internal systems enabling the automatic identification and recognition of Designated Persons (DPs) according to the criteria established in the code. All the unpublished price sensitive data shared, whether internally or externally, is recorded in the SDD and notice is concurrently shared informing the recipient to maintain confidentiality and not to trade on the shares of the Company. Further, the pre-clearance applications and their corresponding approvals are also processed through the SDD. Annual/half-yearly disclosures from DPs, intimations of closure of trading window and all other necessary information/reports are maintained in the SDD.

The Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the DPs and their immediate relatives. A report covering trading by DPs and their immediate relatives under the PIT Regulations is placed before the Audit Committee on a quarterly basis.

The Company periodically circulates informatory e-mails along with the code and policies on prohibition of 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 conduct 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, a 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 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 Master circular dated November 11, 2024, 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, 2025, total number of employees on the records of your Company were 9,527 as against 9,225 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 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 were 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 Act 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 Employee Stock Options 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

Your Company aims to promote a safe and secure working environment and has adopted a gender neutral policy towards prevention of sexual harassment at workplace. This policy is framed in accordance with the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act").

Your Company aims to build and promote work environments which are safe and free from any form of harassment and has a zero-tolerance stance towards any form of harassment. To achieve this objective, training and sensitisation is the key and your Company regularly organises training and awareness sessions at all locations and across functions.

Your Company has in accordance with the POSH Act constituted an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. The ICC gets reconstituted from time to time in accordance with the provisions of the POSH Act. Following is the summary of complaints received by the ICC during FY 2024-25:

No. of complaints received: 14

No. of enquiry reports closed: 11

Your Company has submitted the annual report for the calendar year 2024 to the District Officers in accordance with the provisions of the POSH Act and is in compliance with the POSH Act.

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. The Company sends periodic intimations to shareholders, urging them to update their KYC information. Shareholders are also encouraged to convert their shareholdings into dematerialised form. The Company plans to proactively contact shareholders who hold physical shares, beyond the regulatory notices already sent. The goal is to encourage and assist them in converting their share certificates into dematerialised form.

The Company has issued a Shareholders' Referencer covering rights of shareholders, grievance redressal framework, timelines for various procedures, processes, etc. followed by the Company, 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) Platinum A Design Award for HMCL's path breaking electric mobility solution - Surge S32.
2) Time Magazine's 1000 Best Companies of the World 2024.
3) ET Now Best Organisations for Women.
4) Economic Times Future Skills Awards- Best Learning Culture in an Organisation.
5) CII National Award for Excellence in Water Management 2024 - Gurugram Manufacturing Facility.
6) Time's Best Inventions - Surge S32.
7) Indian CSR Award 2024 - Most Influential Higher Education Initiative.
8) Motoring World Awards 2025 - Xtreme 125R (Design of the year 2025).
9) India HR Summit & Awards 2024 - Excellence in Development and Training Award.
10) Bike India Award 2025 - Xtreme 125R (Two Wheeler of the Year and Bike of the Year up to 125cc).
11) Sword of Honour and Innovation and Development: British Safety - Gurugram Manufacturing Facility (Health Safety and Wellbeing at Work).
12) NDTV Auto Awards 2025 - Xtreme 125R (Viewers' Choice Two-Wheeler of the Year).
13) Top Gear Awards 2024 - Harley Davidson X440 (Roadster of the Year (Up to 500cc)).
14) CII Sports Business Awards 2024 - Best Organisation Promoting Para Sports.
15) Top Gear Awards 2024 - Hero Karizma XMR (Two-wheeler of the Year (Up to 250cc)).
16) FIM World Rally Raid Championship (W2RC) 2024.

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: May 13, 2025
Place: Gurugram

ANNEXURE I

DETAILS 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) RULE, 2014:

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 2024-25 (₹ in crore)	% increase in Remuneration in Financial Year 2024-25	Ratio of the remuneration to the median remuneration of employees
Executive Directors			
Dr. Pawan Munjal-Executive Chairman	109.41	-	765
Mr. Vikram S. Kasbekar	14.08	16.27	98
Non-Executive Directors*			
Mr. Pradeep Dinodia	1.97	5.35	14
Mr. Suman Kant Munjal	0.48	100.00	3
Ms. Vasuda Dinodia	0.72	100.00	5
Non-Executive and Independent Directors*			
Prof. Jagmohan Singh Raju	1.18	3.98	8
Ms. Tina Trikha	1.47	10.53	10
ACM B.S. Dhanoa (Retd.)	1.57	1.29	11
Ms. Camile Tang	0.67	39.58	5
Mr. Rajnish Kumar	0.56	16.67	4
Key Managerial Personnels (KMPs)			
Mr.Niranjan Kumar Gupta-Chief Executive Officer**	17.93	65.41	125
Mr. Vivek Anand - Chief Financial Officer ***	7.75	-	54
Mr.Dhiraj Kapoor-Company Secretary & Compliance Officer	1.64	32.26	11

* Includes sitting fees and commission

** Stepped down as Chief Executive Officer w.e.f. April 30, 2025

***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 ₹ 14.31 lakh.
3. Median salary of employees in current year has increased by 7.52% in comparison to the previous year.
4. The number of permanent employees on the rolls of Company as on March 31, 2025 was 9,527 (previous year 9,225) 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 2024-25 was 10.87%.
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

CORPORATE GOVERNANCE REPORT

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, risk management framework, appointment and remuneration of Directors and senior management employees, auditing and internal controls, legal & compliance issues and oversight of SCSR activities.

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:

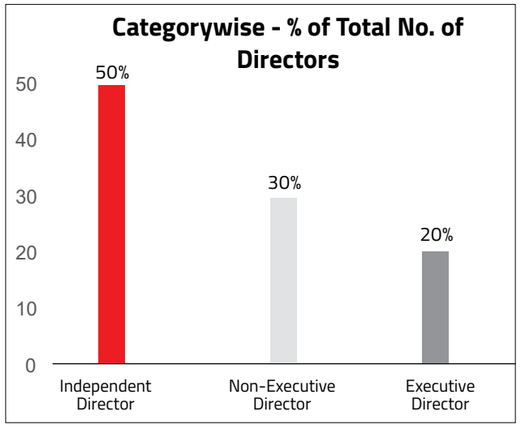
- Separation of posts of the Chairperson and the Chief Executive Officer.
- Board is comprised of balanced mix of appropriate skills, expertise, experience and knowledge which brings fairness in decision making and provides appropriate guidance.
- 80% of total strength of Board comprises of Non-Executive Directors.
- 30% of total strength of Board comprises of Woman Directors.
- Participation of Women Directors in all statutory committees

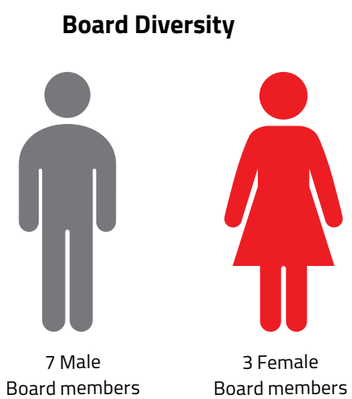
BOARD OF DIRECTORS

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 the 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, having appropriate knowledge, expertise 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') and the Companies Act, 2013 ('Act'). As on March 31, 2025, the Company's Board comprised of ten Directors, with two Executive Directors, one of them being the Chairman and Promoter, three Non-Executive Directors (including one woman 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.





During the year, Ms. Tina Trikha was re-appointed as a Non-Executive and Independent Director for a second term of five (5) consecutive years w.e.f October 23, 2024 till October 22, 2029. Ms. Camille Tang and Mr. Rajnish Kumar were re-appointed as Non-Executive and Independent Directors of the Company for a second term of three (3) consecutive years, with effect from November 19, 2024 till November 18, 2027 and November 25, 2024 till November 24, 2027, respectively.

Additionally Mr. Vikram S. Kasbekar,Whole-time Director of the Company, was re-appointed as a Whole-time Director, for a term of three (3) years, with effect from August 8, 2024 till August 7, 2027.

Dr. Pawan Munjal and Mr. Suman Kant Munjal are promoter Directors and are brothers. Ms. Vasudha Dinodia is the daughter of Dr. Pawan Munjal, Executive Chairman, and daughter-in-law of Mr. Pradeep Dinodia, Non-Executive Director of the Company. Apart from this, there is no inter-se relationship among other Directors.

Fifty percent of the Board comprises of the Independent Directors. None of the Directors of the Company are serving as an Independent Director in more than 7 listed entities and no Executive Directors of the Company is serving as an Independent Director in any other listed entity. Further, no Independent Director of the Company is a Whole-time Director in another listed company. None of the Directors on the Board is a Director in more than 20 companies including 10 public companies or is a member in more than 10 Committees or 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 Act 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 Act and Listing Regulations and are independent of the management The details of all Independent Directors are registered in the independent directors' data bank maintained by Indian Institute of Corporate Affairs (IICA) and all Independent Directors have successfully qualified the proficiency test except those exempted.

The name and category of Directors, DIN, the number of Directorships including list of Listed Entities where he/she is a Director along with the category of their Directorships, Committee positions held by them in the companies and other details like area of expertise, etc., as on March 31, 2025, are given hereafter.

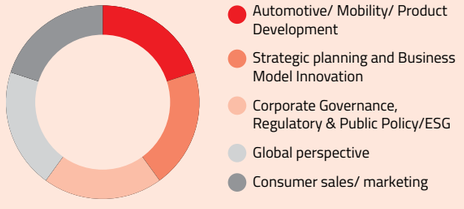
CORPORATE GOVERNANCE REPORT



Dr. Pawan Munjal
Executive Chairman
(DIN: 00004223)

Nationality	Indian
Age	70
Initial date of Appointment	October 01, 1986
Shareholding	
▪ Self	43,364
▪ As a 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
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Executive Chairman
Other Directorships	
▪ Unlisted Public Companies	2
▪ Other Companies*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 1

Skills/Area of Expertise/Competencies

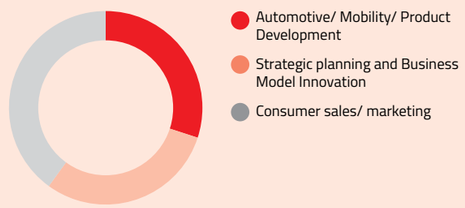




Mr. Suman Kant Munjal
Non-Executive Non-Independent Director
(DIN: 00002803)

Nationality	Indian
Age	72
Initial date of Appointment	July 29, 2010
Shareholding	
▪ Self	91,250
▪ As a 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
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Non-Independent Director
Other Directorships	
▪ Unlisted Public Companies	2
▪ Other Companies*	11
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 3

Skills/ Area of Expertise/ Competencies





Mr. Pradeep Dinodia
Non-Executive Non-Independent Director
(DIN: 00027995)

Nationality	Indian
Age	71
Initial date of Appointment	March 31, 2001
Shareholding	160 shares (Shares are held either by himself or jointly with relative(s))
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Non-Independent Director
DCM Shriram Limited	Non-Executive Non-Independent Director
Shriram Pistons and Rings Limited	Chairman & Non-Executive Non-Independent Director
Other Directorships	
▪ Unlisted Public Companies	1
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 3 Member: 7

Skills/Area of Expertise/Competencies

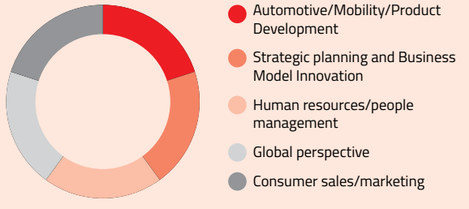




Ms. Vasudha Dinodia
Non-Executive Non-Independent Director
(DIN: 00327151)

Nationality	Indian
Age	43
Initial date of Appointment	November 25, 2021
Shareholding	32,500 shares
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Non-Independent Director
Other Directorships	
▪ 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



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 and high value debt listed entities, 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 and high value debt listed entities, including that of your Company.

CORPORATE GOVERNANCE REPORT



Prof. Jagmohan Singh Raju
Non-Executive Independent Director
(DIN: 08273039)

Nationality	USA
Age	70
Initial date of Appointment	November 15, 2018
Shareholding	NIL
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Independent Director
Other Directorships	
▪ 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





Ms. Tina Trikha
Non-Executive Independent Director
(DIN: 02778940)

Nationality	Indian
Age	49
Initial date of Appointment	October 23, 2019
Shareholding	NIL
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Independent Director
Oberoi Realty Limited	Non-Executive Independent Director
C.E. Info Systems Limited	Non-Executive Independent Director
Shriram Pistons & Rings Limited	Non-Executive Independent Director
Other Directorships	
▪ Unlisted Public Companies	NIL
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 2 Member: 3

Skills/Area of Expertise/Competencies

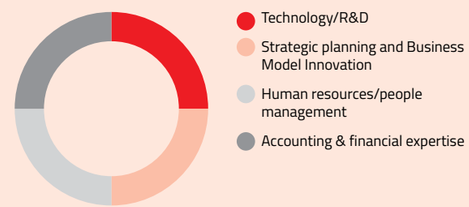




Air Chief Marshal B.S. Dhanoa (Retd.)
Non-Executive Independent Director
(DIN: 08851613)

Nationality	Indian
Age	67
Initial date of Appointment	October 01, 2020
Shareholding	NIL
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Independent Director
InterGlobe Aviation Limited	Non-Executive Independent Director
Other Directorships	
▪ Unlisted Public Companies	1
▪ Other Companies*	NIL
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 4

Skills/Area of Expertise/Competencies

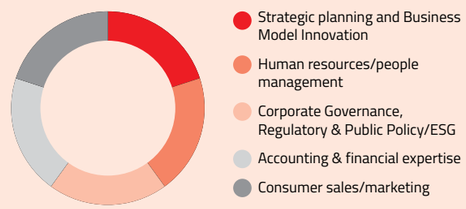




Mr. Rajnish Kumar
Non-Executive Independent Director
(DIN: 05328267)

Nationality	Indian
Age	67
Initial date of Appointment	November 25, 2021
Shareholding	NIL
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Independent Director
Larsen & Toubro Limited	Non-Executive Independent Director
Ambuja Cements Limited	Non-Executive Independent Director
Other Directorships	
▪ Unlisted Public Companies	1
▪ Other Companies*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 2 Member: 3

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 and high value debt listed entities, 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.

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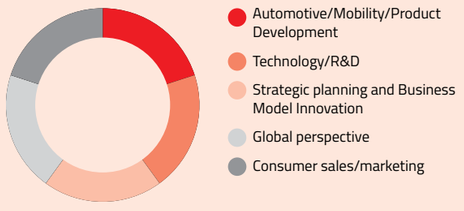
CORPORATE GOVERNANCE REPORT



Ms. Camille Miki Tang
Non-Executive Independent Director
(DIN: 09404649)

Nationality	USA
Age	69
Initial date of Appointment	November 19, 2021
Shareholding	NIL
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Non-Executive Independent Director
Other Directorships	
▪ 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

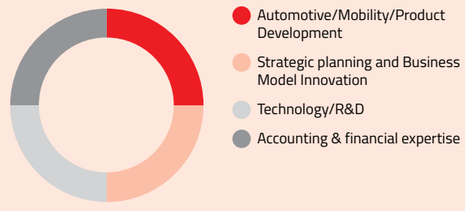




Mr. Vikram S. Kasbekar
Executive Director
(DIN: 00985182)

Nationality	Indian
Age	70
Initial date of Appointment	August 08, 2016
Shareholding	36,796 shares
Board Memberships - Indian Equity Listed entity	
Hero MotoCorp Limited	Executive Director
Other Directorships	
▪ 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



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 and high value debt listed entities, 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 Independent from management and act as trustees of shareholders. They actively participate in Board/Committee meetings, seek answers to questions, analyse proposals from the perspective of small shareholders, review current information flow, evaluate the performance of Non-Independent directors and suggest necessary changes wherever required. The 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 Act 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.

The Board meets at regular intervals to assess financial reports presented by the Chief Financial Officer (CFO), compliance updates from the Company Secretary and business updates from other executive management teams, along with discussions on potential risks and strategies for risk mitigation. These comprehensive meetings, along with individual interactions, help shape the agenda and outline the strategic direction for the Company. Additionally, the Board has formed several Committees to fulfill its responsibilities efficiently and effectively. 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 & Compliance Officer also acts as an institutionalised interface between the Board, management and external stakeholders. The Company Secretary reports to the Whole-time Director & CEO of the Company.

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.

CORPORATE GOVERNANCE REPORT

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, 2025 includes the following:

The Senior Management of the Company as on March 31, 2025 includes the following:

S. No.	Name	Designation
1	Mr. Niranjan Gupta[1]	Chief Executive Officer (CEO)
2	Mr. Vikram S. Kasbekar[2]	Executive Director & Acting CEO
3	Mr. Vivek Anand	Chief Financial Officer (CFO)
4	Mr. Sanjay Bhan[3]	Executive Vice President- Global Business, Global Product Planning and Market Insights
5	Mr. Ram Kuppuswamy[4]	Chief Operations Officer – Manufacturing - Plant Operations
6	Ms. Reema Jain[5]	Chief Information and Digital Officer
7	Mr. Ranjivjit Singh[6]	Chief Business Officer – India Business Unit
8	Mr. Swadesh Kumar Srivastava	Chief Business Officer - Emerging Mobility Business Unit
9	Ms. Pooja Yadava[7]	General Counsel
10	Mr. Dhiraj Kapoor	Company Secretary & Compliance Officer

[1] Ceased to be the CEO w.e.f. April 30, 2025.

[2] Appointed as Acting CEO w.e.f May 1, 2025. He continues to be an Executive Director.

[3] Elevated from Chief Business Officer-Global Business to the role of Executive Vice President- Global Business, Global Product Planning and Market Insights w.e.f September 1, 2024.

[4] Elevated from Chief Procurement Officer to an expanded role of Chief Operations Officer – Manufacturing - Plant Operations w.e.f. April 1, 2025.

[5] Ceased to be Chief Information and Digital Officer w.e.f April 17, 2025.

[6] Ceased to be Chief Business Officer-India Business Unit w.e.f April 30, 2025. Mr. Ashutosh Varma assumed the position of Chief Business Officer, India Business Unit w.e.f. May 1, 2025.

[7] Appointed as General Counsel w.e.f. August 12, 2024.

Cessations during the year:

- Dr. Arun Jaura ceased to be Chief Technology Officer w.e.f April 30, 2024.
- Mr. Rakesh Vasisht superannuated from the position of Head of Corporate Services and Executive Sponsor – Scooter Business, on June 30, 2024.
- Mr. Bharatendu Kabi ceased to be Head-Corporate Communications & CSR w.e.f July 31, 2024.
- Mr. Mike Clarke completed his tenure as Chief Operating Officer on October 31, 2024.
- Ms. Rachna Kumar ceased to be Chief Human Resource Officer w.e.f. February 28, 2025.

BOARD MEETINGS

During FY 2024-25, the Board met eight (8) times viz. on May 8, 2024, June 6, 2024, June 25, 2024, August 13, 2024, November 14, 2024, January 31, 2025, February 6, 2025 and March 20, 2025.

Directors' attendance at Board Meetings and the Annual General Meeting (AGM) of the Company held during the FY 2024-25 is mentioned below.

Directors' attendance record during FY 2024-25 at Board and previous Annual General Meeting

Names of Directors	Number of Board Meetings		Attendance at Previous AGM
	Held	Attended	
Executive Directors			
Dr. Pawan Munjal	8	8	Yes
Mr. Vikram S. Kasbekar	8	8	Yes
Non-Executive Directors			
Mr. Pradeep Dinodia	8	8	Yes
Mr. Suman Kant Munjal	8	8	Yes
Ms. Vasudha Dinodia	8	8	Yes
Non-Executive and Independent Directors			
Air Chief Marshal BS Dhanoa (Retd.)	8	8	Yes
Ms. Camille Tang	8	8	Yes
Prof. Jagmohan Singh Raju	8	8	Yes
Mr. Rajnish Kumar	8	8	Yes
Ms. Tina Trikha	8	8	Yes

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company consistently provides orientation and a comprehensive business overview to its Directors by way of detailed presentations by the various business & functional heads at Board meetings. Such meetings/programs include briefings on the culture, values, business model/plan, house of strategy, emerging mobility business unit, quality, R&D, new projects, domestic and global business of the Company, the roles and responsibilities of Directors and senior executives. Further, to keep the Directors informed about the changes in regulatory landscape, regular updates are provided to them along with the planned course of action by the Company.

The induction process of new Directors involves the practice of familiarising them with business model, vision, mission, values, nature of the industry, organisation structure, roles & responsibilities, code of conduct for directors, insider trading codes & policies, etc.

During the year, the Company organised a strategy meet for all the Board Members to deliberate on various topics and issues related to strategic planning, risks, progress on strategic initiatives, etc. This meeting provided an opportunity to understand detailed aspects of strategy and held discussions with the leadership team.

The Board members are also provided relevant documents, reports and internal policies to familiarise 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 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 Code was formulated in the year 2010 and incorporates 8 principles viz. Fiduciary, Property, Reliability, Transparency, Dignity, Fairness, Citizenship and Responsiveness.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2024-25. 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/en-in/company-section/reports-and-polices/policies/pdfs/Code%20of%20conduct.pdf

Supplier Code of Conduct

The Company has also developed a "Supplier Code of Conduct" to ensure that the suppliers/vendors operate in full compliance with the laws, rules and regulations and the Company's Compliance Framework. The Code guide its Suppliers to engage in ethical, responsible and legal business practices in their operations around the world. This Code is applicable to all 'Suppliers' i.e. domestic and international. The Code is available on the website of the Company at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Supplier_Code_of_Conduct_v2_06_Dec_2023.pdf

CORPORATE GOVERNANCE REPORT

Conflict of Interest Policy

The Company has a Conflict of Interest Policy which is applicable to all Directors, Employees and Suppliers of the Company. The policy is available on the website of the Company at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Conflict_of_Interest_Policy_v2_06_Dec_2023.pdf

Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy ensures compliance with applicable laws prohibiting improper payments, gift(s) or incentives of any kind or donations or otherwise offered or received from any person, including Third Parties and / or Government Public Official(s), in the private sector and customers in order to obtain any favours, influence business decisions or take any form of unfair advantage. The policy is available on the website of the Company at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Anti_Bribery_and_Anti_Corruption_Policy_v2_06_Dec_2023.pdf

BOARD/COMMITTEE MEETINGS & PROCEDURES

Frequency of meetings and information supplied

A well-defined system of convening at least four (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) in compliance with the Act and 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, subsidiaries, associates, 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;
- Capital budget and any 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 judgement 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 Company uses a web based application/portal which is accessible to all Directors. The agenda and corresponding notes to agenda for all Board and Committee meetings are circulated to Directors in advance through this portal. This portal meets the high standards of security and integrity required for storage and transmission of Board/Committee documents in electronic form. 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 Act, Secretarial Standard on meetings of the Board issued by the Institute of Company Secretaries of India and the Listing Regulations.

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 respective minutes book within 30 days from the date of meeting.

MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met twice during FY 2024-25, i.e. on May 8, 2024 and February 6, 2025.

COMMITTEES OF THE BOARD

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, 2025, 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. Ms. Tina Trikha is the Chairperson of the Committee.

The Committee has been reconstituted w.e.f May 13, 2025 and it comprises of four (4) Directors viz. Ms. Tina Trikha, Air Chief Marshal BS Dhanoa (Retd.), Prof. Jagmohan Singh Raju and Mr. Vikram S. Kasbekar as members. Ms. Tina Trikha continues to be the Chairperson of the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

All members of the Audit Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations.

The nomenclature, constitution and the terms of reference of the Audit Committee are in consonance with the provisions of the Section 177 of the Act, Regulation 18 (3) and Para C of Schedule II of the Listing Regulations.

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.
- 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 Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement 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;
  - Qualification in the draft audit report.
- Reviewing with the management, the quarterly financial statements 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;
- 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,

CORPORATE GOVERNANCE REPORT

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% 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;
- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee;
- 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.

During FY 2024-25, ten (10) meetings of the Audit Committee were held on April 23, 2024, May 8, 2024, June 6, 2024, August 13, 2024, September 5, 2024, November 13, 2024, January 27, 2025, February 6, 2025, March 10, 2025 and March 20, 2025 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 during FY 2024-25

Names of Committee Members	Position held	No. of meetings held during FY 2024-25	No. of meetings attended
Ms. Tina Trikha	Chairperson	10	10
Mr. Pradeep Dinodia	Member	10	10
Air Chief Marshal B S Dhanoa (Retd.)	Member	10	10

Role and reporting of Internal Auditors

Internal Audit functions under the authority of the Board and Audit Committee, as per the Internal Audit Charter. The Head of Internal Audit reports functionally to the Chair of the Audit Committee and is a regular attendee at Audit Committee meetings. Internal audit findings are reported directly to the Audit Committee.

The role of Internal Audit is to provide an objective and independent assessment of the design and operational effectiveness of risk management, control, and governance processes across the Company. Additionally, Internal Audit adds value by offering recommendations to management for process and automation enhancements.

Internal Audit is responsible for reviewing the adequacy and effectiveness of the following controls, reporting its findings to the Audit Committee and the Board. These reviews often involve data analytics techniques to gain deeper insights and assess:

- The appropriateness and effectiveness of risk management and governance processes.
- The reliability and integrity of financial and operating information.
- The effectiveness and efficiency of operations.
- The safeguarding of assets.
- Compliance with applicable laws, regulations, and contracts.The delivery of major programs.
- Quality and continuous improvement initiatives.

The Head of Internal Audit is responsible for establishing the Internal Audit framework and methodologies to ensure consistent execution and reporting of internal audit results, adhering to principles aligned with International Internal Auditing Standards.

Internal Audit activities include reviewing the design of and adherence to established policies and procedures, assisting in the mitigation of significant risks identified at various organisational levels, supporting improvement initiatives, and conducting specific reviews related to risk and controls as needed. Internal Audit leverages data analytics to identify patterns, anomalies, and trends, wherever required.

The annual internal audit plan covers all functions, risks, compliance requirements, and the overall assurance landscape. This plan is approved by the Audit Committee at the beginning of each financial 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 Incentive Scheme-2014.

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 NRC has the following terms of reference:

- 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/PRSU;
- 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, 2025, the NRC comprised of three (3) Directors viz. Prof. Jagmohan Singh Raju, Mr. Pradeep Dinodia and Air Chief Marshal BS Dhanoa (Retd.) as members. Prof. Jagmohan Singh Raju was the Chairman of the NRC. The Company Secretary acts as the Secretary of the NRC.

During FY 2024-25, six (6) meetings of the NRC were held on May 1, 2024, June 25, 2024, August 12, 2024, November 14, 2024, January 31, 2025 and February 5, 2025.

The Composition of NRC and attendance details of members are mentioned below.

CORPORATE GOVERNANCE REPORT

Details of Nomination and Remuneration Committee Members and Number of Meetings Attended during FY 2024-25

Names of Committee Members	Position held	No. of meetings held during FY 2024-25	No. of meetings attended
Prof. Jagmohan Singh Raju	Chairman	6	6
Mr. Pradeep Dinodia	Member	6	6
Air Chief Marshal B S Dhanoa (Retd.)	Member	6	6

The NRC has been reconstituted w.e.f May 13, 2025 and it comprises of three (3) Directors viz. Air Chief Marshal BS Dhanoa (Retd.) (Chairman), Prof. Jagmohan Singh Raju and Ms. Tina Trikha.

Remuneration and Board Diversity Policy (Remuneration 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.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/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 Act, 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

(₹ in crore)

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	Stock option	Commission	Others (PF & Gratuity)	Total
Dr. Pawan Munjal[#]	19.43	29.20	-	-	57.51	3.27	109.41
Mr. Vikram S. Kasbekar	3.63	6.89	-	2.94	-	0.62	14.08

Note: No severance fee is payable to Executive Directors and there is no notice period for the Executive Directors.

[#]Dr. Pawan Munjal, Executive Chairman, has maintained overall the same remuneration for FY 2024-25 as in FY 2023-24.

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 available at the Company's website at https://www.heromotocorp.com/en-in/company/investors/disclosures-under-regulation-46-of-the-lodr.html and also provided below:

Remuneration to Non-Executive Directors

(₹ in crore)

Names of Directors	Sitting Fees	Commission	Total
Air Chief Marshal BS Dhanoa (Retd.)	0.31	1.26	1.57
Ms. Camille Tang	0.21	0.46	0.67
Prof. Jagmohan Singh Raju	0.23	0.95	1.18
Mr. Pradeep Dinodia	0.34	1.63	1.97
Mr. Rajnish Kumar	0.10	0.46	0.56
Mr. Suman Kant Munjal	0.08	0.40	0.48
Ms. Tina Trikha	0.24	1.23	1.47
Ms. Vasudha Dinodia	0.32	0.40	0.72

Note: No stock options have been granted to any Non-Executive or Independent Directors.

During FY 2024-25, 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 for FY 2024-25, 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 SRC are available on the Investor section of the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/board-committee/cg-StakeRelationCommitte.pdf.

During the year, two (2) meeting of the SRC were held on August 13, 2024 and November 13, 2024. As on March 31, 2025, the SRC comprised of three Directors viz. Mr. Pradeep Dinodia (Chairman), Prof. Jagmohan Singh Raju and Mr. Vikram S. Kasbekar. The Company Secretary acts as the secretary of the SRC. The details of the SRC are mentioned below:

Details of Stakeholders' Relationship Committee Members and Number of Meetings Attended during FY 2024-25

Names of Committee Members	Position held	No. of meetings held during FY 2024-25	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	2	2
Prof. Jagmohan Singh Raju	Member	2	2
Mr. Vikram S. Kasbekar	Member	2	2

The SRC has been reconstituted w.e.f May 13, 2025 and it comprises of four (4) Directors viz. Mr. Pradeep Dinodia (Chairman), Mr. Rajnish Kumar, Ms. Vasudha Dinodia and Air Chief Marshal BS Dhanoa (Retd.) as members.

Investors' Grievance Redressal

The details of investor grievances received and resolved to the satisfaction of shareholders during the FY 2024-25 are detailed below:

CORPORATE GOVERNANCE REPORT

S. No.	Particulars	No. of Complaints
1	Pending at the beginning of the year	32
2	Received during the year	1296
3	Resolved during the year	1321
4	Pending at the end of the year	7*

*All complaints were resolved by April 30, 2025.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY ('SCSR') COMMITTEE

The SCSR Committee is responsible for formulation and recommendation of the CSR policy of the Company. It also recommends the amount of expenses to be incurred on CSR activities and closely and effectively monitors the implementation of the policy. The Company has also been performing work around sustainability in order to make the operations, business and the Company as a whole, a sustainable organisation. The Company's sustainability strategy rests on the following five pillars:

- Inclusive Growth
- 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/content/dam/hero-aem-website/in/en-in/company-section/investors/board-committee/cg-CSR.pdf

The policy is reviewed periodically or at least once in three years and updated accordingly with the approval of the Board of Directors. The policy was amended during the year and the key changes have been outlined in the Board's Report. 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/policies/pdfs/csr_policy_2024.pdf

As on March 31, 2025, the SCSR committee comprised of four (4) Directors viz. Dr. Pawan Munjal as Chairman, Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Ms. Tina Trikha as members. The Company Secretary acts as the Secretary of the SCSR Committee.

During the year, four (4) meetings of the Committee were held on May 1, 2024, August 12, 2024, November 14, 2024 and February 5, 2025. 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 during FY 2024-25

Names of Committee Members	Position held	No. of meetings held during FY 2024-25	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

The SCSR Committee has been reconstituted w.e.f May 13, 2025 and it comprises of four (4) Directors viz. Ms. Vasudha Dinodia (Chairperson), Ms. Tina Trikha, Prof. Jagmohan Singh Raju and Ms. Camille Tang as members.

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 Committee ensures periodical review of the policy, at least once in two years. It also ensures that appropriate processes and systems are in place to monitor and evaluate risks 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/content/dam/hero-aem-website/in/en-in/company-section/investors/board-committee/cg-RMC.pdf

The Risk Management Policy of the Company, inter alia, includes purpose and objective of the policy, governance framework, key elements and scope including identified risks and imperatives. The RMC policy was amended during the year to include detailed governance framework, evaluation of key risk parameters in current business context, emphasised risk management imperatives, focusing on accountability, risk apetite and mitigation strategies. The Risk Management Policy of the Company is available on the Company's website, 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_management_policy_06_02_2025.pdf

As on March 31, 2025, the RMC comprised of three (3) Directors viz. Mr. Pradeep Dinodia as Chairman, Air Chief Marshal BS Dhanoa (Retd.) and Mr. Vikram S. Kasbekar as members. The Company Secretary acts as the Secretary of the Risk Management Committee.

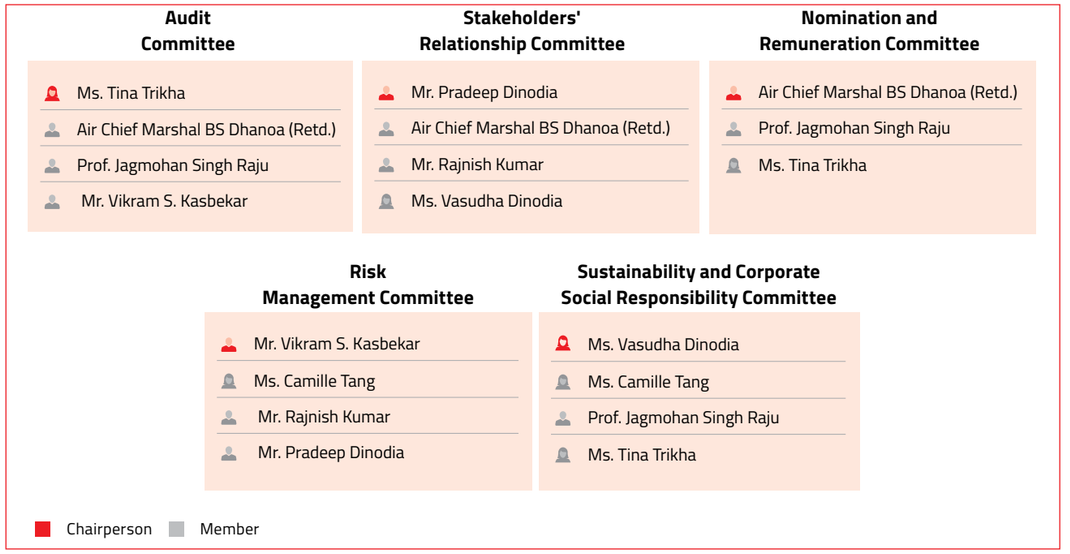
During the year under review, four (4) meetings of the Risk Management Committee were held on June 6, 2024, August 12, 2024, November 13, 2024 and February 5, 2025. The details of the Risk Management Committee are mentioned below:

Details of Risk Management Committee Members and Number of Meetings Attended during FY 2024-25

Names of Committee Members	Position held	No. of meetings held during FY 2024-25	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

The Committee has been reconstituted w.e.f May 13, 2025 and it comprises of four (4) Directors viz. Mr. Vikram S. Kasbekar, Ms. Camille Tang, Mr. Rajnish Kumar and Mr. Pradeep Dinodia as members. Mr. Vikram S. Kasbekar is the Chairman of the Committee.

The Board Committees have been reconstituted w.e.f May 13, 2025, as under:-



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 fourteen (14) occasions viz. April 9, 2024, April 25, 2024, June5, 2024, July 11, 2024, August 21, 2024, September 19, 2024, October 15, 2024, November 20, 2024, December 2, 2024, December 17, 2024, January 24, 2025, February 24, 2025, March 5, 2025 and March 26, 2025.

SHARE TRANSFER COMMITTEE ('STC')

The role of the STC is to attend to the requests pertaining to share transfer, transmission, etc. the Chief Financial Officer, Vice President (Finance) and the Company Secretary & Compliance Officer are ex-officio members of the Committee. During the

CORPORATE GOVERNANCE REPORT

financial year under review, circular resolutions were passed on ten (10) occasions viz April 12, 2024, May 20, 2024, June 7, 2024, July 15, 2024, August 22, 2024, October 18, 2024, November 22, 2024, December 20, 2024, January 30, 2025 and February 25, 2025.

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 2024-25

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

Related Party Transactions

In terms of Section 188(1) of the Act, all related party transactions entered into by the Company during FY 2024-25 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 in the ordinary course of business. All the transactions are also disclosed to the Audit Committee and the Board on a quarterly basis.

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 Company has a policy on Related Party Transactions which was amended during the FY 2024-25 which included amendments on account of regulatory changes in the listing regulations and other policy enhancements. 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_party_transactions_policy_06_02_2025.pdf

Policy for determining 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, https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_on_material_subsidiaries_06_02_2025.pdf

The policy is reviewed periodically and was amended during FY 2024-25 to include amendments on account of regulatory changes in the listing regulations.

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/ Integrated Filing (Governance) as per Listing Regulations and applicable SEBI circulars 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.

During the year, the SEBI introduced Integrated Filing-Governance which consolidates the Corporate Governance report, Investor Grievances Report and information relating to some material events under Regulation 30 of Listing Regulations. Similarly, the Integrated Filing-Financial has also been implemented which integrates the financial results, details of related party transactions, disclosure of default on loans/debt securities, statement of deviation and variation. The Company has adhered to all these requirements and other changes made throughout the year.

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 blower complaints, which is approved by the Audit Committee of the Company. The Whistle Blower Policy was reviewed during the FY 2024-25. Key amendments included enhancement in the coverage by adding more commonly reported complaints, provision for anonymous complaints and conflict of interest. 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_blower_policy_2024.pdf 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

Our company faces exposure to commodity price risk and foreign exchange risk. For exports, our primary foreign currency exposure is in USD. For imports, our exposures are predominantly in USD, CNY, and EUR.

To mitigate these risks, we evaluate natural hedges and employ hedging Instruments, if considered necessary, in accordance with central bank regulations. Comprehensive details regarding our hedged and unhedged positions can be found in the Notes to the standalone financial statements within our 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.

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.

CORPORATE GOVERNANCE REPORT

Fees paid to Statutory Auditors

The details of fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors are part of, are mentioned below:

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	2.45
2	Hero MotoCorp Limited		Tax Audit Fees	0.05
3	Hero MotoCorp Limited		Out of Pocket Expenses	0.08
4	Hero MotoCorp Limited		Certifications	0.25
5	HMC MM Auto Limited	Subsidiary	Audit Fees	0.21
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	0.10
9	HMCL Colombia S.A.S	Subsidiary	Audit Fees	0.63
10	Hero Tech Center Germany GmbH	Subsidiary	Audit Fees	1.11
11	HMCL Netherlands B.V.	Subsidiary	Audit Fees	0.18
Total				5.10

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 13, 2025 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, Ms. Vasudha Dinodia, Director of the Company retires by rotation at the ensuing annual general meeting and being eligible, has offered herself for reappointment.

Further, the first term of Air Chief Marshal Birender Singh Dhanoa (Retd.) as an Independent Director will end on September 30, 2025. Based on the recommendation of the Nomination and Remuneration Committee and the report of performance evaluation, the Board of Directors at its meeting held on May 13, 2025, subject to the approval of the members by way of a special resolution, has approved the reappointment of ACM Birender Singh Dhanoa (Retd.) as a Non-Executive Independent Director for the second term of five (5) years commencing from October 1, 2025 up to September 30, 2030.

During the year, Ms. Tina Trikha was re-appointed as a Non-Executive and Independent Director for a second term of five (5) consecutive years w.e.f October 23, 2024 till October 22, 2029. Ms. Camille Tang and Mr. Rajnish Kumar were re-appointed as Non-Executive and Independent Directors of the Company for a second term of three (3) consecutive years, with effect from November 19, 2024 till November 18, 2027 and November 25, 2024 till November 24, 2027, respectively.

Additionally, Mr. Vikram S. Kasbeka, Whole-time Director of the Company, was re-appointed as a Whole-time Director, for a term of three (3) years, with effect from August 8, 2024 till August 7, 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.

During the period under review, the Company has not made any disclosures under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

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 and published in widely circulated newspapers.

NO AUDIT QUALIFICATIONS

There are no audit qualifications in the financial statements of FY 2024-25. The Company continues to adopt best practices in order to ensure unqualified financial statements.

SEPARATE POSTS OF CHAIRMAN AND CEO

The Company maintains separate positions of Chairman and CEO of the Company. Dr. Pawan Munjal serves as the Executive Chairman, while Mr. Niranjan Gupta held the position of the Chief Executive Officer of the Company upto April 30, 2025. During the year under review, Mr. Niranjan Gupta tendered his resignation from the role of Chief Executive Officer. The Board appointed Mr. Vikram S. Kasbekar, Executive Director, to assume the role of Acting Chief Executive Officer (CEO) of the Company, effective May 1, 2025. He shall also continue in his role as the Executive Director – Operations.

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 the Board's Report.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors of the Company convened two meetings.

MEANS OF COMMUNICATION

Company website

Pursuant to Regulation 46 of the Listing Regulations, the Company's website 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. The Shareholders' Referencer is available on the 'Investors' section of the website at: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf

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, press releases and corporate actions are filed electronically on NEAPS.

BSE CORPORATE COMPLIANCE & LISTING CENTRE ('LISTING CENTRE')

The Listing Centre of BSE Ltd. (BSE), is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, press 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 Depositories/RTA.

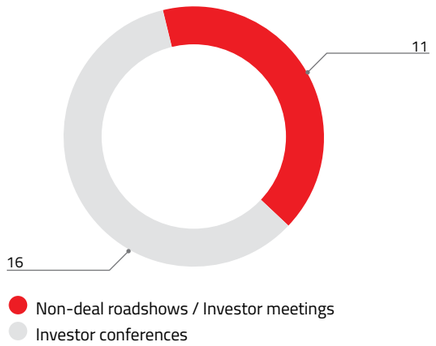
NEWS RELEASES AND PRESENTATIONS

Official news and press releases are sent to BSE and NSE and are also uploaded on the Company's website at www.heromotocorp.com.

CORPORATE GOVERNANCE REPORT

INVESTOR MEETINGS & CONFERENCES

The Company conducts quarterly investor calls after declaration of the financial results, which are accessible to all stakeholders. It also 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 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.

COMMUNICATION TO INVESTORS

Unclaimed shares/dividend

Periodical reminders to claim unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. Additionally, newspaper advertisements are published to enhance the visibility of these reminders. These details are also uploaded on website of the Company at www.heromotocorp.com.

Dispute Resolution Mechanism at Stock Exchanges

The SEBI vide its Master circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 (updated as on December 20, 2023) has made it mandatory for investors to first take up their grievances for redressal with the Company. In case, the Company concerned fails to redress the complaint within the 21 calendar days, the investors may escalate their complaint to the SCORES.

Grievances can be lodged with SEBI electronically through SEBI Complaints Redress System - SCORES (a web based centralised grievance redressal system of SEBI at https://scores.sebi.gov.in/).

The Complaint against the listed company shall be simultaneously forwarded through SCORES to the relevant stock exchanges. The exchanges shall ensure that the concerned company submits the ATRs within the stipulated time of 21 calendar days. If the complainant is not satisfied, the complainant may request for a review of the resolution provided by the company within 15 calendar days from the date of the ATR. The stock exchanges shall take up the first review with the concerned company, wherever required. The complainant may seek a second review of the Complaint within 15 calendar days from the date of the submission of the ATR by the stock exchanges. In case the complainant is not satisfied with the ATR provided by the stock exchanges or the concerned exchange has not submitted the ATR within 10 calendar days, SEBI may take cognizance of the Complaint for second review through SCORES. If the investor is still not satisfied with the outcome of SCORES, he/she/they can initiate dispute resolution through the SMART ODR Portal. Members may also refer to the Shareholders' Referencer available on the Company's website at: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf

Furnishing of KYC details:

In compliance with the SEBI dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, November 17, 2023 and Master circular May 7, 2024 and further on June 10, 2024), the Company had sent intimations on July 15, 2024, October 11, 2024 and March 17, 2025 informing the following:

- the security holders (holding securities in physical form) shall mandatorily update their KYC details (PAN, Contact Details, Mobile Number, Bank Account Details and signature).
- the security holders (holding securities in physical form) shall be eligible for any payment including dividend, interest or redemption only upon furnishing of all the above KYC details.
- The payment of dividend shall be made through electronic mode only with effect from April 01, 2024.
- The security holders holding shares in physical form are also encouraged to dematerialise their holding.

Additionally, the newspaper advertisements issued for unclaimed shares and unpaid dividends include a recommendation for shareholders to dematerialise their shares and update their KYC information.

The above 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?key.

Updation of bank account and other details for dividend payment and TDS

The Company 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 provide other relevant information.

As a good corporate practice, the Company has started to send Dividend warrants to all shareholders through registered post irrespective of the amount.

Circulars/ notifications / FAQs issued by SEBI in the interest of shareholders

Members are requested to note that the follwing circulars / notifications/ FAQs were issued by the SEBI during the FY2024-25 to enhance ease of dealing in securities / doing investments, with a view to make the processes and procedures more efficient and investor freindly.

S. No.	Date & / or Reference No.	Brief Particulars	Link
1	07-05-2024 SEBI/HO/MIRSD/ POD-1/P/ CIR/2024/37	Master Circular for Registrars to an Issue and Share Transfer Agents	https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-registrars-to-an-issue-and-share-transfer-agents_83226.html
2	14-05-2024	FAQ on KYC Norms for the securities market	https://www.sebi.gov.in/sebi_data/faqfiles/may-2024/1715694256793.pdf
3	10-06-2024 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	https://www.sebi.gov.in/legal/circulars/jun-2024/-a-ease-of-doing-investments-non-submission-of-choice-of-nomination-_84053.html
4	29-10-2024	FAQ on Investor Grievances-SCORES	https://www.sebi.gov.in/sebi_data/faqfiles/oct-2024/1730356475310.pdf

GREEN INITIATIVE

In compliance with MCA and SEBI circulars, the Annual report which inter-alia comprises of the Audited Standalone & Consolidated Financial Statements along with the Reports of the Board of Directors and Auditors thereon for the Financial Year 2024-25 and Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/RTA or the DP(s). The physical copy of this Annual Report will be dispatched only to those shareholders who request for the same.

All intimations or reminders to shareholders are being sent in electronic mode only, except that are required to be sent in physical form as mandated by relevant MCA and SEBI Circulars.

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.

CORPORATE GOVERNANCE REPORT

GENERAL BODY MEETINGS

Details of Annual General Meeting (AGM) held during the previous 3 (three) years where any special resolutions were passed are mentioned below:

Details of Annual General Meetings held:

Year	Day and Date	Location	Time	Summary of special resolution(s) passed
2023-24	Monday, August 12, 2024	Video Conferencing("VC")/ Other Audio Visual Means ("OAVM")*	11:30 A.M	▪ Re-appointment of Mr. Vikram S. Kasbekar, Whole-time Director of the Company, designated as Executive Director (Operations), for a term of three (3) years, with effect from August 8, 2024 till August 7, 2027. ▪ Re-appointment of Ms. Tina Trikha as a Non-Executive and Independent Director for a second term of five (5) consecutive years w.e.f October 23, 2024 till October 22, 2029. ▪ Re-appointment of Ms. Camille Tang as Non-Executive and Independent Director of the Company for a second term of three (3) consecutive years, with effect from November 19, 2024 till November 18, 2027. ▪ Re-appointment of Mr. Rajnish Kumar as Non-Executive and Independent Director of the Company for a second term of three (3) consecutive years, with effect from November 25, 2024 till November 24, 2027.
2022-23	Wednesday, August 9, 2023		11:30 A.M	▪ Re-appointment of Prof. Jagmohan Singh Raju as a Non-Executive and Independent Director of the Company for a second term of five (5) consecutive years, with effect from November 15, 2023 to November 14, 2028. .
2021-22	Tuesday, August 9, 2022		11:30 A.M	▪ No special resolution 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. 09/2024 dated September 19, 2024 and SEBI Circular dated May 12, 2020 and January 15, 2021, and subsequent circular in this regard, last being on October 3, 2024. to transact the businesses set out in the Notice of the AGM through VC/OVAM up to September 30, 2025 and has provided some relaxation from compliance in relation to AGM.

Details of EGM held: No EGM was held during the previous 3 (three) years.

POSTAL BALLOT

During the financial year 2024-25, 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 5, 2025

Day: Tuesday

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, 2024 to March 31, 2025

For FY 2024–25	Results were announced on
First quarter ended June 30, 2024	Wednesday , August 13, 2024
Second quarter and half year ended September 30, 2024	Thursday, November 14, 2024
Third quarter and nine months ended December 31, 2024	Thursday, February 6, 2025
Fourth quarter and year ended March 31, 2025	Wednesday, May 13, 2025

For FY 2025–26	Results are likely to be announced by (tentative and subject to change)
First quarter ended June 30, 2025	Second week of August, 2025
Second quarter and half year ended September 30, 2025	Second week of November, 2025
Third quarter and nine months ended December 31, 2025	First week of February, 2026
Fourth quarter and year ended March 31, 2026	Second week of May, 2026

Book closure

The dates of book closure shall be from July 25, 2025 (Friday) to August 5, 2025 (Tuesday) (both days inclusive).

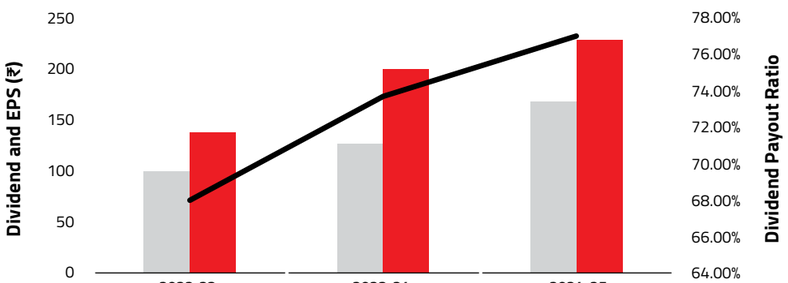
Dividend payment

The Board has declared an interim dividend @ 5,000% i.e. ₹ 100/- per share in the month of February 2025. The dividend was paid to those shareholders whose names appeared on the register of members as on February 12, 2025 and payment was made on February 25, 2025.

The Board has recommended a final dividend ₹ 65/- per equity share (3,250%) of face value of ₹ 2/- each for FY 2024- 25. The dividend recommended by the Directors for the year ended March 31, 2025, if declared at the ensuing annual general meeting, will be paid by September 4, 2025 to those members, whose names appear in the register of members/ depository records as on July 24, 2025. This translates to a Dividend Payout Ratio of 71.6% of the EPS for the financial year ended March 31, 2025.

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 policy is reviewed periodically by the Board of Directors. The Dividend Distribution Policy was amended during the FY 2024-25. The amendment included focus on financial parameters and aligning the policy with the current practice of disbursing the dividend bi-annually. 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_distribution_policy_2024.pdf

Dividend Payout Ratio



	2022-23	2023-24	2024-25
Dividend per Share (₹)	100	140	165
EPS (₹)	145.66	198.53	230.53
Payout Ratio	68.7	70.5	71.6

CORPORATE GOVERNANCE REPORT

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 2025-26 has been paid to both, BSE and NSE within the stipulated time.

Stock Market Data

Monthly high and low quotations as well as the volume of shares traded at the National Stock Exchange of India Limited and BSE Limited are mentioned below.

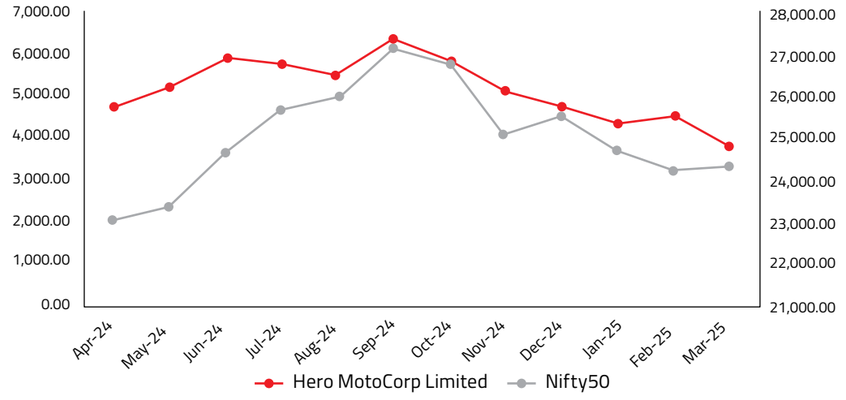
Share Price Data for FY 2024-25

(Equity shares of ₹ 2 each paid up value)

National Stock Exchange of India Limited, Mumbai (NSE)

Month	Total Volume (No. of Shares)	High Price (In ₹)	Date	Volume on that day	Low Price (In ₹)	Date	Volume on that day
Apr-24	1,52,70,323	4,779.75	01-Apr-24	6,64,163	4,168.15	19-Apr-24	6,74,079
May-24	1,89,34,492	5,225.00	28-May-24	7,27,224	4,414.65	08-May-24	13,13,834
Jun-24	1,67,90,272	5,894.55	18-Jun-24	5,27,069	4,920.25	04-Jun-24	19,45,233
Jul-24	1,19,89,564	5,728.30	01-Jul-24	10,18,344	5,329.70	23-Jul-24	9,08,996
Aug-24	1,56,43,679	5,518.00	30-Aug-24	15,69,946	4,991.00	14-Aug-24	21,85,163
Sep-24	1,66,59,432	6,246.25	24-Sep-24	6,31,130	5,517.00	02-Sep-24	10,54,947
Oct-24	1,50,28,315	5,794.00	01-Oct-24	7,42,940	4,740.10	30-Oct-24	10,39,340
Nov-24	1,31,91,437	5,127.50	04-Nov-24	16,76,556	4,467.00	14-Nov-24	8,89,483
Dec-24	1,47,21,548	4,784.00	03-Dec-24	6,64,696	4,150.00	31-Dec-24	4,92,605
Jan-25	1,13,21,516	4,372.80	31-Jan-25	10,56,018	3,997.50	13-Jan-25	8,01,718
Feb-25	1,34,17,079	4,522.95	01-Feb-25	11,41,242	3,662.15	28-Feb-25	9,95,134
Mar-25	1,34,14,432	3,808.75	28-Mar-25	5,09,889	3,461.60	17-Mar-25	6,73,556

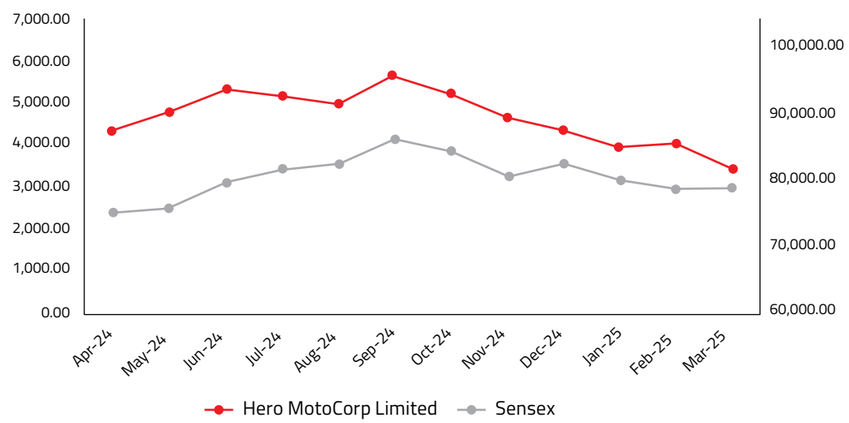
Hero MotoCorp's Share Price Movement vis-a-vis Nifty50



BSE Limited, Mumbai (BSE)

Month	Total Volume (No. of Shares)	High Price (In ₹)	Date	Volume on that day	Low Price (In ₹)	Date	Volume on that day
Apr-24	5,70,841	4,776.00	01-Apr-24	12,620	4,170.55	19-Apr-24	15,662
May-24	5,72,927	5,225.00	28-May-24	21,467	4,415.00	08-May-24	48,722
Jun-24	6,13,619	5,894.30	18-Jun-24	13,733	4,916.20	04-Jun-24	33,396
Jul-24	4,47,930	5,725.00	01-Jul-24	71,777	5,334.65	23-Jul-24	32,770
Aug-24	4,52,027	5,517.65	30-Aug-24	51,555	4,992.60	14-Aug-24	67,372
Sep-24	4,87,561	6,245.00	24-Sep-24	17,718	5,513.80	02-Sep-24	27,496
Oct-24	3,61,524	5,793.10	01-Oct-24	20,998	4,747.00	29-Oct-24	19,799
Nov-24	2,99,909	5,144.95	04-Nov-24	54,936	4,467.40	14-Nov-24	22,407
Dec-24	2,95,428	4,783.90	03-Dec-24	11,610	4,150.00	31-Dec-24	15,006
Jan-25	3,47,888	4,371.95	31-Jan-25	87,405	3,999.00	13-Jan-25	22,455
Feb-25	4,49,913	4,520.95	01-Feb-25	58,752	3,663.00	28-Feb-25	43,293
Mar-25	4,26,840	3,808.75	28-Mar-25	9,445	3,455.30	17-Mar-25	26,165

Hero MotoCorp's Share Price Movement vis-a-vis Sensex



CORPORATE GOVERNANCE REPORT

Distribution of shareholding by size

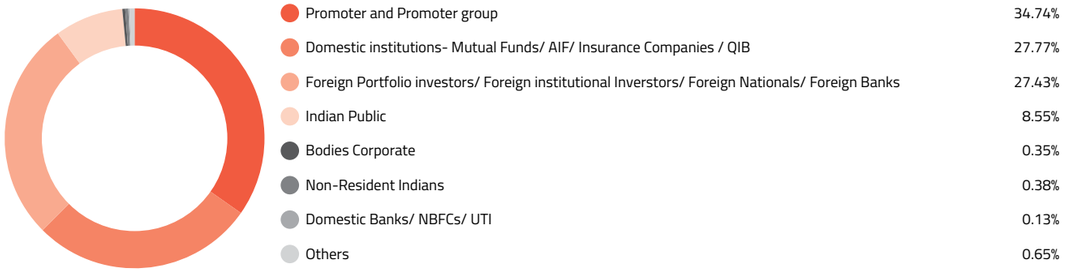
The distribution of shareholding by number of shares held and shareholding pattern in percentage pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2025 is provided below:

Distribution of Shareholding

No. of shares held	No. of Shareholders		No. of Shares of face value of ₹ 2	
	Numbers	%	Number	%
1 -5000	9,46,551	99.91	1,67,17,905	8.36
5001 -10000	270	0.03	19,25,566	0.96
10001 -20000	180	0.02	25,70,086	1.28
20001 -30000	73	0.01	18,13,471	0.91
30001 -40000	61	0.01	21,16,835	1.06
40001 - 50000	41	0.00	18,39,384	0.92
50001 -100000	84	0.01	61,81,483	3.09
100001 & Above	147	0.02	16,68,46,106	83.42
Total	**9,47,407**	**100.00**	**20,00,10,836**	**100.00**

Shareholders grouped based on PAN. Shareholders without PAN based grouping are 9,61,823.

Categorywise shareholding as on March 31, 2025 (%)



Category wise shareholding as on March 31, 2025 (Nos.)

Top ten public shareholders of the Company as on March 31, 2025:

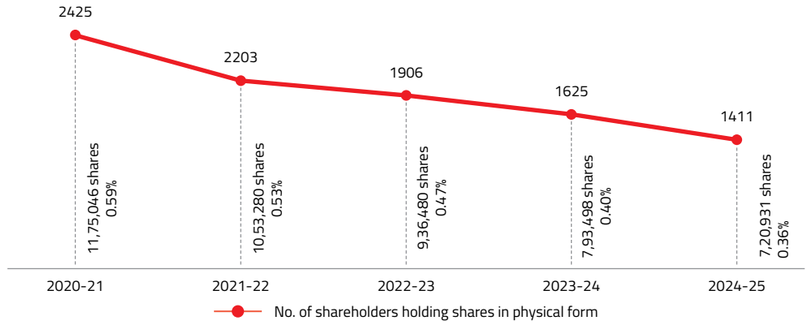
Sl. No.		No. of Shares	Holding
1	LIFE INSURANCE CORPORATION OF INDIA	1.18.47.012	5.92
2	ICICI PRUDENTIAL BLUECHIP FUND	75.11.245	3.76
3	KOTAK FLEXICAP FUND	72.71.453	3.64
4	GOVERNMENT PENSION FUND GLOBAL	52.92.682	2.65
5	NPS TRUST- A/C HDFC PENSION FUND MANAGEMENT LIMITED	44.59.219	2.23
6	WGI EMERGING MARKETS FUND, LLC	42.42.968	2.12
7	SBI NIFTY 50 ETF	34,50,511	1.73
8	UTI NIFTY 50 ETF	22,58,744	1.13
9	DSP MIDCAP FUND	20,70,276	1.04
10	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	18,53,633	0.93

Category of shareholding as on March 31, 2025

Category	No. of holders	% to total holders#	Total shares	% to total shares
Physical	1,411	0.15	7,20,931	0.36
NSDL	2,83,307	29.45	19,23,58,518	96.17
CDSL	6,77,105	70.40	6,931,387	3.47
Total	**9,61,823**	**100.00**	**20,00,10,836**	**100.00**

No. of Shareholders without PAN based grouping.

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 number of shareholders holding physical shares in last 5 years. No. of shares in physical form decreased by ~38.65 (11,75,046 in FY 2020-21 vs. 7,20,931 in FY 2024-25), as on March 31, 2025.



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
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 18, 2027
2020-21	Interim	₹ 70	3,500%	March 12, 2028
	Final	₹ 35	1,750%	September 08, 2028
2021-22	Interim	₹ 60	3,000%	March 16, 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 12, 2031
	Final	₹ 40	2,000%	September 12, 2031
2024-25	Interim	₹ 100	5,000%	March 13, 2032
	Final (recommended)	₹ 65	3,250%-	September 10, 2032 (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 2016-17 (Interim and Final) & FY 2017-18 (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/unclaimed-dividend-and-shares.html#unclaimed-dividends. Additionally, newspaper advertisements are published to enhance the visibility of these reminders.

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/unclaimed-dividend-and-shares.html#unclaimed-dividends.

Details of dividends remaining unpaid/unclaimed have been duly uploaded on the website of the Company at www.heromotocorp.com and at the website of IEPF Authority at www.iepf.gov.in.

CORPORATE GOVERNANCE REPORT

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 the Act, 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. Kindly also submit postal receipt details on the MCA portal.
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 of 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 compulsorily in demat segment. As on March 31, 2025, 99.64% 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 objective of the policy include:

- 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 is the financial exposure a company faces due to fluctuations in the prices of raw materials, which can significantly affect its financial performance and profitability. As a manufacturing operation with high resource intensity, our company is exposed to various market risks, including changes in commodity prices and exchange rates.

We primarily procure components from vendors who, in turn, purchase and process the necessary commodities. Consequently, our direct commodity purchases are minimal. However, shifts in commodity prices still impact the procurement costs of our components and parts. The key commodities used in manufacturing two-wheelers are base metals (like steel and aluminum) and crude oil-derived plastics/resins. Sharp fluctuations in these prices can create significant business challenges, affecting production costs, product pricing, and overall earnings.

Our risk management policy is designed to manage the impact of commodity price fluctuations across our entire value chain, effectively safeguarding our financial performance and profitability. We deploy multiple strategies to mitigate these risks, with the selection of each strategy depending on a cost-benefit analysis and the extent of exposure. This also includes an assessment of our ability to pass on adverse fluctuations to customers through price increases. We continuously work on cost optimisation, weight reduction, and process improvement. Additionally, we consider localising imports and global sourcing to ensure the lowest cost options for parts and raw materials

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, 2025 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.

    Recognising the unpredictable nature of markets, the Company has made proactive monitoring and management of these exposures an integral part of its overarching risk management program, aiming to mitigate adverse business impacts. Beyond other initiatives, it has consistently implemented price adjustments to offset the detrimental effects of commodity and currency volatility on its financial performance and 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 Limited)

Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India -500 032.
Toll Free No: 1800-309-4001
Email: einward.ris@kfintech.com
Website: 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. SEBI vide its circulars dated January 25, 2022 has provided the guidelines to issue the securities in dematerialised form by issuing a 'Letter of Confirmation' in lieu of physical securities certificates to the securities holder/ Claimant within 30 days of its receipt of such request after removing objections, if any.

Issuance of Securities in dematerialised form in case of Investor Service Requests

SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has introduced common and simplified norms for processing investors' service request by RTA and has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing the following service requests:

- Issue of Duplicate securities certificate;
- Claim from Unclaimed Suspense account;

CORPORATE GOVERNANCE REPORT

- Renewal/Exchange of securities certificate;
- Endorsement;
- Sub-division/Splitting of securities certificate;
- Consolidation of securities certificates/folios;
- Transmission;
- Transposition

For enabling the shareholders to demat their securities, the Registrar and Share transfer Agent issues a 'Letter of Confirmation' in lieu of physical share certificates to physical shareholders for enabling them to dematerialise the securities within 120 days from the date of issue.

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).

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

PLANT LOCATIONS AND R&D CENTRE

Gurugram Plant

37 km Stone, Delhi-Jaipur Highway, Sector 33,
Gurugram-122 001 Haryana, India
Tel: +91-124-289 4200, 237 2123
Fax: +91-124-237 3141/42

Dharuhera Plant

69 km Stone, Delhi-Jaipur Highway,
Dharuhera, Dist. Rewari-123 110
Haryana, India
Tel: +91-1274-264 000
Fax: +91-1274-267 018

Haridwar Plant

Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad
Haridwar-249 403, Uttarakhand, India
Tel: +91-1334-238 500, 239 514/16
Fax: +91-1334-239 512/13

Neemrana Plant

SP 101-103, 108 & 109,
RIICO Industrial Area, Phase – II,
Delhi – Jaipur Highway, Neemrana,
District Alwar, Rajasthan – 301 705, India
Tel: +91-149-4673000

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: +91-2676-229114

Tirupati Plant

Sy No.1, Industrial Park
Madanapalem Village, Satyavedu-Cherivi Road
Satyavedu Mandal, Tirupati District
Andhra Pradesh – 517588, India
Tel: +91-8576-227200

R&D Centre

Centre of Innovation & Technology
SPL-1, RIICO Industrial Area,
Kukas, Phase-II, NH-11C,
Jaipur, Rajasthan-302 028,
India Tel: 1800 266 0018

Colombia Plant

HMCL Colombia S.A.S
KM 24, via Cali – Santender De Quilichao
Zona Franca Permanente Conjunto,
Industrial Parque Sur, Villa Rica, Cauca,
Lote 6A, Colombia
Tel: 018000116044

Colombia Branch Office

HMCL Surusal Colombia Calle 13 No 100-35 of 117, Colombia

Bangladesh Plant

HMCL Niloy Bangladesh Ltd.
Padmabilla, Shakharigati,
Kotwali, Jessore, Bangladesh
Tel: +880 9636666666

Hero Tech Center Germany GmbH

Kronstaudener Weg 1,
D-83071 Stephanskirchen,
Germany
Tel: +49(0)80363031120

COMPLIANCE CERTIFICATE OF THE SECRETARIAL AUDITORS

Certificates from M/s SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600), was issued confirming:

a. Compliance with conditions of Corporate Governance as stipulated under Listing Regulations which is attached to this report as **Annexure – III.**

b. 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.: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: 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

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
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

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

Annexure III

CORPORATE GOVERNANCE REPORT

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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, 2025, 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, 2025.

For **SGS ASSOCIATES LLP**
Company Secretaries
FRN L2021DE011600

[Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner, SGS Associates LLP
Membership No. FCS 2411,
Certificate of Practice No. 1509
ICSI PR Code 5321/2023
ICSI UDIN NO: F002411G000324920

Place: New Delhi
Date: 13th May 2025

Annexure IV

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of
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 relevant disclosures received from the Directors and the registers, records, forms, 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-110070 (hereinafter referred to as 'the Company'), 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 & its officers, we hereby certify that as on March 31, 2025, none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2025, 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.	ACM Birender Singh Dhanoa (Retd.)	08851613	01/10/2020
3.	Ms. Camille Miki Tang	09404649	19/11/2021
4.	Prof. Jagmohan Singh Raju	08273039	15/11/2018
5.	Mr. Pradeep Dinodia	00027995	31/03/2001
6.	Mr. Rajnish Kumar	05328267	25/11/2021
7.	Mr. Suman Kant Munjal	00002803	29/07/2010
8.	Ms. Tina Trikha	02778940	23/10/2019
9.	Ms. Vasudha Dinodia	00327151	25/11/2021
10.	Mr. Vikram Sitaram Kasbekar	00985182	08/08/2016

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 the basis of 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
FRN L2021DE011600

[Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner, SGS Associates LLP
Membership No. FCS 2411, Certificate of Practice No. 1509
ICSI PR Code 5321/2023
ICSI UDIN: F002411G000324911

Place: New Delhi
Date: 13th May 2025

Annexure V

CORPORATE GOVERNANCE REPORT

COMPLIANCE CERTIFICATE

The Board of Directors
Hero MotoCorp Limited
The Grand Plaza, Plot No.2,
Nelson Mandela Road, Vasant Kunj - Phase -II,
New Delhi – 110070

May 13, 2025

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 Standalone & the Consolidated financial statements and the cash flow statement for the financial year ended March 31, 2025 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.

For Hero MotoCorp Limited

Vikaram Kasbekar
Executive Director & Acting Chief Executive Officer

For Hero MotoCorp Limited

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, Vikram Sitaram Kasbekar, Executive Director and Acting Chief Executive Officer of Hero MotoCorp Limited (the Company) 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 2024-25.

For **Hero MotoCorp Limited**

Vikram Sitaram Kasbekar
Executive Director and Acting Chief Executive Officer

Place: New Delhi
Date: May 1, 2025

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	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/related_party_transactions_policy_06_02_2025.pdf
Environment Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_environmental_policy.pdf
Occupational Health and Safety Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Occupational_Health_and_Safety_Policy.pdf
Policy for Prohibition, Prevention and Redressal of Sexual Harassment At Workplace	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Policy%20for%20prohibition.pdf
Corporate Social Responsibility Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/csr_policy_2024.pdf
Remuneration & Board Diversity Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Renumeration.pdf
Whistle Blower Policy/Vigil Mechanism	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/whistle_blower_policy_2024.pdf
Policy for Determination of Materiality for Disclosure of Events or Information	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_for_determination_of_materiality_of_events_for_disclosure_06_02_2025.pdf
Preservation of Documents & Archival	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_on_preservation_of_documents_06_02_2025.pdf
Dividend Distribution Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/dividend_distribution_policy_2024.pdf
Policy on Material Subsidiaries	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_on_material_subsidiaries_06_02_2025.pdf
Code of Conduct	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Code%20of%20conduct.pdf
Code of Practices & Procedures of Fair Disclosure of UPSI	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Code%20of%20Practices.pdf
Risk Management Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/risk_management_policy_06_02_2025.pdf
Terms & Conditions of Appointment of IDs	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
Board Committees	https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html
Unpaid Dividend Account Details	https://www.heromotocorp.com/en-in/company/investors/unclaimed-dividend-and-shares.html#unclaimed-dividends
Shareholders' referencer	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf
Supplier Code of Conduct	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Supplier_Code_of_Conduct_v2_06_Dec_2023.pdf
Conflict of Interest Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Conflict_of_Interest_Policy_v2_06_Dec_2023.pdf
Anti-Bribery and Anti-Corruption Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Anti_Bribery_and_Anti_Corruption_Policy_v2_06_Dec_2023.pdf

Annexure VI

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Corporate Social Responsibility (CSR) Policy of Hero MotoCorp Limited aligns with Section 135 of the Companies Act, 2013 and aims to create value for stakeholders and a positive impact for a sustainable future.

a) The company's success is evaluated not only on economic growth but also on contributions to social, environmental, and governance aspects. The CSR projects of Hero MotoCorp focus on creating a greener, safer, and equitable society.

b) Greener initiatives include sustainable resource management and environmental conservation.

c) Safer initiatives focus on road safety and community safety through awareness programs and training.

d) Equitable initiatives promote diversity, inclusion, and community development, with a focus on supporting armed forces veterans and their families.

e) Implementation of CSR activities can be done directly by the Company or through an implementing agency, with a focus on clear objectives, timelines, and employee engagement.

f) A robust monitoring system tracks progress and ensures optimal benefits for stakeholders, with regular reports submitted to the Sustainability & Corporate Social Responsibility Committee (CSR).

g) An annual action plan is formulated by the CSR Committe and approved by the Board, detailing CSR projects, implementation, funding, and monitoring mechanisms.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meeting (s) of CSR Committee held during FY 2024-25	Number of meeting (s) of CSR Committee attended during FY 2024-25
1.	Dr. Pawan Munjal	Executive Director & Chairman of CSR Committee	4	4
2	Mr. Pradeep Dinodia	Independent Director & Member of CSR Committee	4	4
3	Prof. Jagmohan Singh Raju	Independent Director & Member of CSR Committee	4	4
4	Ms. Tina Trikha	Independent Director & Member of CSR Committee	4	4

3. PROVIDE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

i. 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

ii. 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-polices/policies/pdfs/csr_policy_2024.pdf

iii. The details of CSR projects are available on our website at https://www.heromotocorp.com/en-in/company/investors/investor-relations/csr-report.html

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=2024-25

5.

(a) Average Net Profit of the Company as per sub-section (5) of Section 135: ₹ 3,999.55 crore

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 79.99 crore

(c) surplus arising out of the CSR project or programmes or activities of the previous financial years: NIL

(d) Amount required to be set-off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year [(b) +(c)-(d)] : ₹ 79.99 crore

6.

(a) Amount spent on CSR projects (both ongoing project and other than ongoing project) : ₹ 77.20 crore

(b) Amount spent in administrative overheads: ₹ 3.34 crore

(c) Amount spent on impact assessment, if applicable: Nil

(d) Total amount spent for the financial year [(a)+ (b)+ (c)]: ₹ 80.54 crore

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. ₹	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Sub Section 6 of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to Sub Section 5 of Section 135		
	Amount.	Date of transfer.	Name of Fund	Amount.	Date of transfer.
80.54 crore	NIL	N.A.	N.A.	NIL	N.A.

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub section 5 of Section 135	79.99 crore
(ii)	Total amount spent for the Financial Year	80.54 crore
(iii)	Excess amount spent for the financial year[(ii)-(i)]	0.55 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)]	0.55 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
					Amount (in ₹)	Date of transfer.		
				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 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		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR registration number, if applicable	Name	Registered address
			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

Vikram S. Kasbekar
(Executive Director and
Acting Chief Executive Officer)
DIN: 00985182

Date: May 13, 2025
Place: Gurugram

Dr. Pawan Munjal
(Executive Chairman &
Chairman SCSR Committee)
DIN: 00004223

Annexure VI(A)

IMPACT ASSESSMENT REPORT

PURPOSE AND SCOPE OF STUDY

Hero MotoCorp Limited (HMCL) engaged a third-party agency to conduct an impact assessment of its CSR project. This included reviewing the Key Performance Indicators (KPIs) as defined by the Management under the framework for implementing the project for the outputs, outcomes and impact of the project. This assessment was guided by Inclusiveness, Relevance, Effectiveness, Convergence and Sustainability ('IRECS') Framework and provided recommendations on the project's performance for their further evaluation and consideration.

METHODOLOGY

The study utilised an integrated and cohesive approach which enabled the research team to evaluate the impact of the project on the lives of the beneficiaries. The research team employed a mixed-method approach, utilising either quantitative or qualitative research tools, or both, as appropriate, for primary data collection. Through these tools, they engaged with project beneficiaries and other pertinent stakeholders, either virtually and / or on-site to the extent mobilised. Following completion of data collection analysis, key insights and findings were compiled into a comprehensive report for Management's review.

Below is a list of CSR projects identified by Management as per provisions of Companies (Corporate Social Responsibility Policy) Amendment rules, 2021:

#	Project Name	Initiatives undertaken	Locations covered	Methodology Adopted	Sample	
					Quantitative	Qualitative
1	Promoting Preventive Healthcare	Equipment and infrastructure support	Panchkula & Faridabad, Haryana and Karup, Assam	Mixed Approach (Quantitative + Qualitative)	84 beneficiaries	4 Focussed Group Discussions (FGDs) and 17 In-depth interviews (IDIs)
2	Nurturing & Protection of Biodiversity	1) Adoption of Aravalli Biodiversity Park 2) The Green Belt Project 3) Hero Green Drive	Gurugram, Haryana & Chengalpattu, Tamil Nadu	Qualitative Approach	-	9 FGDs and IDIs
3	Project Shiksha	Scholarship and infrastructure support	Kapriwas, Haryana	Mixed Approach (Quantitative + Qualitative)	64 students	2 FGDs and 2 IDIs
4	Project on Diversity & Inclusion	Project Jeevika: Skill training infrastructure upgradation with Automotive Skill Development Council (ASDC)	Mumbai (Maharashtra), Bhopal (Madhya Pradesh), Bhubaneswar (Odisha), Kanpur (Uttar Pradesh), Ranchi (Jharkhand)	Mixed Method (Quantitative + Qualitative)	100 beneficiaries	1 IDI*
		Mobility support to government departments and charitable institution	Uttarakhand, Uttar Pradesh, Maharashtra, Andhra Pradesh	Mixed Method (Quantitative + Qualitative)	52 beneficiaries	1 IDI
		Hero Salutes Heroes of the Nation: Infrastructure and grant support to DIAV (Directorate of Indian Army Veterans)- for marriage and distribution of retrofitted scooters	Pan India	Mixed Method (Quantitative + Qualitative)	119 beneficiaries	1 IDI
5	Road Safety Awareness Campaign	Digital and print awareness campaign with on-ground engagement in schools and colleges	Delhi	Qualitative Approach	-	2 IDIs
6	Community Development Project- Har Ghar Tiranga Campaign	9-days media campaign and flag distribution to foster patriotism	Pan India	Qualitative Approach	-	2 IDIs

*Additionally, one IDI was conducted with HMCL for Diversity & Inclusion project on all initiatives

PROJECT 1: PROMOTING PREVENTIVE HEALTHCARE- ESSENTIAL HEALTHCARE INFRASTRUCTURE

ABOUT THE PROJECT:

The "Promotive Preventive Healthcare" project focused on enhancing healthcare facilities in specific regions of India, including Faridabad & Panchkula, Haryana and Kamrup[1], Assam. The interventions included renovations, repairs, the establishment of an Intensive Care Unit (ICU) in Kamrup, and the installation of state-of-the-art ophthalmology equipment in Panchkula.

PROJECT OBJECTIVE:

The project is aimed to improve infrastructure, provide advanced medical equipment, and establish new facilities to provide better healthcare services to the local communities.

KEY FINDINGS

The enhancements across various healthcare facilities, achieved through **renovations, repairs, and the installation of modern equipment, have positively influenced the medical staff working in these environments,** as observed during interactions.

Renovations, repairs and improvement of health facilities at Faridabad and Kamrup:

- Comprehensive renovations were carried out, including walls, floors, ceilings, and plumbing systems, leading to improved safety and sanitation in all the health facilities. 90% (n=84) of respondents **confirmed that there was a need for upgradation in medical equipment and infrastructure in their local medical facility.** When enquired further **97% (n=84) reiterated need for cleanliness and 88% for (n=84) medical equipment** for areas which required upgradation.
- When asked about their current sense of safety when accessing the medical facility after the project, **32% (n=56) of respondents reported feeling significantly safer, 66% (n=56) felt slightly safer,** and 2% (n=56) noticed no change in their safety perception.
- Respondents were asked to assess the condition of medical facilities on a scale of 1 to 5 (with 1 being the lowest and 5 being the highest) both before and after the intervention. Prior to the intervention, **only 29% (n=56) of respondents rated the building condition as 4 or higher.** Following the intervention, **86% (n=56) rated the condition as 4 or higher which showed an improvement as per 57% of respondents.**

Establishment of advanced ICU for enhanced health services:

- **In addition to renovation of the health facility,** the project also facilitated the establishment of an 18-bed Intensive Care Unit (ICU) at Moinakhurung Model Hospital (MMH) in Kamrup, Assam, complete with all requisite equipment and furnishings.
- According to the doctor from Moinakhurung Model Hospital, it was disclosed that previously, emergency services were not available at this facility, and it functioned primarily as a sub-centre or dispensary. Consequently, patients requiring critical care had to be referred to Guwahati.
- Despite the establishment of the ICU and availability of emergency care services, **interactions with medical staff and local community have revealed a significant challenge: the ICU remains non-operational due to a shortage of qualified personnel capable of managing it effectively.** This staffing deficiency has necessitated the continued referral of emergency cases to other facilities in Guwahati, Assam thereby rendering the facility's intended purpose unfulfilled.

Advanced medical equipment for effective diagnosis and treatment- Panchkula, Haryana

- The project **facilitated procurement and installation of state-of-the-art equipment for the Department of Ophthalmology at Civil Hospital, Panchkula.** Specifically, the project delivered **four advanced devices:** a High-Definition Angio Optical Coherence Tomography (OCT) system, an Advanced Visual Field Analyser, an Advanced Phacoemulsification System, and a Pattern Scan Laser machine.
- During interactions with medical staff and patients, it was noted that the **efficiency of diagnosing and treating eye-related issues has significantly improved,** leading to a **reduction in waiting times** following the introduction of new equipment.
- The introduction of the **new machines has significantly reduced diagnosis and treatment times for patients, addressing the inefficiencies and complexities associated with previous equipment in use.** According to doctor at the facility, older machines required lengthy procedures, and for specific tests often necessitating referral of patients to a government hospital in Chandigarh from Panchkula.

[1] Source: MoU between HMCL and respective CHC/ PHC at select locations

IMPACT ASSESSMENT REPORT

RECOMMENDATIONS:

- **Comprehensive Needs Assessment for Sustainable Project Implementation:** As observed during stakeholder interactions, the ICU established at MMH Assam is currently non-functional due to staffing shortages. Despite the initial planning with relevant stakeholders, this issue **underscores the necessity of advocacy with the concerned departments in future projects** to enhance capacity of existing healthcare staff which will ensure better utilisation of upgraded facility and advanced medical equipment. It is recommended to implement a **process that encompasses not only infrastructural needs but also the human resource capabilities required for operational readiness.** Further, continue the attempt to engage with relevant government stakeholders following implementation of activities to ensure that facilities like ICU beds are operational soon to derive the intended benefit of the project. Such measures will facilitate sustainable operation of critical infrastructure and optimise impact of initiatives.

PROJECT 2: NURTURING & PROTECTION OF BIODIVERSITY

ABOUT THE PROJECT:

The **"Nurturing and Protection of Biodiversity"** project, initiated by Hero MotoCorp Limited, focuses on the restoration and conservation of biodiversity through various initiatives: (1) the **Adoption of Aravali Biodiversity Park (ABDP)** in Gurugram, (2) **The Green Belt** Project in Gurugram and (3) **Hero Green Drive** under which the plantation of 55,000 trees and environmental awareness sessions for school students were done in Chengalpattu, Chennai.

PROJECT OBJECTIVE:

(1) Adoption of Aravali Biodiversity Park, Gurugram, Haryana: It has four main objectives 1) to showcase the forest flora of the Northern Aravali 2) work as a ground water recharge zone 3) ecologically sensitive recreational space for the citizen and 4) research and monitoring of its biodiversity.

(2) The Green Belt, Gurugram, Haryana: The intervention was aimed at development & maintenance of Green Belt from Hero Honda Chowk to Subhash Chowk, Gurugram under CSR initiative named as Hero Green Drive to control air & noise pollution, reduce soil erosion, prevent water run-off and improve road aesthetics.

(3) Hero Green Drive, Chengalpattu, Chennai, Tamil Nadu: The plantation drive further requires regular monitoring for their maintenance including watering, manuring and pest control for the project period and replacement of trees to ensure ~80% survival rates.

[2] Source: MoU between HMCL and Municipal Corporation Gurugram (MCG)

KEY FINDINGS

Adoption of Aravali Biodiversity Park:

- Aravali Biodiversity Park[2] is a significant ecological and recreational space located in Gurugram, Haryana, India. It was developed as part of an initiative to restore and conserve the native flora and fauna of the Aravali Mountain range.
- According to the project team, the park has seen a remarkable rise in visitors especially during weekends, with numbers soaring from the previous 300-400 to over 2,000. This surge in attendance underscores the park's growing appeal as a cherished community resource, highlighting its role in promoting environmental awareness and enhancing the quality of life for nearby residents.
- The park has been vulnerable to disruptive activities, including unauthorised entry, use and throw of plastic waste, liquor consumption, and theft of park property which led to frequent incidents of stolen lights, poles, and fencing. To counter these challenges effectively, thoroughly trained security personnel were appointed to ensure round-the-clock vigilance and maintenance, safeguarding the park's assets and fostering a secure environment for all visitors.
- Regular efforts were made to remove invasive species such as Prosopis juliflora. These initiatives were crucial to ensure that indigenous plants have the space and resources to flourish, thereby maintaining the ecological balance and supporting the park's biodiversity.
- 11 natural water holes were crafted using soil and wood logs, replacing the previously installed small, cemented tanks. These new waterholes are thoughtfully designed to mirror natural settings, making them more accessible and beneficial to birds and small animals. Strategically placed wood logs aid creatures in reaching and utilising these vital water sources.
- Two water ATMs have been installed within the park to provide convenient access to drinking water. This upgrade is not only advantageous for visitors but also for security personnel stationed throughout the park, as it saves them time by eliminating the need to return to the main gate for water. Additionally, the installation of water ATMs aims to reduce plastic usage, as visitors previously relied on plastic bottles during their walks.

The Green Belt Project:

- The Green Belt Project, aimed at developing and maintaining the Green Belt in Gurugram from Hero Honda Chowk to Subhash Chowk, was launched through a Memorandum of Understanding (MoU) between HMCL and the Gurugram Metropolitan Development Authority (GMDA), effective from June 2022 to March 2025[3]. Under the project, HMCL took responsibility of cleaning, leveling of pathway, planting trees and shrubs in the belt, while GMDA was responsible for fencing the area and providing water for maintenance. However, during impact assessment period (FY 2022-23), only cleaning and leveling of green belt area had been completed. Till the date of assessment, the project is still under process and hence, impact of the activity cannot be ascertained.

Hero Green Drive:

- The Environment Awareness Programme, spearheaded by Teach India[4], has been successfully launched in schools of Chennai and the Greater Chennai region in December 2022. This initiative aims to foster a deeper understanding of environmental issues among students.
- According to students, the project significantly expanded their knowledge of solid waste management, including waste segregation, benefit of using different bins for various types of waste, and the broader environmental implications. They expressed that these interactive sessions have deepened their understanding of how community actions can positively or negatively impact on the environment.
- The project revealed surprising environmental impacts, such as the significant amount of water utilised by swimming pools. This newfound awareness prompted students to consider the broader implications of everyday activities and need for mindful resource management.
- A total of 55,000 native saplings, each 3-4 feet in height, have been strategically planted at intervals of 6 feet apart to ensure adequate space for growth. The selection of suitable saplings was based on a thorough analysis of the land's historical vegetation patterns to determine which native species would thrive best in the area.
- The project has a noticeable impact on local biodiversity, attracting more fauna such as butterflies, peacocks, and birds. Oxygen levels have improved, and carbon sequestration is taking place, with invasive species successfully removed. Although it's too early to fully assess the long-term effects, in five years, one can anticipate similar benefits to those seen in nearby reserve forests. Groundwater levels have risen, evidenced by quicker recharge times of local wells.
- Community involvement has been integral to the project, with local members actively participating in manual weeding and bush cutting. This engagement not only fosters a sense of ownership but also serves as a source of livelihood for the community. To enhance sustainability and environmental friendliness, natural manure such as cow dung has been used, along with neem oil to protect the saplings from pests.

[3] Source: MoU between HMCL and GMDA

[4] Source: MoU between Benett Coleman and Company Limited (BCCL)

RECOMMENDATIONS:

- **Tapered exit strategy for sustainability of the project:** Develop a strategy to transition the project to a self-sustaining model. For tree plantation in Chengalpattu, transfer responsibility to local panchayat. For the Aravali Biodiversity Park, proactive measures should be implemented following the withdrawal of HMCL's involvement. This could include introducing a nominal fee for accessing specific areas of the park, such as the Amphitheatre and arboretum, or for educational institutions conducting research.
- **Establishing periodic milestones for long-term projects:** To effectively monitor target versus achievement for projects extending beyond one-year of implementation, it is essential to establish periodic milestones for completing activities. This approach will facilitate a clear assessment of each activity's progress and completion status in accordance with the defined timeline. Recognising that the start and completion periods of an activity may vary depending on its nature, setting specific milestones will provide a structured framework for evaluating progress, ensuring accountability, and allowing for adjustments as necessary to meet project objectives.
- **Maintaining database for the tracking of outcomes:** The program lacked an established mechanism for maintaining a comprehensive database, either for tracking visitor numbers at the Aravali Biodiversity Park (ABDP) or for monitoring changes in sustainability practices implemented by schools. While the implementation team took the initiative to follow up and make observations independently, the program would have benefited from a systematic approach to recording and analysing data. By tracking the number of visitors and assessing the extent of changes adopted by schools, the program could have provided a more precise evaluation of the project's impact.
- **Sustained student involvement:** The awareness session lasted only 45-60 minutes, which is inadequate for students to gain a comprehensive understanding of sustainability-related issues. Additionally, behaviour change cannot be achieved through a single session; it necessitates multiple interventions and ongoing support to empower students to adopt sustainable practices effectively.

IMPACT ASSESSMENT REPORT

- **Longer duration of support in Chengalpattu for tree plantation:** The Memorandum of Understanding (MoU) between HMCL and BCCL is set for a duration of three years. However, this timeframe is inadequate for the trees to achieve sufficient growth and maturity to become self-sustaining. An additional monitoring and care period of 3 to 5 years is necessary to ensure the forest's ability to sustain itself independently.

PROJECT 3: THE SHIKSHA PROJECT

ABOUT THE PROJECT:

The Shiksha Project, a CSR initiative funded by Hero MotoCorp Limited and executed by BML Munjal University, aims to elevate the educational environment and infrastructure at the university.

PROJECT OBJECTIVE:

The primary objective is to enhance academic performance through scholarship support, modernising facilities, and enriching student experiences through onboarding of qualified faculty and Research and Development projects.

The initiatives undertaken to fulfill the objective are as below:

1. Scholarship to students
2. Academic skill upgradation and experiential learning of students
3. Research and Development
4. Upgradation of physical and digital infrastructure

KEY FINDINGS:

- **Improved academic performance and quality of life:** The Shiksha project primarily focusses on enhancing the learning experience of students by providing scholarships to 321 students as on FY2022-23[5], based on their academic performance and served as a major financial relief, enabling students to pursue higher education without the burden of tuition fees.
- Most respondents opted for B. Tech and BBA courses, with many facing significant tuition costs. Scholarships helped alleviate these financial burdens, allowing students to focus on their studies without the stress of financial constraints. This lead to improved time management and reduced dropout risks, with 41% noting that scholarships helped them stay in college. Savings from scholarships were often used for household expenses and siblings' education, enabling students to enroll in additional courses and improve their skills.
- Overall, scholarships under the Shiksha project have been transformative, empowering students to excel academically, participate in extracurricular activities, and pursue career goals with confidence and motivation, significantly impacting their personal and professional development.
- **Infrastructure modernisation:** Under the Shiksha project, BMU received support to enhance academic infrastructure and civic amenities, significantly improving the campus environment for students and faculty. Key upgrades include establishment of:
  - **State-of-the-art media lab and green room,** creating new avenues for creativity and innovation.
  - Traditional classrooms evolved into **smart classrooms,** and modernisation of lab infrastructure and equipment thereby, making lessons more interactive and accessible. Further, enables alignment with practical learning equivalent to industry standards, preparing students for real-world challenges.
  - **Wellness and building improvements** include a new student wellness center, gymnasium, upgraded dining facilities, drinking water treatment systems, and air conditioning in hostels. These enhancements have fostered increased engagement and productivity, creating a more conducive learning and working environment. Wellness upgrades promote physical health and social interaction, while improved water treatment ensures access to safe drinking water. Air conditioning in hostels enhances comfort, supporting students' rest and study during extreme weather.
- **Research and Development opportunities:** Support has been further extended to innovative research projects focused on sustainability, including retrofitting for electric vehicles, nano coating for smart windows and sensors, and an SDGs dashboard for practical student training. These initiatives demonstrate the University's commitment to sustainable development and innovative solutions. Creation of an infrared lab for research on sustainable materials and energy conservation, have potential to contribute towards reduced energy consumption and open new markets. The lab also facilitates student training and collaboration with other institutions. These efforts contribute to practical, hands-on research and have the potential to impact both local and global communities.
- **Guided and diversified mentorship from faculty:** Onboarding of faculty members with varied national and international exposure has improved the learning experience within the campus. Students reported improvement in personal development due to the mentorship support received by experienced faculty onboard.

RECOMMENDATIONS:

- **Enhance digital learning platforms:** Consider developing an in-house learning and development portal with courses to include specialised online learning and upskilling courses, ensuring students have access to the latest educational technologies and resources within the university without the need for enrolling in courses online separately.

PROJECT 4: DIVERSITY AND INCLUSION

ABOUT THE PROJECT:

The "**Diversity and Inclusion**" project, initiated by Hero MotoCorp Limited (HMCL), focuses on promoting inclusive communities through various programs, including skill development training, financial and mobility support for government departments especially Indian Army personnel and their families, and enabling mobility support for marginalised groups[6].

(1) **'Project Jeevika**', in collaboration with **Automotive Skill Development Council (ASDC)**, HMCL launched skilling program to enhance the technical skills of individuals for the automotive industry. The programme has successfully trained 7,000 people. Additionally, a specialised repair and maintenance program for 360 participants was curated, which included 63 days of training at a skill development center and 14 days of practical training at local dealerships with an intent to improve employability opportunities.

(2) **Mobility support** Various government departments (such as forest and police department in states like Uttarakhand, Uttar Pradesh, Maharashtra and Andhra Pradesh) and to students of a charitable educational institute were extended the support.

(3) HMCL implemented several initiatives in collaboration with the Directorate of Indian Army Veterans (DIAV): Key initiatives in FY2022-23 included:

a. **Marriage grants** to 210 beneficiaries as per the identified criteria of DIAV

b. Providing **106 modified scooters with retrofitted kits** to disabled army veterans.

c. Establishing Veerangana Sewa Kendra (VSK), as a single-window facility for welfare services and **grievance handling for Army widows** and their Next of Kin (NoK). The center was equipped with necessary equipment and communication support with continued support for recurring costs of VSK in subsequent years.

PRIMARY OBJECTIVE of the project was to (1) Skilling **two-wheeler technician** and **BS VI technology training** across the country with an aim to enhance income of candidates through skill upgradation; (2) Providing support to government authorities for patroling streets acting as one of the enables to ensure women safety and; (3) Support Indian Army personnel and their families, recognising the challenges they face due to service-related casualties or disabilities.

KEY FINDINGS

'Project Jeevika':

Programme Awareness & beneficiaries' perception:

- ASDC effectively utilised diverse channels, including skill development centers and word-of-mouth, to mobilise beneficiaries for the training program. As reported by the beneficiaries (n=100), the predominant source of knowledge about the programme came from friends / relatives, accounting for 51% followed by social media, contributing to 20%. On ground mobilisation through HMCL dealerships (13%) and direct outreach by ASDC (11%) demonstrate targeted institutional strategy to engage beneficiaries through organised channels. All the beneficiaries unanimously (n=100) expressed exceptional satisfaction with the curriculum's relevance, indicating a willingness to invest financially (up to INR 5,000) due to its importance in learning new technology. This underscores the program's perceived value and impact.

Impact of the intervention:

- 52% of the respondents (n=100) valued the **practical experience** gained during training as the most beneficial aspect, highlighting the program's success in delivering hands-on learning.
- 45% of beneficiaries (n=100) noted the program's contribution to personal development, **enhancing technical skills.**
- Job placement support emerged as a crucial benefit, with 30% of participants (n=100) acknowledging its importance. This indicates that the program bridged the gap between education and employment, offering participants a pathway to sustainable job opportunities and career advancement.

[5] Source: MoU between HMCL and BML Munjal University

[6] HMCL website and programme documents shared by HMCL

IMPACT ASSESSMENT REPORT

- 74% of the respondents (n=100) acknowledged that the training significantly improved skills and confidence, focusing on BS VI emission standards and advanced two-wheeler repair techniques.
- Around 14% (n=100) of the respondents reported felt an increase in **employability options** and better job prospects following the training. However, there is no mechanism to track the long-term impact on the continued gainful employment for the beneficiaries. HMCL may consider further strengthening their monitoring by periodic connect with beneficiaries. They may even consider enhancing the initiative with entrepreneurship opportunities, as shared by ASDC.
- 20% (n=100) reported **faster turnaround times**, reflecting improved technical skills and greater work efficiency, contributing to enhanced customer engagement.

The Mobility Support[7] :

Situation before the intervention:

- Beneficiaries relied heavily on external vendors for two-wheelers needed for cultural events and local commuting, leading to delays and high maintenance costs due to poor-quality vehicles. 54% of the respondents (n=52) shared that they had to rely on vendors, whereas 46% had to use public transport for community outreach programs, highlighting logistical inefficiencies and the need for reliable mobility solutions.
- 69% of respondents (n=52) indicated difficulty in fulfilling responsibilities without motorcycles. Additionally, 25% reported experiencing extreme challenges in daily tasks and event participation, underscoring the need for improved mobility solutions.

Current use of Motorcycles & Impact reported:

- Motorcycles have become integral to the students' activities, primarily for cultural events and maneuver practice, and are crucial during emergencies, as shared by the institute representative. The shift from inefficient transport methods to reliable two-wheelers has boosted productivity and responsiveness, improving coordination and execution of events.
- 98% of students (n=52) found the intervention helpful, reporting increased confidence and ability to execute new formations.
- New motorcycles reduced mechanical failures, with 75% of students (n=52) rating their quality as excellent, minimising risks during stunts. Improved performances elevated the institution's stature, showcasing technical excellence and discipline. Beyond events, motorcycles are used for skill training, transportation, and logistical support, ensuring the sustainability of CSR contributions.
- Hero MotoCorp's support is appreciated by the respondents, yet 93% beneficiaries seek expanded services, including maintenance, fuel provision, and safety gear, alongside an increased number of bikes.

Hero Salutes Heroes of Nation:

Boosting self-esteem and re-enforcing sense of purpose for women

VSK operates as a call center equipped with technology to ensure grievances are addressed and welfare benefits are promptly delivered. Run by war widows who have the necessary qualifications and skills, VSK plays a key role in raising awareness about available schemes for grieving families of Indian Army personnel. They ensure all requests are addressed within 30 days.

In FY2022-23, DIAV reported handling approximately 3,000 unique calls at VSK, with 200-250 being relevant for resolution, while others were redirected appropriately. As of March 28, 2023, 210 cases had been resolved. Among respondents, **65% (N=67)** confirmed the schemes were **clearly communicated**, and 30% (N=67) learned about support from VSK calls and emails. These women directly contribute to the welfare of families of deceased Army personnel, becoming **agents of change** and **inspiring empowerment** in their communities[8].

Reduced financial and psychological stress

Grants for remarriages and marriages of daughters and orphan sons have significantly contributed to **social stability** and **continuity** for affected families, particularly those who struggled financially after the loss of a primary breadwinner. These grants provided a much-needed opportunity for families to rebuild their lives and focus on mental health, with many reporting timely assistance and efficient fund transfers to the next of kin's bank accounts. This organised approach reinforced trust in the Army's commitment to their **well-being** during challenging times.

Before receiving the grants, 55% (N=67) of respondents faced delays or rejections in remarriage due to financial constraints. While the assistance improved confidence in navigating new realities, 31% (N=67) still had to seek financial support from other family members. Additionally, 72% (N=67) experienced delays in receiving support, attributed to seniority criteria, with 40% (N=67) facing delays of over four months. It is recommended that HMCL consider increasing the grant value and improving processing speed to better support these families in their time of need.

Enhanced mobility and increased independence

Providing mobility equipment to disabled veterans greatly enhanced their independence, allowing them to engage fully in daily activities and improve their quality of life. Previously, **71% (N=52)** relied on others for commuting, but after receiving retrofitted scooters delivered within a month of application, they gained autonomy. Only **21% (N=52)** received training to operate the scooters, which have proven durable with **88% (N=52**) reporting no major repairs needed. The initiative positively impacted veterans' mental health, boosting self-esteem and reducing isolation, enabling active participation in social, recreational, and professional activities. It fostered community integration and inclusivity, allowing veterans to participate in community events and services. Overall, the distribution of adapted mobility devices significantly enhances the physical, psychological, and social well-being of Indian Army veterans with disabilities, improving their quality of life and societal integration.

RECOMMENDATIONS:

Based on the impact assessment study, the following way forward and recommendations are suggested for HMCL's management consideration:

1. 'Project Jeevika': Training beneficiaries for repair & maintenance of two-wheelers & BS VI technology programme:

- **Strengthen Post-Training Placement Mechanisms:** Set up a system for half yearly or a 12-month follow-up programme to assess sustained impact on income, job stability, and career growth. Track wage progression over time to evaluate true economic mobility.
- **Enhance Focus on Entrepreneurial Skills:** Given that many mechanics are self-employed, integrate modules on entrepreneurship, digital payments, service pricing, and customer retention to support income growth.
- **Expand Outreach Beyond Existing Networks:** Diversify mobilisation beyond word-of-mouth to include community radio, job portals, ITIs, and Panchayats, especially in underserved areas. Can further collaborate with state skill development missions to widen geographic and demographic reach.

2. Mobility Support programme:

- For future CSR mobility support interventions, it is essential to establish pre- and post-intervention monitoring frameworks, secure formal engagement protocols with government departments, and ensure institutional commitment to provide usage data and feedback. This will enable a more robust, evidence-based assessment of the program's effectiveness in public service delivery contexts.

3. Hero Salutes Heroes of Nation:

- **Enhancing Financial Support:** To address the increasing gap in fully meeting the financial needs of beneficiaries, it is recommended that the funding amount be increased in future allocations. This adjustment should consider the rate of inflation, to ensure that the support remains relevant and effective. By aligning grant amounts with the rising costs of living, the project can more fully realise its potential impact.
- **Establishing a periodic review mechanism:** To assess and adjust funding levels based on current economic conditions and beneficiaries' needs would further enhance the support provided. This approach would ensure that the financial assistance remains adequate and continues to offer meaningful relief to the beneficiaries.
- **Improving Timelines for Grant Disbursement:** HMCL should initiate discussions to enhance the grant disbursement process for similar future projects. The Rehabilitation and Welfare Section of the Directorate of Indian Army Veterans, under the Ministry of Defence, currently manages fund distribution. Notably, many beneficiaries have faced delays exceeding four months. It's essential for this section to accelerate the application review and approval process to ensure timely fund availability, reduce financial stress, and enhance the reliability of grant support.

STUDY LIMITATION

The Mobility Support project: A key limitation of the project was the inability to engage with stakeholders from the Forest and Police Departments, who were also recipients of the motorcycles. Despite the potential for significant impact such as improved mobility, quicker emergency response, and enhanced productivity these outcomes could not be assessed due to the lack of interaction and feedback from these departments. As a result, the broader societal and operational benefits of the intervention remain undocumented, limiting the comprehensiveness of the overall impact assessment.

PROJECT 5: ROAD SAFETY AWARENESS CAMPAIGN

ABOUT THE PROJECT:

This project is a road safety education initiative for Delhi NCR's school and college students. Utilising print, digital, radio, and on-ground activities, the program aims for lasting behavioural change.

[7] MoU between HMCL and Sri Sathya Sai Institute of Higher Learning (SSSIHL)

[8] Project update shared by DIAV with HMCL

IMPACT ASSESSMENT REPORT

PROJECT OBJECTIVE:

The project was undertaken with an objective to create awareness about road safety and precautions on the road which helps in avoiding accidents and support road safety victims

KEY FINDINGS

Key campaign activities:

- The initiative used a multi-channel approach, including educational institutions, digital, print, radio, and on-ground activities, to address road safety awareness gaps.
- Collaborations with traffic authorities and local organisations helped reinforce critical safety behaviours, with activities shared by HMCL CSR team and HT Media.

Increased public awareness on road safety:

- HT media representatives noted the campaign's role in educating the public on distracted driving, over-speeding, and traffic rule adherence through diverse media, reaching a wide demographic.
- Pre-and post-campaign studies showed a positive behavioural shift, with ~2.5 lakh individuals pledging to practice safe driving habits and increased adherence to safety norms like wearing helmets.

Improved attitude towards road safety:

- Use of victim testimonials in various media formats personalised the road safety message, potentially influencing public attitudes.
- By targeting schools and colleges, the campaign sought to instil positive road safety attitudes from a young age, aiming for long-term behavioural change.

Increased willingness to engage in road safety:

- Community involvement was encouraged through interactive elements like anthem and RJ integrations, indicating public willingness to engage in road safety activities.
- Collaboration with stakeholders like Hero Safety trainers and government officials amplified the campaign's reach and participation.

RECOMMENDATIONS:

- **Long-Term impact through sustained engagement:** Establish a follow-up system for tracking and reinforcing behavioral change in road safety initiatives. Use periodic surveys, workshops, and a digital platform for logging safe driving habits to transform short-term awareness into lasting change.
- **Expand regional reach:** Extend the campaign beyond Delhi NCR to areas with high accident rates, identified with the Ministry of Road Safety. Develop customised campaigns to address specific regional challenges.
- **Increase community involvement:** Engage broader community segments beyond schools and colleges. Train local volunteers to conduct workshops and create localised events to sustain impact at the grassroots level.
- **Comprehensive stakeholder mobilization and validation:** Enhance credibility by ensuring proactive stakeholder engagement with students, volunteers, police, and trainers. Reduce reliance on implementation partner data for a transparent and accountable assessment.

PROJECT 6: COMMUNITY DEVELOPMENT PROJECT – HAR GHAR TIRANGA CAMPAIGN

ABOUT THE PROJECT:

The "Har Ghar Tiranga" campaign, launched as part of the Azadi Ka Amrit Mahotsav to mark India's 75th Independence anniversary, was supported by Hero MotoCorp Limited. Over 9 days of August 2022, the campaign reached 8 states, 12 cities, and 4,000+ locations, distributing 91,000 national flags and engaging millions through various media channels.

PROJECT OBJECTIVE:

The primary objective of the project was to invoke feeling of patriotism in hearts of people and promote awareness about the Indian National Flag.

KEY FINDINGS

Distribution Strategy & Execution:

- The "Har Ghar Tiranga" campaign strategically distributed national flags across 4,000+ locations, including public, educational, corporate, and community spaces, ensuring inclusivity and broad demographic reach.
- The initiative reached a wide range of societal groups, including students, corporate employees, and citizens from diverse backgrounds, ensuring wide public engagement.

Media Activities and Public Engagement:

- Physical dissemination via hoardings and on-ground activities like flag distribution in high-traffic areas helped raise immediate awareness and connect with the public.
- A strong digital campaign across social media platforms and online presence engaged millions, particularly younger age-group and remote audiences, expanding reach.
- The combination of traditional and digital media ensured consistent visibility and maximum participation in the campaign.

Impact on Beneficiaries:

- The campaign significantly strengthened national identity and unity, fostering a shared sense of patriotism and belonging among diverse groups.
- The initiative enhanced community cohesion, with local residents organizing flag-hoisting events, building stronger bonds and fostering collaboration within communities.

RECOMMENDATIONS:

- Enhancing outreach to remote and less-engaged areas through local collaboration: Although the campaign reached a wide demographic, future initiatives could extend their coverage to remote and less-engaged areas of the nation. To boost the project's impact and relevance, consider collaborating with regional influencers, celebrities, and community leaders who can amplify the message at the local level, especially in these remote and less-engaged regions.

For a complete understanding of findings, IRECS Analysis and recommendations for all projects, please refer respective project-specific reports.

Annexure VII

FORM NO. MR-3

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-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 authorised 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, 2025 ("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 with Regulatory Authorities, and other records maintained by the Company for the financial year ended on March 31, 2025 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.

(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).**
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 to the Company 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 to the Company during the Audit Period); and**
8. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
9. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We 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.

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director(s), Non-executive Director(s), Independent Director(s) 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.

We further report that during the audit period, the Company has the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

(i) Hero FinCorp Limited and Ather Energy Limited, associate companies of the Company, had filed Draft Red Hearing Prospectus with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the initial public offering of their respective equity shares.

(ii) Investment of ₹ 124 crore in Ather Energy Limited, for purchase of additional shares from an existing shareholder.

(iii) Strategic Investment of up to ₹ 525 crore (in one or more tranches) in Euler Motors Private Limited.

(iv) The Company has allotted 89,095 numbers of equity shares under its Employee Incentive Scheme, 2014.

(v) Mr. Niranjan Gupta, Chief Executive Officer (CEO) of the Company has stepped-down from the position of CEO effective from April 30, 2025, to pursue other opportunities. The Board of Directors has appointed Mr. Vikram Kasbekar, Executive Director (Operations) as the Acting Chief Executive Officer with effect from May 1, 2025.

(vi) The Company has paid a final dividend of ₹ 40 per share for the FY2023-24 and an interim dividend of ₹ 100/- per share for the FY 2024-25.

(vii) The Members of the Company at its Annual General Meeting held on August 12, 2024 had

- re-appointed Mr. Vikram Kasbekar as Executive Director (Operations), and;
- re-appointed Ms. Tina Trikha, Ms. Camille Tang and Mr. Rajnish Kumar, as Independent Directors, for their second term.

We 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**

Firm Regn No. L2021DE011600
Company Secretaries

[Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner,
Membership No. FCS 2411
Certificate of Practice No. 1509
ICSI PR No. 5321 of 2023
ICSI UDIN: F002411G000324909

Date: 13th May, 2025
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-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**

Firm Regn No. L2021DE011600
Company Secretaries

[Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner,
Membership No. FCS 2411
Certificate of Practice No. 1509
ICSI PR No. 5321 of 2023
ICSI UDIN: F002411G000324909

Date: 13th May, 2025
Place: New Delhi

Annexure VIII

INDEPENDENT ASSURANCE STATEMENT

Assurance Statement on Business Responsibility & Sustainability Report (BRSR) Core of Hero MotoCorp Limited For Reporting Period: April 01, 2024 – March 31, 2025

Bureau Veritas (India) Private Limited
4th Floor ServeSpaces Business Park, D-5 & 6, Sector-3, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301

To

Hero MotoCorp Limited
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 17A, of the Securities and Exchange Board of India (SEBI) Master Circular dated November 11, 2024.

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 contractual terms and 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 01.04.2024 to 31.03.2025 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 Annexure17A of the SEBI Master Circular dated November 11, 2024.

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: 01/04/2024 to 31/03/2025

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 01.04.2024 to 31.03.2025 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;

INDEPENDENT ASSURANCE STATEMENT

1. Mr Amit Kumar – Team Leader &
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 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), along with the requirements of ISAE 3000 Assurance standard and 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

On the basis of our methodology and the activities described above, it is our opinion that the BRSR core of FY 2024-25 of HMCL, containing its 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.

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.

Amit Kumar
Lead Assurer
Bureau Veritas (India) Private Limited
Noida, India
Dt: May 13, 2025

Kalyan Dey
Team Member
Bureau Veritas (India) Private Limited
Noida, India
Dt: May 13, 2025

Munji Rama Mohan Rao
Technical Reviewer
Bureau Veritas (India) Private Limited
Hyderabad, India
Dt: May 13, 2025

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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	+91-11-46044220
8	Website	www.heromotocorp.com
9	Financial year for which reporting is being done	Start Date End Date
		April 1, 2024 to March 31, 2025
10	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Ltd. (NSE) 2. BSE Ltd. (BSE)
11	Paid-up Capital	20,00,10,836
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 the Assurance Provider	Bureau Veritas (India) Private Limited
15	Type of assurance obtained	Reasonable Assurance

II. PRODUCTS/SERVICES

16. Details of business activities

S. No.	Description of main activity	Description of business activity	% of turnover
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	30,911	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	59	67
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?

5.7%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

c. A brief on types of customers

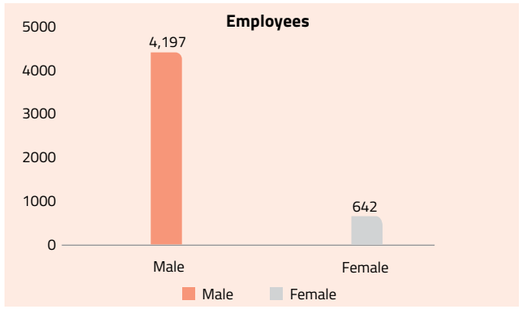
Hero MotoCorp is the world's largest motorcycles and scooters manufacturer. Company sells its products to customers across the globe and the products of the Company caters to adult customers of all ages and gender. It is a testimony of the trust our customers have bestowed on us, generation after generation that enabled the Company to be the largest selling motorcycle and scooter Company in the world (by volume).

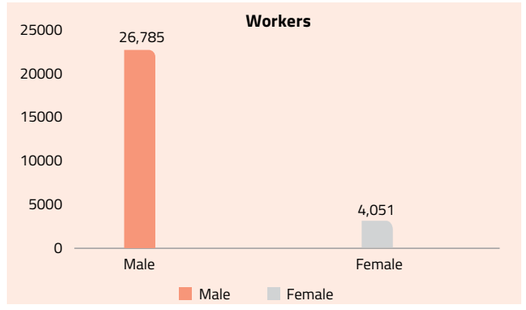
IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

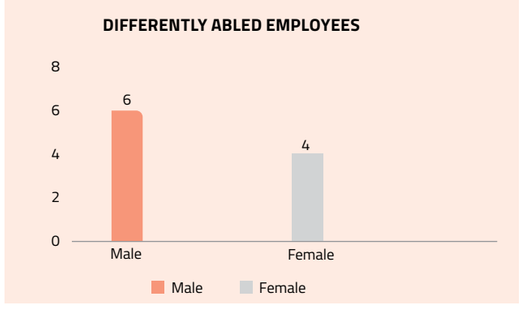
S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	4,839	4,197	86.73	642	13.27
2.	Other than Permanent (E)	0	0	0.00	0	0.00
3.	**Total employees (D + E)**	**4,839**	**4,197**	**86.73**	**642**	**13.27**
WORKERS						
4.	Permanent (F)	4,688	4,679	99.81	9	0.19
5.	Other than Permanent (G)	26,148	22,106	84.54	4,042	15.46
6.	**Total workers (F + G)**	**30,836**	**26,785**	**86.86**	**4,051**	**13.14**

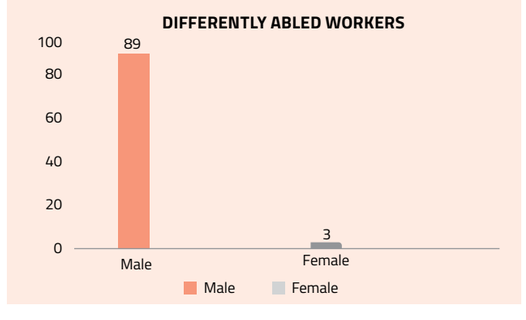




b. Differently abled Employees and workers:

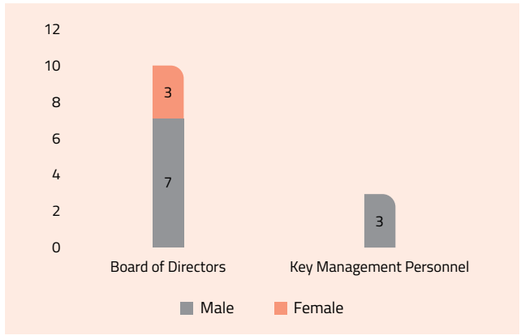
S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	10	6	60.00	4	40.00
2.	Other than Permanent (E)	0	0	0.00	0	0.00
3.	**Total differently abled employees (D + E)**	**10**	**6**	**60.00**	**4**	**40.00**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	39	39	100.00	0	0.00
5.	Other than Permanent (G)	53	50	94.34	3	5.66
6.	**Total differently abled workers (F + G)**	**92**	**89**	**96.74**	**3**	**3.26**





21. Participation/Inclusion/Representation of women

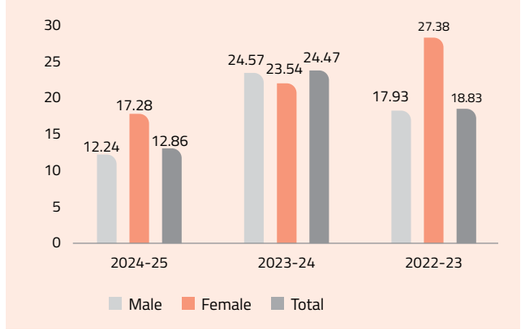
Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30%
Key Management Personnel	3	0	0



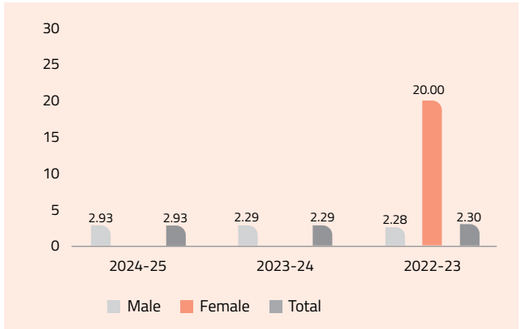
22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	FY 2024-25 (Turnover rate in current FY) [values in %]			FY 2023-24 (Turnover rate in previous FY) [values in %]			FY 2022-23 (Turnover rate in the year prior to the previous FY) [values in %]		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.24	17.28	12.86	24.57	23.54	24.47	17.93	27.38	18.83
Permanent Workers	2.93	0.00	2.93	2.29	0.00	2.29	2.28	20.00	2.30

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	41.15	No
2	Ather Energy Limited	Associate	39.60	No
3	HMC MM Auto Limited	Subsidiary	60.00	No
4	HMCL Americas Inc.	Subsidiary	100.00	No
5	HMCL Netherland B.V.	Subsidiary	100.00	No
6	HMCL Colombia S.A.S.	Subsidiary	68.00	No
7	HMCL Niloy Bangladesh Limited	Subsidiary	55.00	No
8	Hero Tech Center Germany (GmbH)	Subsidiary	100.00	No

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

VI. CSR DETAILS

24. CSR Details

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (in ₹)	₹ 40,756 crore
Net worth (in ₹)	₹ 19,807 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	FY 2024-25			FY 2023-24		
			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	Remarks
Communities	Yes	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html	1	-	Resolved	-	-	NIL
Investors (other than shareholders)	Yes	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html	-	-	-	-	-	-
Shareholders	Yes	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf	1,296	7	Pending Complaints Resolved in FY 2025-26	2,252	32	Pending Complaints Resolved in FY 2024-25
Employees and workers	Yes	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html	41	3	-	13	-	-
Customers	Yes	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html	32,115	103	99.68 % closed	23,015	283	98.77% closed
Value Chain Partners	Yes	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html	11	1	-	7	1	-
Other	Yes	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html	-	-	-	-	-	-

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 (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	End of Life Vehicle	R	Navigating through the ELV-EPR obligation in the initial years will be challenging as the system is in a evolving phase which will create financial stress in the short-term.	Develop a robust value chain by ensuring a steady feedstock supply, partnering with RVSFs and recyclers, and make attractive proposition for customers to get them into organised market from unorganised market.	Negative Implications
2	Diversified EV portfolio	O	Strategic partnership with Euler Motors, a leading manufacturer in electric 3-wheeler space. The partnership will help in becoming a reckoning force in overall EV domain.	1. R&D on emerging mobility vehicles. 2. Diversifying the EV portfolio. 3. Expanding our market within and outside India. 4. Accelerating charging infrastructure for expanding EV adoption.	Positive 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, and 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 chain.**
P4	**Businesses should respect the interests of and be responsive to all its stakeholders.**
P5	**Businesses should respect and promote human rights.**
P6	**Businesses should respect and make efforts to protect and 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
	Policy and management processes									
1.a)	**Whether your entity's policy/ policies cover each priniciple 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. The policies covering the NGRBCs priniciples are available on the Company's website under 'Key Policies' section.								
c)	**Web link of the policies, if available**	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html								
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. Example- 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 NGRBCs principles is expected to be adhered by its stakeholders. 100% of our direct supply chain partner groups signed the Sustainable Procurement Guidelines agreement and Supplier's Code of Conduct.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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**	Robust vigilance mechanism in compliance with the provision of the Companies Act, 2013 and SEBI Regulations.	ISO 9001 - Quality Management Systems IATF 16949 - Quality Management Systems for Automotive Production ISO 17025 - General Requirements for the Competence of Testing and Calibration Laboratories	ISO 45001 - Occupational Health and Safety Management Systems ISO 22000 - Food Safety Management Systems	International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information GRI Standards - Global Reporting Initiative Standards for Sustainability Reporting S&P Global Corporate Sustainability Assessment (CSA) - Assessment framework for corporate sustainability performance	UN Global Compact and UN Guiding Principles on Business and Human Rights	ISO 14001 - Environmental Management SystemsISO 50001 - Energy Management Systems Carbon Disclosure Project (CDP) on Climate Change & Water - Framework for environmental disclosure	National Guidelines on Responsible Business Conduct (NGRBC)	United Nations Sustainable Development Goals (UN SDGs)	ISO 27001 - Information Security Management Systems ISO 9001 - Quality Management Systems
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any**	Hero MotoCorp aims to embed sustainability intoits long-term strategy by focusing on responsible business practices, fostering inclusive growth and contributing to a low carbon future. Our sustainability goals are: 1. 100% Carbon Neutral Operations (Scope 1+2) by 2030 2. 100% Zero Waste-to-Landfill Facilities by 2025 3. 500% Water Positive Facilities by 2025 4. 100% Green Dealerships by 2030 5. 95% Product Recyclability by 2025 6. 30% Gender Diversity by 2030								
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: 1. Carbon Neutral Operations (Scope 1+2) - Achieved 53% carbon neutrality in FY 2024-25 2. Zero Waste-to-Landfill Facilities - Achieved 100% in FY 2023-24, one year ahead of target year 3. Water Positive Facilities - Achieved 500% water positivity 4. Green Dealerships - Achieved 30% in FY 2024-25 5. Product Recyclability - All our products are more than 95% recyclable as per AIS 129. 6. Gender Diversity - Achieved 13.2% in FY 2024-25								
	Governance, leadership and oversight									
7	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**	Sustainability remains at the core at Hero MotoCorp as we strive to shape a more inclusive, equitable and sustainable future. This commitment is more than a motto; it demonstrates our responsibility towards the environment, society, and our stakeholders. Over the years, we've made steady progress towards our Environmental, Social, and Governance (ESG) goals: 1. 100% carbon neutral operation by 2030 and achieved 53% carbon neutrality in FY 2024-25; 2. 100% Zero Waste-to-Landfill Facilities by 2025 achieved in FY 2023-24, one year ahead of target year; 3. Achieved 500% Water Positive Facilities by FY 2025; 4. 100% Green Dealerships by 2030 and achieved 30% by FY 2025; 5. 95 % product recyclability by 2025 and all our products are more than 95% recyclable as per AIS 129; and 6. 30% Gender Diversity by 2030 - 13.2% Gender Diversity in FY 2024-25. As we move forward, Hero MotoCorp remains steadfast in its ESG commitments—adopting a future-focused approach that combines innovation, responsibility, and empathy. Our journey is not just about compliance; it is about creating real impact—for our planet, our people, and the generations to come.								
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: Mr. Vikram S. Kasbekar Designation: Executive Director & Acting CEO 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 ('SCSR'). As on March 31, 2025, the SCRS consists of the following members: 1. Dr. Pawan Munjal - Executive Chairman and Chairman of the SCSR Committee, 2. Mr. Pradeep Dinodia-Non-Executive Director and Member of the SCSR Committee, 3. Prof. Jagmohan Singh Raju- Independent Director and Member of the SCSR Committee, 4. Ms. Tina Trikha - Independent Director and Member of the SCSR Committee								

10	**Details of review of NGRBCs by the Company**		
	Subject	**Indicate whether review was undertaken by Director /Committee of the Board / Any other Committee**	
	Performance against above policies and follow up action	Committee of the Board	
	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Any other Committee-	
	Subject	**Frequency (Annually / Half-yearly / Quarterly/ Any other-please specify)**	
	Performance against above policies and follow up action	Quarterly	
	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Quarterly	
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.**	Yes, Bureau Veritas (India) Private Limited	
12	**If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated**		
	The entity does not consider the Principles material to its business (Yes/No)	Not Applicable	
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)		
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)		
	It is planned to be done in the next financial year (Yes/No)		
	Any other reason (please specify)		

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible

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	9	Covering all principles	100
Key Managerial Personnel	9	Covering all principles	100
Employees other than BoD and KMPs	72	SheLeads, Business Accounting, Code of Conduct, Prevention of Sexual Harassment at Work, Cyber Security, Insider Trading, Cyber Crime, Basic First Aid & CPR , Value Immersion, Gender Sensitisation, Safety Training, Five Star Occupational Health & Safety Audit, Vehicle COP Compliance First Aid & Ergonomics, Industry 4.0, Lubrication Training, Problem Solving Tool & Techniques, Gender Sensitisation, POSH GENERAL AWARENESS- IC MEMBERS AND IC SPOC, Mental Wellness- Empowering Strategies for Psychological Agility Training, Feminine Pause, Gender Debates : Laws for women, Brahmakumaris-Making Work a Pleasure	100
Workers	35	Wellbeing, Safety, POSH, Basic First Aid, Sanskar training, Code of Conduct, Driving & Safety, Electrical Safety, Fire & Trolley Safety, POSH, Etiquette & Sanitation Awareness, Basic Computers, Self Hygiene etc.	100

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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 Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Not Applicable			
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)	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable			
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 details in brief and if available, provide a web-link to the policy

Yes, the Company has a Anti-Corruption and Anti-bribery policy. The policy reiterates Company's stance of zero tolerance towards bribery and corrupt practices. The Anti-Bribery and Anti-Corruption Policy ensures compliance with applicable laws prohibiting improper payments, gift(s) or incentives of any kind or donations or otherwise offered or received from any person, including Third Parties and / or Government Public Official(s), in the private sector and customers in order to obtain any favours, influence business decisions or take any form of unfair advantage. The policy is available on the website of the Company at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Anti_Bribery_and_Anti_Corruption_Policy_v2_06_Dec_2023.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 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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 2024-25	FY 2023-24
Number of days of accounts payables	64.01	62.66

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 2024-25	FY 2023-24
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	0.01	0.00
	b.	Number of trading houses where purchases are made from	2.00	1.00
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	100.00	100.00
Concentration of Sales	a.	Sales to dealer / distributors as % of total sales	98.89	100.00
	b.	Number of dealers / distributors to whom sales are made	1054.00	959.00
	c.	Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	3.99	3.97
Share of RPTs in	a.	Purchases (Purchases with related parties as % of Total Purchases)	7.17	7.12
	b.	Sales (Sales to related parties as % of Total Sales)	2.59	1.29
	c.	Loans & advances given to related parties as % of Total loans & advances	0.00	0.00
	d.	Investments in related parties as % of Total Investments made	0.25	1.43

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

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
5	Quality manual awareness session	33.00

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 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	1.40	1.80	1. Energy Security; 2. Lower carbon emission; 3. Better air quality 4. Self- reliance; 5. Increasing farmer's income; 6. Employment generation, and; 7. Greater Investment opportunities
Capex	86.00	66.40	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes, the Company has released the sustainable procurement guidelines and all the supply chain partners have consented to abide by these guidelines.

   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 post-consumer plastic packaging waste generated from product and spares are disclosed under Extended Producer Responsibility (EPR) obligations. Waste management agencies and authorised recyclers are engaged to fulfil the EPR targets.

(b) E-waste

The e-waste segregated at RVSF is disposed of to the authorised e-waste recyclers.

(c) Hazardous waste

Waste like used oil and other hazardous waste are disposed of to authorised recyclers.

(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 , EPR is applicable to HMCL's activities. Further, HMCL's 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?

Yes

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 VIDA-V2, HD-X440, SPLENDOR PLUS-XTEC	29	Impacts were calculated life cycle stage wise during the life cycle over cradle to grave system boundary based on ISO 14040/44.	Yes	Yes	https://www.heromotocorp.com/en-in/company/reports-and-policies/reports.html

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) implementation	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.
"Super Splendor, Galmour, Passion, HF Deluxe"	Fuel economy reduced by 6% after E20 Introduction	Efficiency reduction mitigated by engineering change in engine.Hence substantial reduction in scope 3 emissions.
Dead Volume of fuel in Fuel tank	Fuel which is always remains in fuel tank unused and utilised	Fuel Dead volume reduced in fuel tank by 0.5 Litres (58% reduction), 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 2024-25	FY 2023-24
Steel	10.20	12.70
Aluminium	60.50	60.50

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 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	1,470	0	0	1,437
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste						

Plastic packaging that goes with our products & parts is collected with the help of waste management agency and safety disposed to authorised recyclers.

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	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	4,197	4,197	100.00	4,197	100.00	0	0.00	4,197	100.00	4,197	100.00
Female	642	642	100.00	642	100.00	642	100.00	0	0.00	642	100.00
Total	**4,839**	**4,839**	**100.00**	**4,839**	**100.00**	**642**	**13.27**	**4,197**	**86.73**	**4,839**	**100.00**
Other than Permanent employees											
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
Total	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	4,679	4,679	100.00	4,679	100.00	0	0.00	4,679	100.00	4,679	100.00
Female	9	9	100.00	9	100.00	9	100.00	0	0.00	9	100.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	**4,688**	**4,688**	**100.00**	**4,688**	**100.00**	**9**	**0.19**	**4,679**	**99.81**	**4,688**	**100.00**
Other than Permanent workers											
Male	22,106	22,106	100.00	22,106	100.00	0	0.00	718	3.25	22,106	100.00
Female	4,042	4,042	100.00	4,042	100.00	4,042	100.00	0	0.00	4,042	100.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	**26,148**	**26,148**	**100.00**	**26,148**	**100.00**	**4,042**	**15.46**	**718**	**2.75**	**26,148**	**100.00**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

		FY 2024-25	FY 2023-24
i)	Cost incurred on wellbeing measures as a % of total revenue of the company	0.07	0.06

2. Details of retirement benefits :

Benefits	FY 2024-25			FY 2023-24		
	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	NA	100	100	NA
ESI	100	100	Yes	100	100	Yes
Others - please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirementsof 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 a web link to 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. We also have Human rights policy in place which encourages an inclusive work environment, wherein diversity is valued, and equal opportunities are available to all the employees and stakeholders.

https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Human-Rights-Policy-HRP.pdf

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	88.26	100	100
Female	100.00	73.08	0.00	0.00
Total	**100.00**	**86.72**	**100.00**	**100.00**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	1. Union Representatives raise concerns on behalf of the workforce through Union & Mgmt. Meeting 2. Various Committees i.e. Canteen, Safety, Sports, cultural & participation and suggestion platforms to address specific workplace grievances & issues. 3. Regular Connect facilitate open dialogue with management.
Other than Permanent Workers	Yes	1. Various Committee/CFTs i.e Canteen, Safety, Sports, Cultural, Awareness address specific workplace issues. 2. Regular Connect facilitate open dialogue with management. 3. HR helpdesk on daily basis to solve grievances and support individual and group of employees
Permanent Employees	Yes	1. Open Door Policy for direct communication with managers/HR. 2. Regular Connect facilitate open dialogue with management. 3. BetterWorks etc. to share feedback and grievances confidentially.
Other than Permanent Employees	Yes	1. Open Door Policy for direct communication with managers/HR. 2. Regular Connect facilitate open dialogue with management. 3. Focus Group Discussion for direct communication with managers/HR.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	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)
Total Permanent Employees	4,839	0	0.00	4,508	0	0.00
- Male	4,197	0	0.00	4,004	0	0.00
- Female	642	0	0.00	504	0	0.00
Total Permanent Workers	4,688	3,331	71.05	4,717	3,392	71.91
- Male	4,679	3,331	71.19	4,709	3,392	72.03
- Female	9	0	0.00	8	0	0.00

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	4,197	529	12.60	2,864	68.24	4,004	450	11.24	3,179	79.40
Female	642	192	29.91	551	85.83	504	79	15.67	435	86.31
Total	**4,839**	**721**	**14.90**	**3,415**	**70.57**	**4,508**	**529**	**11.73**	**3,614**	**80.17**
Workers										
Male	4,679	4,679	100.00	4,679	100.00	4,709	4,709	100.00	4,709	100.00
Female	9	9	100.00	9	100.00	8	8	100.00	8	100.00
Total	**4,688**	**4,688**	**100.00**	**4,688**	**100.00**	**4,717**	**4,717**	**100.00**	**4,717**	**100.00**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	4,197	4,197	100.00	4,004	4,003	99.98
Female	642	642	100.00	504	504	100.00
Others	0	0	0.00	0	0	0.00
Total	**4,839**	**4,839**	**100.00**	**4,508**	**4,507**	**99.98**
Workers						
Male	4,679	4,679	100.00	4,709	4,709	100.00
Female	9	9	100.00	8	8	100.00
Others	0	0	0.00	0	0	0.00
Total	**4,688**	**4,688**	**100.00**	**4,717**	**4,717**	**100.00**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes

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. Apart from this the company is also adopted the Five Star Rating System of the British Safety Council where Gurugram Plant has achieved the Five Star Rating and the prestigious Sword of Honour Award. Other Plants are in the process of implementing the same.

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 Management 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. Other technique of risk assessment like Quantitative Risk Assessment (QRA) and HAZOP are also deployed in certain areas.

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 center 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 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.19	0.24
	Workers	0.26	0.35
Total recordable work-related injuries	Employees	3	3
	Workers	11	14
No. of fatalities	Employees	1	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract work force

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 2024-25			FY 2023-24		
	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 & 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 implemented for the reported incidents, if any. 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.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	1	0	0	0
Workers	0	0	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	41
Working Conditions	41

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.

Stakeholders are key individuals or groups that significantly influence and impact our organisation's operations. We recognize that our activities are shaped by a diverse range of stakeholders. We proactively identify and map both our internal and external stakeholders, including employees, customers, shareholders, investors, non-governmental organisations (NGOs), local communities, dealers, suppliers, media, government entities, regulators, industrial associations, rating agencies and the broader industry ecosystem. Understanding and addressing the needs and concerns of our stakeholders in a transparent and ethical manner is paramount for building strong, long-lasting relationships. By placing a strong emphasis on stakeholder engagement, we ensure our alignment with their expectations, effectively mitigating risks and enhancing our reputation in the marketplace. For more information, details of Stakeholder Engagement section will be available in our annual Sustainability Report for 2024-25.

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
Employees	No	Notice Board	Ongoing	Discussion on long-term strategy and welcome their insights and perspective.
Customers	No	Advertisement	Ongoing	Customer feedback on product and services, Digital engagements and rewards.
Suppliers	No	E-mail	Ongoing	Discussion on business volume, quality, assessments and audits including sustainability aspects.
Regulatory agencies and government institutions	No	E-mail	As and when required	Statutory compliance, Policy strengthening and social economic benefits to stakeholders.
Shareholders and Investors	No	Website, E-mail	As and when required	Dividend distribution, Updates on new product launches, Addressing their key concern areas, Industry specific inputs.
Local Community	Yes	Community Meetings	Ongoing	Promote activities to raise awareness on green, safe and sustainable living for inclusive prosperity.
International organisations and rating agencies	No	E-mail	As and when required	Understand rating agency requirements and create an action plan to improve upon the ratings.
Dealerships	No	E-mail	Ongoing	Capacity building sessions for knowledge sharing, pre-delivery inspection quality check points and customer grievance redressal mechanism.
Industrial associations	No	Other	As and when required	Cross-industrial collaborations, Emerging regulations, industry response and preparedness and timely compliances.

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, as the process of consultation between stakeholders is described above, all the stakeholders play a key role in identifying and working on the CSR projects. For Example - In Farm Ponds and Community Ponds Project under Water conservation initiatives, we conduct need assessments where feedback from villagers, panchayats, block district officers, and many more 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.

Hero MotoCorp, under its SCSR umbrella, focuses on prioritising the concerns of the vulnerable/marginalised groups and empowering them to drive positive change within society. An example of this is the CSR flagship project 'Saksham'. Launched in collaboration with the Automotive Skills Development Council (ASDC), the project is designed to train and develop women to become two-wheeler technicians covering Electric Vehicles (EVs), Internal Combustion Engines (ICEs), and sales domains. There are a total of 8 courses under the project. 'Saksham' aims to bridge the skills and employment gap while enhancing gender diversity in the automotive sector. Recognising the fact that socio-economic factors often limit women's access to such opportunities due to societal biases, 'Saksham' seeks to empower women, fostering independence and growth. After the successful implementation of the Pilot project of 'Saksham', the project has been up scaled to a new level where we are reaching out to a wider group of vulnerable/marginalised women of both rural and urban communities. Since its inception in 2024, Saksham has successfully trained 4,113 women, with 3,555 candidates certified and 1,660 securing employment across diverse industries — marking a significant milestone in advancing women's participation in technical fields. Mobilization, which is the critical aspect of the project, has been pushed further to reach out to the maximum number of potential women candidates and to encourage them to apply for the training program. The success of the Pilot project serves as a testament and encourages them as well as their families to move past their prejudiced thinking and make them cognizant of their daughter's potential to be financially independent and support their families. Additionally, 404 beneficiaries were provided with various skill courses training through Jeevika Centres including stitching & sewing, beauty therapist, and tally course.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	4,839	4,839	100.00	4,508	4,508	100.00
Other than permanent	0	0	0.00	0	0	0.00
Total Employees	**4,839**	**4,839**	**100.00**	**4,508**	**4,508**	**100.00**
Workers						
Permanent	4,688	4,688	100.00	4,717	4,717	100.00
Other than permanent	26,148	0	0.00	24,741	0	0.00
Total Workers	**30,836**	**4,688**	**15.20**	**29,458**	**4,717**	**16.01**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	4,839	0	0.00	4,839	100.00	4,508	0	0.00	4,508	100.00
Male	4,197	0	0.00	4,197	100.00	4,004	0	0.00	4,004	100.00
Female	642	0	0.00	642	100.00	504	0	0.00	504	100.00
Other than permanent	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
Workers										
Permanent	4,688	0	0.00	4,688	100.00	4,717	0	0.00	4,717	100.00
Male	4,679	0	0.00	4,679	100.00	4,709	0	0.00	4,709	100.00
Female	9	0	0.00	9	100.00	8	0	0.00	8	100.00
Other than permanent	26,148	0	0.00	200	0.76	24,741	24,741	100.00	0	0.00
Male	22,106	0	0.00	100	0.45	20,758	20,758	100.00	0	0.00
Female	4,042	0	0.00	100	2.47	3,983	3,983	100.00	0	0.00

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in crore)	Number	Median remuneration/ salary/wages of respective category (₹ in crore)
Board of Directors (BoD)	7	1.57	3	0.72
Key Managerial Personnel	3	7.75	-	-
Employees other than BoD and KMP	4,194	0.17	642	0.13
Workers	4,679	0.10	9	0.03

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females	1,117,370,941	839,260,420
Total wages	15,018,956,360	13,313,716,707
Gross wages paid to females (Gross wages paid to females as % of total wages)	7.44	6.30

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 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, religion, sexual orientation, race, caste, gender, region, disability, work, designation and such other parameters.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	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	14	3	Resolution under progress	8	3	Resolution under progress
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
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 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	14	8
Complaints on POSH as a % of female employees / workers	0.30	0.18
Complaints on POSH upheld	5	6

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 human rights 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	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The Company has introduced a well-defined Human Rights policy. The Code of Conduct of the Company is based on GBS Codex and respects the rights of its employees. 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 voices of our employees to capture employee grievances including human rights grievances/complaints. In order to achieve so, we have taken several initiatives to hear the voice of our employees to capture employee grievances including human rights/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 the shop floor. Monthly CFT meetings, Open House, provision of HR Helpdesk 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 of the leadership indicators.

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
Sexual harassment	100
Discrimination at workplace	100
Child Labour	100
Forced/involuntary Labour	100
Wages	100
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.**

   NA

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 2024-25	FY 2023-24
From renewable sources			
Total electricity consumption (A)	Gigajoule	179,095.00	71,491.00
Total fuel consumption (B)	Gigajoule	0.00	0.00
Energy consumption through other sources (C)	Gigajoule	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	Gigajoule	179,095.00	71,491.00
From non-renewable sources			
Total electricity consumption (D)	Gigajoule	349,336.00	413,419.00
Total fuel consumption (E)	Gigajoule	317,369.00	356,305.00
Energy consumption through other sources (F)	Gigajoule	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	Gigajoule	666,705.00	769,724.00
Total energy consumed (A+B+C+D+E+F)	Gigajoule	845,800.00	841,215.00
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GigajoulePerINR	0.00	0.00
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP))	GigajoulePerINR	0.00	0.00
Energy intensity in terms of physical output	Gigajoule	0.00	0.00
Energy intensity (optional) - the relevant metric may be selected by the entity	Gigajoule	0.14	0.15

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieveand 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 Yes**

   Dharuhera, Gurugram & Haridwar plants has been identified as the designated consumer. We have completed the mandatory energy audit by M/s AZ Energy, but NO PAT target has been provided for Hero MotoCorp Ltd. so far.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	115,932.00	116,975.00
(ii) Groundwater	kilolitres	530,596.00	507,561.00
(iii) Third party water	kilolitres	138,049.00	132,642.00
(iv) Seawater / desalinated water	kilolitres	0.00	0.00
(v) Others	kilolitres	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	784,577.00	757,178.00
Total volume of water consumption (in kilolitres)	kilolitres	784,577.00	757,178.00
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	kilolitres	0.00	0.00
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption / Revenue from operations adjusted for PPP)	kilolitres	0.00	0.00
Water intensity in terms of physical output	kilolitres	0.00	0.00
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	0.13	0.14

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

4. **Provide the following details related to water discharged:**

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)			
(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) sent to third-parties	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
Total water discharged (in kilolitres)	kilolitres	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes,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 HDFE 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 2024-25	FY 2023-24
NOx	Tonne	14.50	22.90
SOx	Tonne	1.10	3.70
Particulate matter (PM)	Tonne	9.90	7.20
Persistent organic pollutants (POP)	Tonne	0.00	0.00
Volatile organic compounds (VOC)	Tonne	0.00	0.00
Hazardous air pollutants (HAP)	Tonne	0.00	0.00
Others - please specify		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the company?

Yes

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	19,938.00	21,375.00
Total Scope 2 emissions (Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	70,547.00	82,224.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	$tCO_2ePerINR$	0.00	0.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	$tCO_2ePerINR$	0.00	0.00
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e	0.00	0.00
Total Scope 1 and Scope 2 emission intensity (optional)	$KgCO_2e$/Vehicle	15.30	18.60

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, several projects have been taken to reduce Green House Gas emission and to improve the energy efficiency in the plants. The details of the key energy conservation project implemented are as under: I. Replacement of fixed speed chillers with variable speed chillers in engine assembly. II. Reducing compressed air losses by reduction leakage in high air consumption area. III. Reduction of Auxiliaries consumption by providing radiator & optimising operation of cooling tower. IV. Energy saving by controlling Lights & fans from SCADA/HMI in shop Floors. V. Reduction in energy consumption in plant FDVs by optimising operations. VI. Pump size optimisation in gardening area watering systems in order to reduce energy consumption. VII. Reduction of energy consumption in VRV (variable refrigerant volume) through centralised monitoring in Cockpit VIII. Running hour optimisations of bigfoot to save energy. IX. Cooling tower fan interlocking with temperature controller to reduce the power consumption. X. Replacement of conventional fans in AHU by EC fans to save energy. XI. Software upgradation and interlocking blower in IMV shakers machines to save energy. XII. Modification of Compressed air piping distribution to lower the energy consumption by switching off idle compressor.

9. Provide details related to waste management by the entity, in the following format:

Parameter	Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)			
Plastic waste (A)	metric tonnes	1,617.00	1,678.00
E-waste (B)	metric tonnes	17.92.00	6.40
Bio-medical waste (C)	metric tonnes	0.41	0.30
Construction and demolition waste (D)	metric tonnes	4,276.00	2,394.70
Battery waste (E)	metric tonnes	121.80	101.00
Radioactive waste (F)	metric tonnes	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	metric tonnes	2,056.00	1,786.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	metric tonnes	10,987.00	10,859.00
Total (A+B + C + D + E + F + G + H)	metric tonnes	**19,076.13**	**16,825.40**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	metric tonnes	0.00	0.00
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	metric tonnes	0.00	0.00
Waste intensity in terms of physical output	metric tonnes	0.00	0.00
Waste intensity (optional) - the relevant metric may be selected by the entity	metric tonnes	0.00	0.00
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	metric tonnes	24.8	0
(ii) Re-used	metric tonnes	5,128	3,844.2
(iii) Other recovery operations	metric tonnes	0	0
Total	metric tonnes	**5,152.80**	**3,844.20**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	metric tonnes	0.4	0.3
(ii) Landfilling	metric tonnes	0	0
(iii) Other disposal operations	metric tonnes	13,546	12,980.8
Total	metric tonnes	**13,546.40**	**12,981.10**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

Note: The Waste disposed (13546 MT) in the category "Other disposal operations" includes Waste Send for coprocessing in cement plants & Waste send to authorised recyclers for recycling.

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 utilise 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 2024-25 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.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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
Environmental impact assessment (EIA) was conducted for base line assessment for our upcoming project (Global Part Centre) at Tirupati Plant					

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-compliance, in the following format:

Yes, 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

(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 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)			
Surface water	kilolitres	0.00	0.00
Groundwater	kilolitres	277,770.00	271,106.00
Third party water	kilolitres	138,049.00	132,642.00
Seawater / desalinated water	kilolitres	0.00	0.00
Others	kilolitres	0.00	0.00
Total volume of water withdrawal (in kilolitres)	kilolitres	415,819.00	403,748.00
Total volume of water consumption (in kilolitres)	kilolitres	415,819.00	403,748.00
Water intensity per rupee of turnover (Water consumed / turnover)	kilolitres	0.00	0.00
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	0.00	0.00
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	kilolitres	0.00	0.00
- No treatment	kilolitres	0.00	0.00
- With treatment - please specify level of treatment	kilolitres	0.00	0.00
(ii) Into Groundwater	kilolitres	0.00	0.00
- No treatment	kilolitres	0.00	0.00
- With treatment - please specify level of treatment	kilolitres	0.00	0.00
(iii) Into Seawater	kilolitres	0.00	0.00
- No treatment	kilolitres	0.00	0.00
- With treatment - please specify level of treatment	kilolitres	0.00	0.00
(iv) sent to third-parties	kilolitres	0.00	0.00
- No treatment	kilolitres	0.00	0.00
- With treatment - please specify level of treatment	kilolitres	0.00	0.00
(v) Others	kilolitres	0.00	0.00
- No treatment	kilolitres	0.00	0.00
- With treatment - please specify level of treatment	kilolitres	0.00	0.00
Total water discharged (in kilolitres)	kilolitres	**0.00**	**0.00**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	1,89,40,829.00	2,01,82,252.00
Total Scope 3 emissions per rupee of turnover	$tCO_2ePerINR$	0.00	0.00
Total Scope 3 emission intensity (optional)	tCO_2e/Vehicle	3.21	3.63

Note: 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

Note: The FY 2024-25 values pertain to Categories 1, 4, 6, 7, 8, 11 and 14.

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	Energy Saving	Replacement of Old transformer with Energy efficient transformers	90000 KWH Annual Saving
2	Energy Saving	VRV AC unit run through solar hybrid panel	12000 KWH Annual Saving
3	Energy Saving	Elimination of coolant system in crankshaft face milling operation	1629 KWH Annual Saving
4	Energy Saving	Interlock all cooling tower fans with the cooling water temperature outlet to reduce fan running hours	2555 KWH Annual Saving
5	Energy Saving	Reduce ASU power by optimising the blower motor frequency with close feedback system	16726 KWH Annual Saving
6	Gas Consumption Reduction	Installed magnetic resonator in the NG Line to decrease fuel consumption	12500 SCM Annual Saving
7	Energy Saving	Providing 20 Natural gravent at rooftops in place of exhaust fans	36000 KWH Annual Saving

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, 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 damaged caused by unexpected situations like accidents, fire, sabotage, spills, explosions, natural disasters, terrorist activities and medical emergencies. It includes a series of actions

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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%

8. **How many Green Credits have been generated or procured:**

A. **By the listed entity.**

   NIL

B. **By the top ten (in terms of value of purchases and sales, respectively) value chain partners.**

   NIL

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.**

   7

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 Manufactures	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 final notification of L25 category (2-3 Combi-vehicle)	Direct communication through SIAM	Yes	Others - please specify	https://uncomplycate.com/wp-content/uploads/2024/07/Motor-Vehicles-Eighth-Amendment.pdf
2	Revision of EPR recycling target - Reduced by Half	Direct communication through SIAM	Yes	Others - please specify	https://moef.gov.in/storage/tender/1736422173.pdf
3	Adoption of National Standard for AC-DC Combined Charging - Connector & EVSE by BIS.	Direct communication through SIAM	Yes	Others - please specify	https://powermin.gov.in/sites/default/files/Guidelines_and_Standards_for_EVCI_dated_17_09_2024.pdf
4	Long term policy support for EV | PM E-Drive Scheme	Direct communication through SIAM	Yes	Others - please specify	https://pmedrive.heavyindustries.gov.in/login
5	Electric Mobility Promotion scheme 2024	Direct communication through SIAM	Yes	Others - please specify	https://emps.heavyindustries.gov.in/
6	Extension of Customs Duty Concession on Battery Cells	Direct communication through SIAM	Yes	Others - please specify	https://taxinformation.cbic.gov.in/
7	Removed Stricter OBD Requirement for India Market	Direct communication through SIAM	Yes	Others - please specify	https://hmr.araiindia.com/api/AISFiles/Revised%20Amd%204%20with%20merged%20Amd%204%20&%205%20_ad7f5dec-4b79-4305-b7c0-0f5ab384c255.pdf
8	Flex Fuel Vehicles & ethanol roadmap	Direct communication through SIAM	Yes	Others - please specify	https://www.pib.gov.in/indexd.aspx
9	Formulation of 2W Ambulance Regulatory Standard & Exemptions Building.	Direct communication through SIAM	Yes	Others - please specify	https://hmr.araiindia.com/api/AISFiles/Draft%20AIS-209_Part%201_D4_ad3eb1e3-9ddb-4d3b-aa5e-e47873a0dae4.pdf
10	Revision of existing Lighting Standards.	Direct communication through SIAM	Yes	Others - please specify	https://www.araiindia.com/downloads Refer standard AIS 009, AIS 200, AIS 034 Part 1 & 2
11	Standardisation & deferment of CAFE norms for 2 Wheelers	Direct communication through SIAM	No	Others - please specify	NA
12	Bharat Stage 7 for 2Ws | Proactive Steps towards Cleaner Emission Norms .	Direct communication through SIAM	No	Others - please specify	NA
13	AVAS (Acoustic Vehicle Alerting System) for Electric Powered-Two Wheelers.	Direct communication through SIAM	No	Others - please specify	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	6	5
Directly from within India	96	98

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 2024-25	FY 2023-24
Rural			
i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii)	Total Wage Cost	0.00	0.00
iii)	% of Job creation in Rural areas	0.00	0.00
Semi-urban			
i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii)	Total Wage Cost	0.00	0.00
iii)	% of Job creation in Semi-Urban areas	0.00	0.00
Urban			
i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	73,769,278.00	112,058,409.00
ii)	Total Wage Cost	15,018,956,360.00	13,313,716,707.00
iii)	% of Job creation in Urban areas	0.49	0.84
Metropolitan			
i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	1,560,389,127.00	1,578,928,222.00
ii)	Total Wage Cost	15,018,956,360.00	13,313,716,707.00
iii)	% of Job creation in Metropolitan area	10.39	11.86

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	0

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No

(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
1	Not Applicable	No	No	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.

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	Seva	2,000	100
2	Education	1,265	100
3	Promoting Preventive Health Care	20,421	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 number, social media, corporate website, 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.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (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	0	NIL
Advertising	0	0	Nil	0	0	NIL
Cyber-security	0	0	Nil	0	0	NIL
Delivery of essential services	0	0	Nil	0	0	NIL
Restrictive Trade Practices	0	0	Nil	0	0	NIL
Unfair Trade Practices	0	0	Nil	0	0	NIL
Other	32,115	103	99.68% closed	23,015	283	98.77% 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.

Yes – We have a privacy policy and information security policy available publicly on our website at the following link:

https://www.heromotocorp.com/en-in/privacy-policy.html

https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_information_security_policy.pdf

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

0

b. Percentage of data breaches involving personally identifiable information of customers

0

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 and also at https://shop.heromotocorp.com. In addition, the digital owner's manual containing the details of the product of the Company is explained at the time of new vehicle delivery & it is also present in the Hero customer's application. 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. In addition, DIY videos are available at the corporate website for vehicle performance tips. 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 or 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) If yes, provide details in brief.

Yes 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 educational 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, 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 & NPS.

Annexure IX

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:

(i) Dharuhera plant has achieved an annual energy saving of 7.81 lakh kWh (Units) through the implementation of various process optimisation and technology upgrades. Key initiatives include:

a) Upgrading fixed-speed chillers to variable-speed chillers.

b) Upgrading Light-emitting diode (LED) street lights to solar street lights.

c) Enhancing the efficiency of solar cells by installing a robotic cleaning system.

d) Improving power quality and saving energy in force draft ventilation system Main Distribution Boards (MDBs) through the provision of harmonics/line filters.

e) Upgrading the old, less efficient cooling tower with a variable-speed auto temperature control cooling tower for the engine assembly chiller unit.

f) Optimising processes in the Acrylonitrile Butadiene Styrene (ABS) old paint shop through real-time monitoring and control via Programmable Logic Controller (PLC) & Human-Machine Interface (HMI) provision.

g) Optimising energy consumption by Force Draft Ventilations (FDVs) ducting separation and switching off the FDVs of frame assembly line 2 during non-working hours.

h) Saving energy by providing 20 natural gravent at all rooftops in place of exhaust fans.

i) Installing Supervisory Control And Data Acquisition (SCADA) for monitoring and controlling the force draft ventilation system.

j) Optimising & monitoring fume exhaust energy consumption by interlocking the fume exhaust running with the test bench.

(ii) Gurugram plant has saved 6.99 lakh kWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –

a) Replacement of old dist. transformers with new energy efficient transformers (2 Nos)

b) Solenoid valves on main headers of compressed air line & controlling through HMI during non-production time.

c) Utility compressor cooling system shifted from cooling tower to radiator cooling.

d) Installation of energy efficient Brushless Direct Current (BLDC) Industrial fans inside the plant.

e) Digitised controlling of switching off lights/fans during non-prod. hours.

f) Switching off FDV's during breaks from SCADA.

g) Reduction in energy consumption by effective utilisation of Sealed Quench furnace (SQF) in heat treatment.

h) Centralised monitoring & controlling of Air Circuit Breaker's (ACBs) of substations through digitalisation.

(iii) Haridwar plant has achieved significant energy savings of 12.23 lakh kWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –

a) Energy savings of 29,565 kWh through pump size optimisation in gardening area watering system

b) Energy savings of 2,07,975 kWh in three phase induction motor at EPM-SW

c) Energy savings of 1,63,430 kWh in weld shop induction motors.

d) Energy consumption reduced by 98,235 kWh in utility pumping area

e) 45,430 kWh energy consumption reduced by eliminating idle running of machines at steel phase

(iv) Neemrana plant and Global part center has achieved significant energy savings of 3.8 lakh kWh (units) through inclusion of latest technology and process optimisation. Major such initiatives include the following –

a) Energy saving by upgradation of low efficient compressor with high efficient compressors.

b) Hot water generator energy reduction through water circuit modification & inclusion of efficient pumps.

c) Plant office lighting replaced with less capacity energy efficient LED lights.

d) Energy saving in plant air conditioning through minimisation of plant heat load & elimination of cooling losses in plant.

e) Optimising Effluent Treatment Plant (ETP), running hours through water conservation projects.

f) 100 Nos of conventional fans replaced with BLDC fans.

g) Sewage Treatment Plant (STP) & ETP pumps replaced with high efficiency pumps.

h) Optimised running hours of Multi Effect Evaporator (MEE) plant through improved efficiency of ETP RO plant.

i) Plant compressed leakage load reduction leading saving of 200 Cubic Feet per Minute (CFM) air generation cost

j) Robotic cells lighting automation leading saving in plant lighting load reduction.

(v) Halol plant has achieved energy savings of 3.07 lakh kWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –

a) Energy savings of 1,16,724 kWh by reducing Air Supply Unit (ASU) power by optimising the blower motor frequency.

b) Energy savings of 82,543 kWh by implementing a system to stop the fuel tank PT line pump and motor during lacquer operations.

c) Energy savings of 53,821 kWh by optimising frame & engine assembly production planning

d) Energy savings of 24,728 kWh by reducing lighting power consumption.

(vi) CIT Jaipur has taken energy savings initiatives of 2.93 lakh kWh and realised energy saving is 2.93 lakh Kwh through various process optimisation and technologies. Majority of such initiatives include the following –

a) Energy saving by elimination of Uninterruptible Power Supply (UPS) losses: - Load of the iconic tower was transferred to CU-02 UPS, which eliminated the idle running of three 60 KVA UPS units previously used for the iconic tower. This resulted in a reduction of internal loss and allowed for the shutdown of associated air conditioning units.

b) Compressed air pipeline interconnection: - compressed air pipelines of compressors installed at CU-02 and CU-03 have been interconnected, resulting in shutdown of the compressor installed at CU-02.

c) IMV shaker machine software upgrade: - software of the IMV shaker machine was upgraded to interlock the cooling blower. This has drastically reduced the cooling blower's operation from 24 to 8 hours, optimising energy consumption and enhancing machine performance.

d) STP plant aeration air blowers optimisation: - operation of the STP plant aeration air blowers have been optimised through automation with dissolved oxygen sensors.

e) Hydraulic power pack pump replacement: - old pumps of the MTS small hydraulic power pack was replaced with energy-efficient pumps.

(v) Tirupati plant – has achieved annual energy savings of 3.78 lakh kWh (units) through deployment of various process optimisation and technology upgradation.

Major initiatives include the following –

1. Replacing the canteen exhaust fans with energy efficient Electronically Commutated (EC) fans for energy consumption reduction.
2. Energy consumption reduction through horticulture water transfer pump capacity optimisation.
3. Blower operation energy reduction through dissolved oxygen sensing automation in effluent treatment plant.
4. Energy consumption reduction of Variable Refrigerant Volume (VRV) AC unit through solar hybrid panel installation at standard room.
5. Installation of motion sensors for fume exhaust system energy saving in manual welding zones.
6. Elimination of coolant system in crank shaft face milling operation resulting into energy consumption reduction.
7. Power consumption reduction through paint shop frame body productivity improvement.
8. Replaced conventional blower with energy efficient EC fans for EV battery pack assembly line AHU units & cell storage AHU units.
9. Installation of VFD for AHU circulation pumps of battery pack assembly line.
10. Lighting consumption reduction with installation of motion sensors & lighting layout modification in battery pack assembly line.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(ii) Steps taken by the Company for utilising alternate sources of energy:

Increased the onsite solar rooftop for captive use at CIT.

(iii) Capital Investment on energy conservation equipment's:

Approx. capital investments on energy conservation equipment's in FY 2024-25: ₹ 5.55 crore.

(B) TECHNOLOGY ABSORPTION [FY 24-25]

(i) Efforts made towards technology absorption

- 170 patent applications filed by Hero MotoCorp Limited (HMCL) in 2024-25 towards development of new technologies.
- Total patent applications filed by HMCL in India till March 31, 2025 = 1172.
- Patents granted till FY 2024-25 = 335 (India- 285) + (Foreign countries-50).

Energy conservation & Green initiative

- Heat resistant powder coating implemented for engine parts in Xpulse 210 & Xtreme 250R models instead of solvent based heat resistant liquid paint, which is more environment friendly and ensures minimal wastage.
- Process improvement for frame body by using [Shot blasting + ACED + Powder coating] in place of ACED thereby increasing corrosion resistance & hence life & durability of frame body.
- [ACED + Powder coating] process implemented for rear luggage holder to enhance coating uniformity & rust resistance characteristics and aesthetic appeal.

  Carbon foot print [CFP].

  Carbon foot print saved by implementing sustainable ideas such as weight reduction, alternate material, design optimisation & process improvement, etc. More than 1500 tons CFP saving by implementing ideas & suggestions in FY 24-25.

Technology Development

Implementation of OBD-2B technology

The implementation of the on-board diagnostics phase 2B (OBD-2B) norms by Hero MotoCorp represents a significant advancement to reduce vehicular emissions and promote environmental sustainability. These norms are part of the Bharat Stage VI (BS6) emission standards, aligning India's regulations with global practices.

OBD2B norms tighten OBD emission limits, additional catalyst efficiency monitoring and limit of "In Use Performance Ratio" (IUPR). OBD-2B systems continuously track emissions during real-world driving, ensuring compliance with emission standards beyond controlled laboratory settings.

Flex Fuel Technology [E-85] Vehicle – 100 c.c platform

Aligned with the Government of India's vision to promote the usage of green, renewable fuel technologies, HMCL has developed a flex-fuel prototype at the Company's state-of-the-art and world class R&D hub, the Centre for Innovation and Technology (CIT) in Jaipur. Equipped with 125cc BS6 engine, the flex-fuel vehicle is and is capable of running on ethanol blended gasoline mixture ranging from 20% ethanol blend (E20) to 85% ethanol blend (E85).

A software is used to identify the ethanol blend and accordingly various engine control parameters are auto-adjusted to give trouble-free riding experience, irrespective of ethanol blend percentage in the above range. There is no additional usage of hardware to detect the ethanol blend percentage in the fuel.

Performance and emission from the engine have not been compromised regardless of the blend variations from E20 to E85.

Development of E-20 compliant technology across all models

The Indian government is actively promoting E20-compatible two-wheelers as part of its ethanol-blending program to reduce dependence on fossil fuels and lower emissions. E20 fuel is a blend of 20% ethanol and 80% petrol, which helps in reducing carbon emissions while utilising domestically produced ethanol.

Fuel Injection system is optimised for ethanol-petrol blend along with updated components with corrosion-resistant materials to handle ethanol's chemical properties.

Technology developed for Copper finish painting on chrome plated ABS part in Destini 125 model in Grill R/L to enhance aesthetic appeal of the model. [first time in Indian two wheeler industry].

SURGE S32

Championing innovation and moving ahead with the evolving technological landscape and changing customer behaviors, Surge, the in-house startup of Hero MotoCorp, has showcased the Surge S32, a first-of-its kind class-convertible vehicle. Earning various accolades across the globe, the Surge S32 acclaimed as one of TIME Magazine's Best Innovations of 2024. It was also honored with the prestigious Red Dot: Best of the Best Award and secured Platinum at the A' Design Awards, reinforcing its place as a trailblazer in design and innovation

(ii) Benefits derived, like product improvement, cost reduction, product development or import substitution

Product Development -

New Model Launches [FY 2024-25].

Vida V2 [EV Scooter]

The VIDA V2 comes equipped with a slew of advanced features like:-

- The intuitive 7-inch TFT touchscreen provides easy access to essential information, including turn-by-turn navigation, vehicle telematics, battery state-of charge (SoC), and more, ensuring an informed and seamless journey.
- Cruise control for effortless long rides, enhancing comfort and convenience during extended travel
- Keyless entry allows riders to unlock and start the scooter with ease, eliminating the hassle of traditional keys.
- Advanced Re-Gen technology harnesses energy during deceleration to recharge the battery, enhancing efficiency and ensuring the scooter is always ready for the next ride.
- IP-67-rated advanced removable battery technology is available in three configurations: 3.94 kWh (V2 Pro), 3.44 kWh (V2 Plus), and 2.2 kWh (V2 Lite).
- The removable battery packs can be conveniently charged at home, reaching 80% capacity in under 6 hours.

Splendor+ XTEC 2.0

This premium and tech-laden Splendor keeps its iconic design while integrating modern elements such as LED headlights with HIPL (High Intensity Position Lamp), a unique H shaped signature tail lamp that gives it a distinctive appearance and multiple convenience & safety features. Showcasing its all-around dominance, the motorcycle boasts excellent fuel efficiency of 73 kmpl.

Centennial Bike

'The Centennial' was conceptualised, designed and developed by the global experts at the Company's R&D facilities at Centre for Innovation and Technology, Jaipur (CIT) in India and the Hero Tech Center in Germany (TCG). This masterpiece reflects the Company's commitment to innovation and excellence. With only 100 meticulously handcrafted units, it embodies premium performance and craftsmanship.

Xpulse 210

The Xpulse 210 is designed to empower the spirit of adventure. The powerful 210cc Double Overhead Camshaft (DOHC) liquid-cooled engine generates 24.5 bhp and 20.4 Nm of torque. The 210mm front and 205mm rear suspension along with switchable Anti-lock braking system (ABS) modes for adaptable braking, give rider the confidence to tackle any terrain. With a high ground clearance of 220mm, it can handle rough terrains with ease. The 4.2" Thin Film Transistor (TFT) techometer provides clear ride information, while the adjustable handlebar ensures tailored comfort. Paired with a rally kit for off-road readiness, it makes the perfect companion for any adventure.

Xtreme 250R

The all-new Xtreme 250R is a fast motorcycle in its segment and a statement of intent for the brand. The sporty head-turner boosts aggressive styling and a powerful stance. Every press release element of the motorcycle, from the robust 250cc liquid-cooled DOHC engine with a 4-valve system to the trellis frame, contributes to its agile handling and exhilarating performance. Generating a peak power of 30 PS and a peak torque of 25 Nm, it is built for speed. The Upside-Down forks (USD) front suspension, 6-step adjustable mono-shock rear suspension, and radial tyres with a 50-50 weight balance provide exceptional grip and responsiveness, allowing riders to experience speed with confidence. It is also equipped with connected features such as Turn by Turn (TBT) navigation.

Xoom 160

The Xoom 160 sets a new benchmark in the premium scooter category, offering a harmonious combination of innovative design, advanced technology, and exceptional performance Crafted to push limits, it's more than just a ride—it's a ground-breaking shift in two-wheeled performance- it is scooter reimagined.

Equipped with a 156cc liquid-cooled engine, delivering 10.9kW @ 8,000 rpm and 14 Nm torque @ 6,500 rpm, the Xoom 160 features i3s silent start and 4-valve technology for optimal efficiency and high-speed capability. The Xoom 160's bold design includes a raised stance, 14" large wheels with block-pattern tires, and a wide, cushioned seat for superior comfort. Advanced features like smart key with remote seat access, dual-chamber LED headlamp, Front disc brake with ABS, and bluetooth-enabled digital speedometer with turn-by-turn navigation.

Xoom125

The Hero Xoom 125 is more than just a scooter; it's a powerful, precision-engineered two wheeler. Hero MotoCorp redefines the 125cc scooter segment with the launch of the Xoom 125. Powered by an engine delivering 7.3 kW @7,250 rpm and 10.4 Nm torque @6,000 rpm, it delivers class-leading performance. It becomes the fastest in the 125cc scooter segment with 0 to 60 kmph

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

in 7.6 seconds. The scooter boasts a striking design with body mounted LED Projector Headlamp, reminiscent of a falcon's eyes, signature LED Position Light and first-in-segment LED sequential winkers.

Built for stability and style, the Xoom 125 features 14" Large wheels with wider tires, a longer wheelbase, and Front Disc Brake for enhanced grip for and confident braking. Bluetooth-enabled digital speedometer with Turn-by-turn navigation, illuminated start button and front glove box with phone charger further elevates the riding experience.

(iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year)

(a) Details of Technology Imported

- Programmed FI technology.
- MCU Control Software technology.
- Li-Ion Cell technology for EV Battery.

(b) Year of Import

- FY 2019-20, Completed before March 2020.
- FY 23-24, completed before March 2024.

(c) Whether the technology been fully absorbed

Yes

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

N.A.

(iv) The expenditure incurred on research and development

(₹ in crore)

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Capital	306.64	193.09
Recurring	732.83	633.13
Total R&D expenditure	**1,039.47**	**826.22**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO: HERO MOTOCORP'S PERFORMANCE

In FY2024-25, HMCL achieved remarkable success in global markets, achieving a significant milestone with the export of 287,429 units, a growth of 43.05% compared to the previous fiscal year (FY24). In comparison, the overall industry grew by 21.44% in exports from India, highlighting HMCL's exceptional performance. The impressive growth trajectory can be attributed to the success in key joint venture markets such as Colombia, which saw a remarkable growth of 146.05%, and Bangladesh, which experienced a robust 44.35% increase in terms of dispatches. These markets are expected to maintain their upward momentum in the coming year, contributing significantly to HMCL's future success.

Market Performance and Strategic Adjustments

The export performance from India was consistently strong throughout FY25, with figures climbing from 0.92 Mn units in Q1 to 1.135 million units in Q4. HMCL outpaced the industry growth and saw an increase in market share (MS) in each quarter, from 5.53% in Q1 to an impressive 8.88% in Q4. By the end of FY25, HMCL achieved a 6.85% MS, marking a 1.04% increase from FY24. Notably, HMCL's exit MS in March 2025 surged to an exceptional 10.83%.

Following the HMCL's vision for FY25, the Company strategically focused on investing disproportionately in top-volume markets, which yielded outstanding results in Colombia and Bangladesh, both in terms of market share and overall performance. Alongside these strategic markets, HMCL also nurtured smaller markets in Latin America (LATAM) and Africa, achieving impressive growth and building a solid foundation for long-term success.

Regional Insights

1. Latin America (LATAM):

- HMCL saw a remarkable 51.8% increase in dispatches to Latin American countries in FY25, driven by strong performances in Colombia, Mexico, Guatemala, Argentina, and Peru.
- The Colombian market grew by 29%, with retail sales increasing by an impressive 66% and an MS gain of 1.1%. This momentum is expected to continue in FY26.
- HMCL's expansion plans also include Brazil, the largest market in Latin America. Operations will commence in the second half of FY26, marking a significant strategic push in the region.

2. Africa and the Middle East (Africa & ME):

- Turkey: The Turkish market faced challenges in FY25 due to regulatory changes, specifically the introduction of OBD-II. However, with new product launches on the horizon, HMCL anticipates high growth in retail sales as the market stabilises.
- Nigeria: HMCL's re-entry in Nigeria has significantly boosted its market presence in Africa, resulting in an exceptional 195% increase in dispatches to Nigeria compared to FY24.

3. Asia:

- Bangladesh: Bangladesh remains HMCL's largest contributor, accounting for 27% of total dispatches. Despite facing economic challenges and political turmoil, HMCL's dispatches grew by 44.35%, driven by strong demand for new models such as the Xtreme 125 in the Deluxe category. The outlook for FY26 remains positive, with strong product offerings in the entry segment.
- Nepal: HMCL's relaunch of operations in Nepal has helped the Company gain significant market share, exceeding 10%. Strategic initiatives such as Hero Sure and new model launches have fueled this growth.
- Philippines: In August 2025, HMCL began retail operations in the Philippines, focusing on expanding its presence in the scooter and premium segments to capture a larger market share.
- Sri Lanka: HMCL commenced dispatches to Sri Lanka in March 2025, offering a refreshed product lineup in scooters and entry-level motorcycles, targeting rapid volume growth.

Key Initiatives

HMCL has focused on several strategic initiatives to drive growth and solidify its market leadership:

- **Growing the Core:** HMCL has concentrated efforts on strengthening its core segments especially 100 & 125 cc in high-performing markets, consolidating its position with product refreshes and enhanced market share. This approach has reinforced its brand presence across South Asia, LATAM, Africa, and the Middle East.
- **Winning in Premium**: HMCL is committed to expanding its premium product portfolio, aiming to capture a larger share of the growing premium segment. The Company will continue investing in brand building and premium product launches to further enhance export volumes.
- **Network Expansion:** With a focus on enhancing network infrastructure, HMCL aims to ensure maximum outreach and provide an improved customer experience. This expansion will prioritise customer satisfaction and loyalty, reinforcing HMCL's commitment to long-term relationships with its clientele.
- **Strong After Sales Ecosystem:** HMCL has the customer at the heart of everything that drives its global strategy. With a strong 'Customer First' philosophy, HMCL is committed to building a robust and future-ready after-sales ecosystem that ensures 360-degree customer satisfaction and operational excellence across all our international markets.

Key Focus Areas

- **Market Share Expansion in LATAM**: HMCL aims to scale up its market share in key Latin American countries such as Colombia, Mexico, Guatemala, Nicaragua, and Peru. This will be achieved through a combination of network expansion, brand building, and the launch of new products.
- **Retail Finance Initiatives**: In markets like Colombia, Bangladesh, Nepal, Mexico, and Nigeria, HMCL plans to boost sales by increasing retail finance availability, making two-wheelers more affordable to a broader customer base.
- **Brand Building:** Focused investments will continue in brand building across important markets to increase visibility and enhance brand awareness, ensuring that HMCL's offerings resonate strongly with consumers including building key properties which resonates to the regional emotions.
- **Expansion of Premium Portfolio:** HMCL will maintain a strong focus on growing its premium product portfolio, ensuring that customers across regions have access to the latest models and technology.

HMCL's strong performance, strategic market expansion, and continued focus on innovation and customer satisfaction place the Company on a promising trajectory for the future. With a robust growth strategy in place, HMCL is well-positioned to further solidify its leadership position in the global two-wheeler market.

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 2024-25 were ₹ 2161.76 crore, as compared to ₹1,457.05 crore in the previous financial year.

On account of Royalty, Technical Guidance Fee, travel and other accounts and advertisement & publicity, the foreign exchange outgo during the FY 2024-25 was ₹ 642.58 crore, as compared to ₹ 520.58 crore in previous financial year.

Outgo for Import of Components, spare parts, raw materials and capital goods during the FY 2024-25 was ₹ 1060.71 crore, as compared to ₹ 960.88 crore in the previous financial year.

Independent Auditor's 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, 2025, 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, 2025, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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
Investment in Subsidiaries, Associates and Equity Instruments The Company holds investment in subsidiaries, associates and equity instruments amounting to ₹ 4,901.40 crores as at March 31, 2025. 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. 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. 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. Refer note 3.15 and 9 of the Standalone Financial Statements	**Principal audit procedures performed included the following:** Obtained understanding of the process and tested the internal controls related to the assumptions used by the management for determination of (a) recoverable value of the investments in subsidiaries and associates and (b) fair value of investments in equity instruments. Challenged management on the appropriateness of the valuation methodology and performed following procedures: ▪ Assessed the recoverable value of the subsidiaries and associates based on latest available financial information; ▪ Evaluated the objectivity and competency of the specialist engaged by the Company and reviewed the valuation reports issued by such specialist; ▪ 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; ▪ Tested the arithmetical accuracy of the valuation models; and ▪ Assessed appropriateness of disclosures made by the Company.

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 Board of Directors 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 are 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 is 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 relevant 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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. Refer Note 23 to the standalone financial statements.

      iv. (a) 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 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(viii) 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.

         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 accordance with section 123 of the Act.

      vi. Based on our examination, which included test checks, the Company has used an accounting software system for maintaining its books of account for the financial year ended March 31, 2025 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 system.

      Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of said accounting software for the period for which the audit trail feature was enabled and operating. Additionally, the audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 45(xi) to the financial statements.

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: 25094468BMMIYU2782

Place: Gurugram
Date: May 13, 2025

Annexure "A" to the Independent Auditor's 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 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, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and Board of Directors are 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 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, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No. 094468)
UDIN: 25094468BMMIYU2782

Place: Gurugram
Date: May 13, 2025

Annexure B to the Independent Auditor's 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 during the year 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) Based on our examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable 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 and capital work-in progress are held in the name of the Company as at the balance sheet date.

(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, 2025 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:

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	49.80
B.	Balance outstanding of loans given to employees as at balance sheet date*	51.93

*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 has been stipulated and the repayments of principal amounts 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.

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, 2025 for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 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	Amount unpaid
The Customs Act, 1982	Customs Duty	Customs Excise and Service Tax Appellate Tribunal	FY 2014-15	0.25	0.01	0.24
The Central Excise Act, 1944	Excise Duty	Customs Excise and Service Tax Appellate Tribunal	FY 2004-05 to FY 2017-18	36.37	1.52	34.85
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)	Customs Excise and Service Tax Appellate Tribunal	FY 2017-18	1.78	0.18	1.60
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Joint commissioner Appeals	FY 2018-19	0.25	0.02	0.23
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Commissioner Appeals	FY 2017-18 to FY 2023-24	930.59	8.64	921.95
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Deputy Commissioner	FY 2017-18	0.08	-	0.08
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Special Commissioner	FY 2019-20	15.39	1.44	13.94
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
Income-tax Act, 1961	Income-Tax	Income Tax Appellate Tribunal (ITAT)	FY 2020-21	5.50	-	5.50

Annexure B to the Independent Auditor's Report

(Amount in ₹ crores)

Nature of Statute	Nature of dues	Forum where dispute is pending	Period	Amount*	Amount paid under protest	Amount unpaid
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2013-14 FY 2018-19	10.85	0.18	10.67
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2014-15 FY 2016-17 FY 2018-19	97.56^	-	97.56
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	-

*Amount of disputed tax liabilities are exclusive of interest, if any.

^During the year, the department has adjusted demand of ₹ 80.44 Cr related to FY 2013-14 and FY 2015-16 against the refund order of FY 2015-16.

Above excludes ₹ 155.40 crores in respect of disputes of under Income-tax Act, 1961 which are paid/adjusted in full.

The following matters have been decided in favour of the Company, but the department has preferred appeals at higher levels:

(Amount in ₹ crores)

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 2009-10 to FY 2012-13	85.66	-	85.66
Finance Act, 1994	Service Tax	CESTAT	FY 2016-17	1.99	0.15	1.84
Income-tax Act, 1961	Income-Tax	High Court	FY 1995-96, FY 1997-98, FY 1998-99, FY 2000-01, FY 2003-04, FY 2009-10, FY 2010-11, FY 2011-12 and FY 2012-13.	6,223.29	-	6,223.29

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 (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, 2025.

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(ix) 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: 25094468BMMIYU2782

Place: Gurugram
Date: May 13, 2025

Balance Sheet

as at March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	4,948.96	4,933.87
(b) Capital work-in-progress	6	106.62	120.58
(c) Right-of-use assets	7A	393.18	371.61
(d) Other intangible assets	7	559.26	528.55
(e) Intangible assets under development	8	385.86	359.93
(f) Financial assets			
(i) Investments	9	8,298.97	8,811.58
(ii) Loans	10	24.87	21.15
(iii) Others	11	45.99	188.87
(g) Income tax assets (net)	12	209.38	312.49
(h) Other non-current assets	13	110.40	126.90
Total non-current assets		**15,083.49**	**15,775.53**
Current assets			
(a) Inventories	14	1,457.61	1,443.76
(b) Financial assets			
(i) Investments	9	6,610.60	4,274.52
(ii) Trade receivables	15	3,674.43	2,703.44
(iii) Cash and cash equivalents	16	289.08	539.89
(iv) Bank balances other than (iii) above	17	64.07	69.04
(v) Loans	10	27.07	24.56
(vi) Others	11	112.78	283.51
(c) Income tax assets (net)	12	198.12	-
(d) Other current assets	13	402.84	457.30
Total current assets		**12,836.60**	**9,796.02**
Total assets		**27,920.09**	**25,571.55**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	40.00	39.98
(b) Other equity	19	19,766.85	17,946.20
Total equity		**19,806.85**	**17,986.18**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7A	124.20	111.50
(ii) Other financial liabilities	23	143.83	178.13
(b) Provisions	20	489.08	316.66
(c) Deferred tax liabilities (net)	21	509.58	434.82
Total non-current liabilities		**1,266.69**	**1,041.11**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7A	38.86	26.08
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	22	15.92	15.79
Total outstanding dues of creditors other than micro and small enterprises	22	5,550.22	5,512.36
(iii) Other financial liabilities	23	266.98	250.29
(b) Other current liabilities	24	757.82	585.60
(c) Provisions	20	216.75	154.14
Total current liabilities		**6,846.55**	**6,544.26**
Total equity and liabilities		**27,920.09**	**25,571.55**
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: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Statement of Profit and Loss

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I Income			
(a) Revenue from operations	25	40,756.37	37,455.72
(b) Other income	26	1,055.92	892.55
Total Income		**41,812.29**	**38,348.27**
II Expenses			
(a) Cost of raw materials consumed	27	26,527.75	24,767.46
(b) Purchase of stock-in-trade		547.91	484.20
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	28	(6.94)	179.11
(d) Employee benefits expense	29	2,595.20	2,402.34
(e) Finance costs	30	19.92	18.50
(f) Depreciation and amortisation expense	5, 7 and 7A	775.86	711.41
(g) Other expenses	31	5,224.78	4,366.90
Total expenses		**35,684.48**	**32,929.92**
III Profit before tax (I-II)		6,127.81	5,418.35
Exception item-VRS expenses	37	-	159.99
Profit before tax-after exceptional item		**6,127.81**	**5,258.36**
IV Tax expense	32		
(a) Current tax		1,443.10	1,260.95
(b) Deferred tax charge/(credit)		74.76	29.45
Total tax expense		**1,517.86**	**1,290.40**
V Profit after tax (III-IV)		**4,609.95**	**3,967.96**
VI Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss:-			
Re-measurement losses on defined benefit plans		(16.08)	(29.87)
Income tax effect		4.05	7.52
Other comprehensive income/(loss) for the year		**(12.03)**	**(22.35)**
VII Total comprehensive income for the year (net of income tax)		**4,597.92**	**3,945.61**
VIII Earnings per share (Nominal value of ₹ 2 each) in ₹	33		
(a) Basic		230.53	198.53
(b) Diluted		230.25	198.18
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: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Statement of Cash Flows

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars		Year ended March 31, 2025		Year ended March 31, 2024	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit after tax		4,609.95		3,967.96
	Adjustments for:				
	Add: Depreciation and amortisation	775.86		711.41	
	Tax expense	1,517.86		1,290.40	
	Loss on property, plant and equipment sold/ discarded	4.15		5.55	
	Finance cost	19.92		18.50	
	Employee Stock Compensation Cost	15.66		23.74	
	Impairment of investments-subsidiaries	41.20		-	
	Loss allowances on financial assets	156.31		17.71	
			2,530.96		**2,067.31**
	Less: Interest income	440.58		296.22	
	Dividend income	73.75		59.35	
	Profit on sale of investments	157.64		120.39	
	Gain on investments carried at fair value through profit or loss	417.25		406.99	
	Profit on sale of property, plant and equipment	2.12		6.27	
			1,091.34		**889.22**
	Operating profit before working capital changes		**6,049.57**		**5,146.05**
	Changes in working capital:				
	Adjustment for (increase)/decrease in operating assets:				
	Inventories	(13.85)		(9.67)	
	Trade receivables	(977.30)		77.06	
	Loans-Current	(2.51)		(0.85)	
	Loans-Non-Current	(3.72)		(1.28)	
	Other financial assets	163.61		295.60	
	Other current assets	54.46		(222.23)	
	Other non-current assets	5.28		7.74	
			(774.03)		**146.37**
	Adjustment for increase/(decrease) in operating liabilities:				
	Trade payables	37.99		823.69	
	Other financial liabilities-Current	11.26		9.74	
	Other current liabilities	172.22		27.76	
	Current provisions	62.61		(21.55)	
	Non-current provisions	156.34		88.67	
			440.42		**928.31**
	Cash generated from operations		**5,715.96**		**6,220.73**
	Less: Direct tax paid (net of refund)		1,534.06		1,314.20
	Net cash generated from operating activities		**4,181.90**		**4,906.53**

Statement of Cash Flows

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars		Year ended March 31, 2025		Year ended March 31, 2024	
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on property, plant and equipment and intangible assets, capital work-in-progress and intangible assets under development including capital advances		(826.84)		(719.50)
	Proceeds from sale of property, plant & equipment		16.51		9.31
	Deposits (made)/withdrawn		-		101.10
	Sale of investments other than associates/subsidiaries		48,917.61		45,713.23
	Purchase of investments other than associates/ subsidiaries		(50,083.56)		(46,584.68)
	Investment in associates		(123.83)		(639.41)
	Investment in subsidiaries		-		(37.50)
	Interest income		440.58		296.22
	Dividend income		73.75		59.35
	Net cash (used) in investing activities		**(1,585.78)**		**(1,801.88)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest paid		(19.92)		(18.50)
	Repayment of principal amount of lease liabilities		(34.10)		(26.37)
	Dividends paid		(2,799.83)		(2,698.67)
	Proceeds from issue of equity share capital (including share premium)		6.92		10.41
	Net cash (used) in financing activities		**(2,846.93)**		**(2,733.13)**
D.	**INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		**(250.81)**		**371.52**
	Cash and cash equivalents at the beginning of the year		**539.89**		**168.37**
	Cash and cash equivalents at the end of the year		**289.08**		**539.89**

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 Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
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Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Statement of Changes in Equity

for the year ended March 31, 2025

CIN: L35911DL1984PLC017354

Amount in crores of INR

A. Equity Share Capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Opening balance	**19,99,21,741**	**39.98**	**19,98,39,718**	**39.97**
Issue of equity shares under employee share option plan (#₹1,78,190) (31 March 2024: ₹ 1,64,046) (Note 40)	89,095	0.02	82,023	0.01
Closing balance	**20,00,10,836**	**40.00**	**19,99,21,741**	**39.98**

B. Other Equity*

Particulars	Reserves and surplus					
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Total
Balance as at March 31, 2023	#	49.22	2,645.79	35.63	13,934.48	16,665.12
Profit for the year	-	-	-	-	3,967.96	3,967.96
Other comprehensive income for the year, net of income tax	-	-	-	-	(22.35)	(22.35)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**3,945.61**	**3,945.61**
Charge against share-based payments	-	-	-	23.74	-	23.74
Transferred to share premium on issue of shares	-	13.74	-	(13.74)	-	-
Payment of dividends	-	-	-	-	(2,698.67)	(2,698.67)
Issue of equity shares under employee share option plan	-	10.40	-	-	-	10.40
Balance as at March 31, 2024	#	**73.36**	**2,645.79**	**45.63**	**15,181.42**	**17,946.20**
Profit for the year	-	-	-	-	4,609.95	4,609.95
Other comprehensive income for the year, net of income tax	-	-	-	-	(12.03)	(12.03)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**4,597.92**	**4,597.92**
Charge against share-based payments	-	-	-	15.66	-	15.66
Transferred to share premium on issue of shares	-	17.43	-	(17.43)	-	-
Payment of dividends	-	-	-	-	(2,799.83)	(2,799.83)
Issue of equity shares under employee share option plan	-	6.90	-	-	-	6.90
Balance as at March 31, 2025	#	**97.69**	**2,645.79**	**43.86**	**16,979.51**	**19,766.85**

* 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 Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

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Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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, 2025 were approved by the Board of Directors and authorised for issue on May 13, 2025.

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.

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 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 recognised 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 of 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 recognised 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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 recognised 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 amortised 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:

- 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 component 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

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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.

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. 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 recognised 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 derecognised 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 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, 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 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 recognised 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

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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, 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.

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 intents 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.

Notes forming part of the Financial Statements
for the year ended March 31, 2025

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.

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 recognised until the contingency has been resolved and amounts are received or receivable.

Notes forming part of the Financial Statements
for the year ended March 31, 2025

(d) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2025 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

New amendments adopted during the year:

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, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS - 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation it has determined that it does not have any impact on its financial statements.

Standards notified but not yet effective:

There are no standards that are notified and not yet effective as on the date.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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
Gross carrying amount								
At April 1, 2023	153.21	2,970.88	6,625.97	58.50	54.90	98.71	284.03	10,246.20
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
At March 31, 2024	**153.13**	**3,055.99**	**6,963.21**	**74.66**	**73.94**	**106.56**	**318.78**	**10,746.27**
Additions	-	49.12	448.17	11.92	52.17	13.10	37.90	612.38
Disposals	3.53	0.88	71.42	0.84	10.95	0.82	14.23	102.67
At March 31, 2025	**149.60**	**3,104.23**	**7,339.96**	**85.74**	**115.16**	**118.84**	**342.45**	**11,255.98**
Accumulated depreciation								
At April 1, 2023	-	697.74	4,338.67	35.21	27.97	73.88	204.53	5,378.00
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)
At March 31, 2024	**-**	**785.99**	**4,645.19**	**40.11**	**30.75**	**81.68**	**228.68**	**5,812.40**
Depreciation expense	-	92.32	427.55	5.76	9.34	8.39	35.40	578.76
Disposals	-	(0.32)	(67.27)	(0.72)	(1.55)	(0.78)	(13.50)	(84.14)
At March 31, 2025	**-**	**877.99**	**5,005.47**	**45.15**	**38.54**	**89.29**	**250.58**	**6,307.02**
Net carrying amount								
At March 31, 2024	**153.13**	**2,270.00**	**2,318.02**	**34.55**	**43.19**	**24.88**	**90.10**	**4,933.87**
At March 31, 2025	**149.60**	**2,226.24**	**2,334.49**	**40.59**	**76.62**	**29.55**	**91.87**	**4,948.96**

6. Capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work-in-progress*	106.62	120.58
(includes preoperative expenses of ₹2.80 crores (March 31, 2024 ₹ Nil))	**106.62**	**120.58**
The following is the movement of Capital work-in-progress		
Opening balance	**120.58**	**128.55**
Additions	95.13	102.73
Transfers	(109.09)	(110.70)
Closing balance	**106.62**	**120.58**

Ageing of capital work-in-progress:

Particulars	Amount in Capital work-in-progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress as at March 31, 2025	95.13	7.50	2.85	1.14	106.62
Projects in progress as at March 31, 2024	102.73	12.58	4.16	1.11	120.58

*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

7. Other intangible assets

Particulars	Model fee/Brand license/Product designs and development	Computer software	Technical know-how/export licenses	Total
Gross carrying amount				
At April 1, 2023	1,306.84	204.87	2,895.67	4,407.38
Additions	103.84	46.77	-	150.61
Disposals	-	0.82	-	0.82
At March 31, 2024	**1,410.68**	**250.82**	**2,895.67**	**4,557.17**
Additions	159.80	30.01	-	189.81
Disposals	-	0.05	-	0.05
At March 31, 2025	**1,570.48**	**280.78**	**2,895.67**	**4,746.93**
Accumulated amortisation				
At April 1, 2023	851.72	159.80	2,895.67	3,907.19
Amortisation expense	104.21	18.04	-	122.25
Disposals	-	0.82	-	0.82
At March 31, 2024	**955.93**	**177.02**	**2,895.67**	**4,028.62**
Amortisation expense	135.00	24.09	-	159.09
Disposals	-	0.04	-	0.04
At March 31, 2025	**1,090.93**	**201.07**	**2,895.67**	**4,187.67**
Net carrying amount				
At March 31, 2024	**454.75**	**73.80**	**-**	**528.55**
At March 31, 2025	**479.55**	**79.71**	**-**	**559.26**

7A. Right-of-use assets

Particulars	Leasehold land right	Right-of-use assets	Total
Gross carrying amount			
At April 1, 2023	277.25	263.36	540.61
Additions	-	7.64	7.64
Disposals	-	(65.51)	(65.51)
At March 31, 2024	**277.25**	**205.49**	**482.74**
Additions	-	59.58	59.58
Disposals	-	(6.98)	(6.98)
At March 31, 2025	**277.25**	**258.09**	**535.34**
Accumulated depreciation			
At April 1, 2023	12.96	134.62	147.58
Depreciation expense	3.17	24.77	27.94
Disposals	-	(64.39)	(64.39)
At March 31, 2024	**16.13**	**95.00**	**111.13**
Depreciation expense	3.17	34.84	38.01
Disposals	-	(6.98)	(6.98)
At March 31, 2025	**19.30**	**122.86**	**142.16**
Net carrying amount			
At March 31, 2024	**261.12**	**110.49**	**371.61**
At March 31, 2025	**257.95**	**135.23**	**393.18**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	38.86	26.08
Non-current lease liabilities	124.20	111.50
Total	**163.06**	**137.58**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

7A. Right-of-use assets (Contd.)

The following is the movement in lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	137.58	156.31
Additions/deletions	59.58	6.11
Finance cost accrued during the year	12.37	11.09
Payment of principal and interest amount of lease liabilities accrued during the year	(46.47)	(35.93)
Closing balance	**163.06**	**137.58**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	49.72	35.59
One to five years	131.44	119.04
More than five years	42.14	37.30
Total	**223.30**	**191.93**

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 ₹34.16 crores during year ended March 31, 2025 (March 31, 2024: ₹ 37.96 crores).

8. Intangible assets under development

Particulars	As at March 31, 2025	As at March 31, 2024
Intangible assets under development**	385.86	359.93
Total	**385.86**	**359.93**

Ageing of intangible assets under development:

Particulars	Amount in Intangible Assets under development for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress as at March 31, 2025	182.94	66.82	26.85	109.25	385.86
Projects in progress as at March 31, 2024	122.46	67.09	37.81	132.57	359.93

**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, 2025

(Amount in crores of INR)

9 Investments

Particulars	Units As at March 31, 2025	Units As at March 31, 2024	As at March 31, 2025 Current	As at March 31, 2025 Non-current	As at March 31, 2024 Current	As at March 31, 2024 Non-current
Category-wise investments						
Investment in equity instruments			-	3,891.88	-	3,962.51
Investment in preference shares			-	1,009.53	-	913.95
Investment in bonds			513.27	1,245.42	146.91	1,543.93
Investment in mutual funds			6,097.33	2,152.14	4,127.61	2,391.20
			6,610.60	**8,298.97**	**4,274.52**	**8,811.58**
Investment in equity instruments carried at cost						
Unquoted Investments						
Investment in subsidiaries						
Hero Tech Centre Germany GMBH (Face Value of EUR 1 each)	25,25,000	25,25,000	-	19.56	-	19.56
HMCL Netherlands B.V (Face Value of USD 1 each)	4,79,27,971	4,79,27,971	-	318.69	-	318.69
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	6,29,99,993	-	63.00	-	63.00
			-	**423.48**	**-**	**423.48**
Less: Impairment of Investment in HMCL Netherlands B.V			-	(41.20)	-	-
			-	**382.28**	**-**	**423.48**
Investment in Associates						
Ather Energy Limited (formerly known as Ather Energy Private Limited)						
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
Equity shares Face Value of ₹ 1 each	11,50,82,154	-	-	1,680.11	-	-
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	-	-	-	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	-	-	-	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	-	-	-	90.00
Preference shares Series E of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	-	84,310	-	-	-	412.50
Preference shares Series E 2 of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	-	1,13,404	-	-	-	500.00
0.001% Series Bonus Pref 06DC43	-	6,420	-	-	-	-
Hero FinCorp Limited						
Equity shares of Face Value of ₹ 10 each	5,24,31,893	5,24,31,893	-	1,469.04	-	1,469.04
			-	**3,149.35**	**-**	**3,025.52**
Investments carried at fair value through profit or loss (FVTPL)						
Investment in equity instruments of Other Entities						
Quoted Investments						
Bombay Stock Exchange Limited						
Face Value of ₹ 2 each	2,10,600	2,10,600	-	115.40	-	52.98
Gogoro Inc.						
Face Value of USD 0.0001 each	15,00,000	15,00,000	-	3.88	-	23.02
			-	**119.28**	**-**	**76.00**
Unquoted Investments						
Zero Motorcycles Inc.						
Face Value of USD 0.001 each	55,81,395	55,81,395	-	240.96	-	437.51
Investment in equity instruments			**-**	**3,891.88**	**-**	**3,962.51**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9 Investments (Contd.)

Particulars	Units As at March 31, 2025	Units As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Hero FinCorp Limited						
Investment in Preference Shares of Hero Fincorp Limited (Financial Instrument) of Face Value of ₹ 550 each	1,27,27,272	1,27,27,272	-	1,009.53	-	913.95
Investment in Preference shares			**-**	**1,009.53**	**-**	**913.95**
Investment in mutual funds						
(include funds which are listed but not quoted)						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Debt fund						
Units of the face value of ₹ 10 each						
ICICI Prudential Mutual Fund						
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	108.79	-	100.33	-
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	48.29	-	44.49	-
Credit Risk Fund -Direct Plan -Growth	3,02,39,527	-	103.01	-	-	-
All Seasons Bond Fund -Direct Plan -Growth	2,65,63,812	-	103.75	-	-	-
Aditya Birla Sunlife Mutual Fund						
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	34,19,78,125	-	415.34	-	384.65
Kotak Mutual Fund						
Debt Hybrid Fund Direct Growth	1,54,02,672	-	100.73	-	-	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	3,90,79,742	146.40	-	133.82	-
Corporate Bond Fund -Direct Plan Growth Plan	2,66,79,406	98,39,711	163.98	-	55.49	-
SBI Mutual Fund						
Conservative Hybrid Fund Direct Plan Growth	2,40,96,849	43,82,290	183.99	-	30.67	-
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	19,63,39,110	-	236.58	-	219.26
Savings Fund - Direct-Growth	-	3,03,65,254	-	-	122.80	-
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Banking & PSU Debt Fund - Direct Plan - Growth (erstwhile IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	2,86,29,997	2,86,29,997	70.97	-	65.58	-
Money Market Fund Direct Growth	1,17,07,957	-	50.11	-	-	-
HDFC Mutual Fund						
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	68.26	-	63.15	-
Credit Risk Debt Fund -Direct -Growth	8,55,79,216	8,55,79,216	216.89	-	199.97	-
Axis Mutal Fund						
Short Term - Direct Plan - Growth	2,03,55,074	2,03,55,074	66.97	-	61.53	-
DSP Mutual Fund						
Low Duration Fund- Direct Plan- Growth	1,03,95,299	1,03,95,299	20.86	-	19.35	-
Edelweiss Mutual Fund						
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	78,38,10,661	-	1,002.95	-	930.58
Franklin Templeton Mutual Fund						
Money Market Fund -Direct Fund Plan Growth	1,57,84,510	-	80.23	-	-	-
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	278.19	-	257.53	-
Money Market Fund Direct Plan Growth	21,34,907	-	80.41	-	-	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	310.53	-	287.61	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9 Investments (Contd.)

Particulars	Units As at March 31, 2025	Units As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
Nippon India Mutual Fund (formerly Reliance Mutual Fund)						
ETF NIFTY SDL-2026 Maturity-30.04.2026	3,85,00,000	3,85,00,000	-	497.27	-	461.22
Units of the face value of ₹ 1000 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Low Duration Fund- Direct Growth Plan Growth Option	1,72,138	1,72,138	66.88	-	61.89	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Duration Fund-Direct Plan Growth	3,13,044	3,13,044	120.26	-	110.84	-
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	6,29,377	177.68	-	164.80	-
Corporate Bond Fund - Direct Plan Growth	4,50,789	1,39,843	150.03	-	42.78	-
Money Market Fund-Direct Plan Growth	3,28,503	-	101.53	-	-	-
Kotak Mutual Fund						
Low Duration Fund Direct Growth	3,80,566	3,80,566	135.73	-	125.45	-
Money Market Fund-Direct Plan-Growth	1,35,274	-	60.13	-	-	-
Axis Mutual Fund						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	119.38	-	110.23	-
Money Market Fund Direct Growth	4,74,512	-	67.19	-	-	-
HDFC Mutual Fund						
Money Market Fund Direct Plan Growth	87,654	2,25,849	50.11	-	119.70	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	1,63,734	-	50.11	-	-	-
TATA Mutual Fund						
Money Market Fund Direct Plan Growth	2,56,717	5,42,592	121.08	-	236.98	-
Edelweiss Mutual Fund						
Edelweiss Bharat Bond ETF	33,03,209	33,03,209	425.84	-	-	395.49
Equity fund						
Edelweiss Mutual Fund						
Arbitrage Fund -Direct Plan Growth	16,46,14,121	11,24,78,381	336.53	-	212.75	-
Invesco Mutual Fund						
Arbitrage Fund - Direct Plan Growth	13,83,30,843	7,64,34,768	469.10	-	239.78	-
Kotak Mutual Fund						
Kotak Equity Arbitrage Fund- Direct Plan-Growth	5,43,37,517	3,22,89,129	213.83	-	117.49	-
DSP Mutual Fund						
DSP Arbitrage Fund- Dir- Growth	17,60,05,154	7,21,91,741	270.71	-	102.92	-
Axis Mutual Fund						
Axis Arbitrage Fund- Direct Growth	5,56,70,608	5,56,70,608	111.05	-	102.88	-
HDFC Mutual Fund						
Arbitrage Fund - Wholesale - Direct Plan - Growth	5,33,64,641	-	105.81	-	-	-
SBI Mutual Fund						
Arbitrage Opportunities Fund - Direct Plan - Growth	2,99,39,400	-	105.73	-	-	-
Aditya Birla Sunlife Mutual Fund						
Arbitrage Fund -Growth-Direct Plan	2,51,45,046	-	70.70	-	-	-
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Arbitrage Fund-Growth-(Direct Plan) Growth	2,70,68,890	-	93.42	-	-	-
TATA Mutual Fund						
Arbitrage Fund Direct Plan Growth	6,50,55,437	-	96.55	-	-	-
Liquid/Overnight fund						
Units of the face value of ₹ 100 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Overnight Fund -Direct Growth Plan	54,74,277	-	75.07	-	-	-
Aditya Birla Sunlife Mutual Fund						
Liquid Fund -Growth-Direct Plan	17,94,203	-	75.13	-	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9 Investments (Contd.)

Particulars	Units As at March 31, 2025	Units As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
Units of the face value of ₹ 1000 each						
Axis Mutual Fund						
Liquid Fund- Direct Growth	1,73,685	8,02,242	50.08	-	215.30	-
Kotak Mutual Fund						
Liquid Fund Direct Plan Growth	1,91,188	6,15,712	100.17	-	300.41	-
HDFC Mutual Fund						
Overnight Fund- Direct Plan- Growth Option	-	6,63,956	-	-	235.92	-
Liquid Fund Direct Plan Growth	1,47,517	-	75.14	-	-	-
Kotak Mutual Fund						
Overnight Fund-Direct Plan-Growth	-	14,49,822	-	-	185.18	-
Investment in mutual funds			**6,097.33**	**2,152.14**	**4,127.61**	**2,391.20**
Investments carried at amortised cost						
Investment in Bonds						
Quoted Investments						
Face Value of ₹ 1000 each						
8.00% Aditya Birla Finance Limited 2026-Maturity-09.10.2026	3,50,000	3,50,000	-	36.20	-	36.15
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,49,300	1,49,300	-	15.04	-	15.04
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,50,000	1,50,000	-	15.11	-	15.11
7.75% Muthoot Finance Limited OP I TR II-Maturity-04.10.2026	1,20,000	1,20,000	-	12.09	-	12.09
Face Value of ₹ 1,00,000 each						
7.9050% Tata Capital Financial Services Limited 2026-Maturity -03.12.2026	3,000	3,000	-	31.43	-	31.37
8.25% Mahindra & Mahindra Financial Services Limited 2026 -Maturity-26.03.2026	2,000	2,000	20.02	-	-	20.03
8.25% Mahindra & Mahindra Financial Services Limited 2026 -Maturity-26.03.2026	1,500	1,500	15.01	-	-	15.02
8.30% Tata Capital Financial Services Limited 13 Mar 2026 -Maturity-13.03.2026	2,500	2,500	25.13	-	-	25.24
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	4,000	4,000	-	43.10	-	43.05
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	5,000	-	-	53.84	-	-
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	1,500	-	-	15.69	-	-
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	2,500	-	-	26.16	-	-
8.78% Muthoot Finance Limited 2027 - Maturity - 20.05.2027	1,000	-	-	10.77	-	-
8.75% Shriram Finance Limited - Maturity - 15.06.2026	3,000	-	-	30.06	-	-
Face Value of ₹ 10,00,000 each						
8.50% SBI Series II BD Perpetual-Maturity-22.11.24	-	250	-	-	25.79	-
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	250	250	25.45	-	-	25.48
7.73% State Bank Of India SR II BD Perpetual -Maturity-24.11.2025	250	250	25.73	-	-	25.84
7.99% LIC Housing Finance Limited-Maturity-12.07.2029	500	500	-	54.04	-	54.28
6.83% HDFC Bank Limited-Maturiy-08.01.2031	500	500	-	49.66	-	49.52
6.65% Food Corporation of India Sr. IX -Maturity-23.10.2030	500	500	-	50.19	-	50.01
7.92% REC Limited Series 189-Maturity-31.03.2030	350	350	-	35.80	-	38.71
7.79% REC Limited Series 198B-Maturity-21.05.2030	150	150	-	16.32	-	16.37
6.39% National Bank for Agriculture and Rural Development-Maturity-19.11.2030	250	250	-	24.88	-	24.79
6.42% National Bank for Agriculture and Rural Development -Maturity-25.11.2030	200	200	-	19.91	-	19.84
7.25% HDFC Bank Limited Series X-006-Maturity-17.06.2030	500	500	-	52.86	-	52.87
7.54% National Highways Authority of India Series VIII-Maturity-27.01.2030	500	500	-	51.44	-	51.58
7.05% LIC Housing Finance Limited-Maturity-21.12.2030	250	250	-	25.46	-	25.45
7.70% LIC Housing Finance Limited Sr 2-Maturity-10.03.2031	250	250	-	25.81	-	25.91

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9 Investments (Contd.)

Particulars	Units As at March 31, 2025	Units As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	500	500	-	51.14	-	51.14
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.27	-	26.29
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.27	-	26.29
7.10% Tata Capital Financial Services Limited SR H-Maturity-29.09.2031	500	500	-	51.51	-	51.49
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.95	-	25.93
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	500	500	-	50.56	-	50.49
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.92	-	25.90
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	250	250	-	25.22	-	25.18
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.26	-	15.28
7.79% REC Limited Series 198B-Maturity-21.05.2030	100	100	-	10.94	-	10.98
6.80% REC Limited SR 203A-Maturity-20.12.2030	200	200	-	20.04	-	20.00
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.89	-	25.86
7.15% Small Industries Development Bank of India-Maturity-02.06.2025	350	350	37.06	-	-	36.98
7.15% Small Industries Development Bank of India-Maturity-02.06.2025	150	150	15.88	-	-	15.85
7.34% National Housing Bank-Maturity-07.08.2025	250	250	26.49	-	-	26.49
6.50% Power Finance Corporation Ltd. SR 208-Maturity-17.09.2025	350	350	36.05	-	-	35.76
8.39% Power Finance Corporation Ltd.SR-130C-Maturity-19.04.2025	250	250	25.08	-	-	25.31
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	250	25.60	-	-	25.81
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	250	25.60	-	-	25.81
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	250	25.30	-	-	25.30
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	250	-	25.76	-	25.39
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	250	25.31	-	-	25.32
5.70% National Bank For Agriculture And Rural Development SR22D-Maturity-31.07.2025	250	250	25.81	-	-	25.43
7.90% LIC Housing Finance Limited TR 421-Maturity-23.06.2027	500	500	-	53.02	-	53.02
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	300	300	30.36	-	-	30.37
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	250	-	25.79	-	25.42
7.40% HDFC Bank Limited SR AA-006-Maturity-02.06.2025	250	250	26.51	-	-	26.47
6.01% LIC Housing Finance Limited TR 409-Maturity-19.05.2026	100	100	-	10.34	-	10.19
7.70% Tata Steel Limited -Maturity-13.03.2025	-	250	-	-	25.09	-
7.75% Small Industries Development Bank Of India SRVI-Maturity-27.10.2025	250	250	25.91	-	-	25.97
7.95% ICICI Home Finance Company Limited SRHDB Nov221 TR 2-Maturity-24.11.2025	250	250	25.68	-	-	25.68
L&T Finance Limited SR K BR-Int payable on Maturity-27.12.2024	-	250	-	-	27.66	-
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	250	25.29	-	-	24.79
7.08% Cholamandalam Investment & Finance Company Limited 2025-Maturity-11.03.2025	-	350	-	-	34.73	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9 Investments (Contd.)

Particulars	Units As at March 31, 2025	Units As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
10% Shriram Finance Limited SR-B6 10-Maturity-13.11.2024	-	81	-	-	8.43	-
7.95% Cholamandalam Investment & Finance Company Limited 2027-Maturity-18.05.2027	250	-	-	26.56	-	-
7.95% Cholamandalam Investment & Finance Company Limited 2027-Maturity-18.05.2027	500	-	-	53.11	-	-
Investment in bonds			**513.27**	**1,245.42**	**146.91**	**1,543.93**
Total Investments			**6,610.60**	**8,298.97**	**4,274.52**	**8,811.58**

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Aggregate book value of quoted investments	513.27	1,364.71	146.91	1,619.93
Aggregate market value of quoted investments	501.11	1,317.40	145.91	1,555.29
Aggregate carrying value of unquoted investments	6,097.33	6,934.26	4,127.61	7,191.65
Aggregate amount of impairment in value of investments	-	41.20	-	-

Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in Mutual Funds	6,097.33	2,152.14	4,127.61	2,391.20
Investment in bonds	-	-	-	-
Investment in Preference Shares	-	1,009.53	-	913.95
Investment in Equity Shares	-	240.96	-	437.51
Quoted				
Investment in equity instruments	-	119.28	-	76.00
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	513.27	1,245.42	146.91	1,543.93

Note: (1) The above does not include investments in subsidiaries and associates amounting to ₹ 3531.63 crores (as at March 31, 2025) and ₹ 3449.00 crores (as at March 31, 2024) carried at cost.

(2) In current year, Ather Energy Limited issued 2,85,480 bonus equity shares against existing 1,098 equity shares in the ratio 260:1.

The Company has further invested in Ather Energy Limited amounting to ₹ 123.83 crores (comprising of 18,488 CCPS and 10,51,047 equity shares).

In current year, Ather Energy Limited has converted all its CCPS into equity shares. Hero MotoCorp was having 4,35,807 CCPS share (inclusive of 1,869 CCPS - Anti Dilutive) which got converted into 11,37,45,627 equity shares of Ather Energy at a rate of 261 equity shares per preference share. Subsequent to the year ended March 31, 2025, Ather Energy Limited, successfully completed its Initial Public Offering (IPO) of equity shares. Following the IPO, the equity shares of Ather Energy Limited were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

(3) As of March 31, 2024, the carrying value of the investment in HMCL Colombia (Subsidiary company of HMCL Netherland B.V) stood at ₹ 270.25 crores. The Company conducted a formal impairment analysis due to the prolonged decline in the net worth of HMCL Colombia and its ongoing losses. The recoverable amount of the investment was determined using the Discounted Cash Flow (DCF) method.

Based on this impairment analysis, the recoverable amount of the investment in HMCL Colombia was estimated at ₹ 229.05 crores, leading to an impairment charge of ₹ 41.20 crores. This impairment charge was recorded in the statement of profit and loss for the year ended March 31, 2025, as detailed in note 26.

Key assumptions considered by the Company in determining recoverable amounts under Income Approach are as follows:

Cash flow projections for a period of 5 years

Terminal Growth Rate: 4% per annum

Weighted Average Cost of Capital (WACC): 16% per annum

Valuation Methodology: Discounted Cash Flow (DCF) approach

(4) Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 41.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

10. Loans

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Unsecured, considered good		
Loans to employees	24.87	21.15
Total	**24.87**	**21.15**
Current		
Unsecured, considered good		
Loans to employees	27.07	24.56
Total	**27.07**	**24.56**

Note:

1. These financial assets are carried at amortised cost unless otherwise stated.
2. 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, 2025	As at March 31, 2024
Non-Current		
Unsecured, considered good		
Security deposits	45.99	38.87
Incentive from State Government	185.06	185.06
Less: Loss allowance	(185.06)	(35.06)
Accrual of incentive from State Government (Net)	-	150.00
Total	**45.99**	**188.87**
Current		
Unsecured, considered good		
Interest accrued on deposits and others	14.25	11.07
Incentive from State Government*	53.40	230.38
Other recoverables	38.34	36.65
Security deposits	6.79	5.41
Total	**112.78**	**283.51**

Note:

1. These financial assets are carried at amortised cost unless otherwise stated.
2. The Company's exposure to credit and currency risks, and impairment allowances related to Financial assets is disclosed in Note 41.

* Including EV subsidy under various government initiatives of ₹ 53.40 crores (previous year ₹46.86 crores)

12. Income tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Tax assets		
Advance income tax	1,648.43	1,565.92
Less : Provision for taxation	1,439.05	1,253.43
Total	**209.38**	**312.49**
Current		
Advance income tax	198.12	-
Total	**198.12**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

13. Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Unsecured, considered good		
Capital advances	94.39	105.61
Prepaid expenses	6.01	8.41
Balance with government authorities		
- Excise duty and others	-	2.88
- VAT/sales tax and others	10.00	10.00
Total	**110.40**	**126.90**
Current		
Unsecured, considered good		
Prepaid expenses	98.51	73.52
Advance to suppliers	270.06	334.77
Less: Loss allowance	(50.14)	(50.14)
Advance to suppliers (Net)	219.92	284.63
Other advances	20.23	14.02
Balance with Government authorities		
- VAT/sales tax and others	24.96	62.43
- Goods and service tax (GST)	12.41	7.03
- Export incentive receivable	26.81	15.67
Total	**402.84**	**457.30**

14. Inventories

(lower of cost or net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and components	801.34	757.91
Goods-in-transit of raw materials and components	42.50	99.42
Work-in-progress (Two wheelers)	62.22	111.54
Finished goods		
Two wheelers	265.84	233.66
Goods-in-transit of two wheelers	4.67	-
Spare parts	98.76	82.38
Stock-in-trade	28.09	25.06
Stores and spares	128.32	110.54
Loose tools	25.87	23.25
Total	**1,457.61**	**1,443.76**

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 ₹64.29 crores (previous year ₹80.42 crores) for write-down to net realisable value and provisions for slow-moving and obsolete items.

15. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Trade Receivables considered good - (Secured)	48.98	41.78
Trade Receivables considered good - (Unsecured) **	3,625.45	2,661.66
Trade Receivables credit impaired	144.22	138.97
	3,818.65	**2,842.41**
Less: Allowance for expected credit loss	144.22	138.97
Total	**3,674.43**	**2,703.44**

Note:

1. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.
2. 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, 2025:

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	Total
Undisputed Trade Receivables - considered good	1,988.71	1,679.75	5.97	-	-	-	3,674.43
Undisputed Trade Receivables - credit impaired	1.38	27.42	10.13	10.34	6.22	59.06	114.55
Disputed Trade Receivables - credit impaired	-	-	0.01	0.63	6.29	22.74	29.67
Total-Gross carrying amount	**1,990.09**	**1,707.17**	**16.11**	**10.97**	**12.51**	**81.80**	**3,818.65**
Expected loss rate	0.07%	1.61%	62.94%	100.00%	100.00%	100.00%	3.78%
Expected credit losses (Loss allowance provision)	1.38	27.42	10.14	10.97	12.51	81.80	144.22
Carrying amount of Trade receivable	**1,988.71**	**1,679.75**	**5.97**	**-**	**-**	**-**	**3,674.43**

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	Total
Undisputed Trade Receivables - considered good	1,216.90	1,448.74	28.04	9.76	-	-	2,703.44
Undisputed Trade Receivables - credit impaired	3.02	25.26	5.51	13.14	7.71	53.53	108.17
Disputed Trade Receivables - credit impaired	0.01	0.02	0.55	5.58	0.19	24.45	30.80
Total-Gross carrying amount	**1,219.93**	**1,474.02**	**34.10**	**28.48**	**7.90**	**77.98**	**2,842.41**
Expected loss rate	0.25%	1.72%	17.77%	65.73%	100.00%	100.00%	4.89%
Expected credit losses (Loss allowance provision)	3.03	25.28	6.06	18.72	7.90	77.98	138.97
Carrying amount of Trade receivable	**1,216.90**	**1,448.74**	**28.04**	**9.76**	**-**	**-**	**2,703.44**

16. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In current accounts	289.08	539.89
Total	**289.08**	**539.89**

17. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In dividend current accounts (earmarked accounts)	22.27	27.24
In deposit accounts*	41.80	41.80
Total	**64.07**	**69.04**

* 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

18. Share capital

(a) Equity Share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
250,000,000 (as at March 31, 2024 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
Total	**50.00**	**50.00**
Issued, subscribed and fully paid up		
200,010,836 (as at March 31, 2024 - 199,921,741) Equity shares of ₹ 2 each	40.00	39.98
Total	**40.00**	**39.98**

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, 2025		As at March 31, 2024	
	Nos.	₹ in crores	Nos.	₹ in crores
Opening Balance	19,99,21,741	39.98	19,98,39,718	39.97
Issued during the Current year ₹178,190 (previous year ₹164,046)- Employee Stock Option Plan (refer Note 40)	89,095	0.02	82,023	0.01
Closing Balance	**20,00,10,836**	**40.00**	**19,99,21,741**	**39.98**

(ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	13.96%	2,79,27,058	13.97%
Bahadur Chand Investments Private Limited	4,00,33,238	20.02%	4,00,33,238	20.02%
Life Insurance Corporation of India	1,18,47,012	5.92%	1,69,63,373	8.49%

Shares held by promoters at the end of the year March 31, 2025			% change during the year
Promoter name	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	13.96%	-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 Limited	4,00,33,238	20.02%	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%

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

18. Share capital (Contd.)

Shares held by promoters at the end of the year March 31, 2024			% change during the year
Promoter name	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	13.97%	-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 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, 2025	As at March 31, 2024	Expiry Date
ESOP 2016	-	-	August 21, 2023
ESOP 2017	-	6,523	October 30, 2024
ESOP 2018	7,570	19,400	March 24, 2026
ESOP 2019	1,025	5,050	October 21, 2026
ESOP 2020	14,605	31,545	October 26, 2027
RSU 2020	-	-	October 26, 2027
RSU 2021	821	8,442	August 10, 2025
PRSU 2021	578	21,374	August 10, 2025
RSU 2022	14,766	40,714	December 27, 2026
PRSU 2022	61,011	1,17,737	December 27, 2026
RSU 2023	37,186	66,777	December 25, 2027
PRSU 2023	77,467	1,25,316	December 25, 2027
RSU 2023 (1)	-	9,116	February 8, 2028
PRSU 2023 (1)	-	34,992	February 8, 2028
ESOP 2023	-	30,000	August 8, 2030
RSU 2024	40,416	-	December 24, 2028
PRSU 2024	58,349	-	December 24, 2028
Total	**3,13,794**	**5,16,986**	

Also refer details of the employee stock option plan as provided in Note 40.

b) Preference share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
4,00,000 (as at 31 March 2024 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at 31 March 2024 - 4,00,000) Cumulative redeemable preference shares of ₹ 100 each	4.00	4.00
Total	**8.00**	**8.00**

Note:- The Company has not issued preference share capital.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

19. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserves (# ₹ 29,750 in absolute INR)	#	#
Securities premium	97.69	73.36
General reserve	2,645.79	2,645.79
Share options outstanding account	43.86	45.63
Retained earnings	16,979.51	15,181.42
Total	**19,766.85**	**17,946.20**

Particulars		As at March 31, 2025	As at March 31, 2024
A.	**Capital Reserves**		
	On shares forfeited (#₹ 4,250 in absolute INR)	#	#
	Securities premium account on forfeited shares reissued (## ₹ 25,500 in absolute INR)	##	##
B.	**Securities premium**		
	Opening balance	73.36	49.22
	Add : Premium on equity shares issued @	24.33	24.14
	Closing balance	**97.69**	**73.36**

@ Addition in securities premium represents premium of equity shares under various schemes amounting to ₹6.90 crores (Previous year ₹10.40 crores) and ₹17.43 crores (Previous year ₹13.74 crores) transferred from share option outstanding account on 89,095 equity shares (Previous year 82,023 equity shares) issued and allotted during the year under ESOP scheme. Also refer Note 40.

Particulars		As at March 31, 2025	As at March 31, 2024
C.	**General Reserve**		
	General reserve at the beginning and end of the year	2,645.79	2,645.79
D.	**Share options outstanding account ***		
	Opening balance	45.63	35.63
	Add: Net charge during the year	15.66	23.74
	Less: Transferred to securities premium on issue of shares	(17.43)	(13.74)
	Closing balance	**43.86**	**45.63**
	* Also refer Note 40		
E.	**Retained earnings**		
	Opening balance	15,181.42	13,934.48
	Add: Profit for the year	4,609.95	3,967.96
	Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(12.03)	(22.35)
	Less: Appropriations		
	Final dividend	799.72	699.45
	Interim dividend	2,000.11	1,999.22
	Closing Balance	**16,979.51**	**15,181.42**

In respect of the year ended March 31, 2025, the directors propose that a dividend of ₹ 65 per share (March 31, 2024 : ₹ 40 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 ₹1,300.07 crores (March 31, 2024 : ₹799.72 crores).

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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:- Share 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, 2025	As at March 31, 2024
Non-current		
Employee benefits (Refer Note (i) below)		
Compensated absences	48.19	32.08
Other employee benefits	14.95	14.18
Sub-total (A)	**63.14**	**46.26**
Warranties (Refer Note (ii) below)	425.94	270.40
Sub-total (B)	**425.94**	**270.40**
Total (A+B)	**489.08**	**316.66**
Current		
Employee benefits (Refer Note (i) below)		
Compensated absences	10.87	7.37
Other employee benefits	0.63	0.64
Sub-total (A)	**11.50**	**8.01**
Warranties (Refer Note (ii) below)	205.25	146.13
Sub-total (B)	**205.25**	**146.13**
Total (A+B)	**216.75**	**154.14**

Note:

1. The provision for employee benefits includes sick leave, gratuity, earned leave and vested long term service reward (refer Note 29).

2. Movement in warranties provisions:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	416.53	309.10
Additions during the year	383.85	259.97
Amount utilised during the year	(169.19)	(152.54)
Closing balance	**631.19**	**416.53**

The provision for warranty claims represents the 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, 2025, this particular provision had a carrying amount of ₹631.19 crores (March 31, 2024: ₹416.53 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹63.12 crores higher or lower (March 31, 2024 - ₹41.65 crores higher or lower).

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

21. Deferred tax (assets)/liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities		
Property, plant and equipments and intangible assets	496.06	480.08
Financial assets carried at fair value through profit or loss	174.40	114.56
Sub-total (A)	**670.46**	**594.64**
Less: Deferred tax assets		
Deferred revenue	71.52	56.93
Accrued expenses deductible on payment	55.08	61.83
Voluntary retirement scheme (VRS) expenses u/s 35DDA	24.16	32.21
Right-of-use assets and lease liabilities	10.12	8.85
Sub-total (B)	**160.88**	**159.82**
Total (A-B)	**509.58**	**434.82**

Movement of Deferred tax (assets)/liabilities as at March 31, 2025

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities				
Property, plant and equipments and intangible assets	480.08	15.98	-	496.06
Financial assets carried at fair value through profit or loss	114.56	59.84	-	174.40
	594.64	**75.82**	**-**	**670.46**
Less: Deferred tax assets				
Deferred revenue	56.93	14.59	-	71.52
Accrued expenses deductible on payment	61.83	(6.75)	-	55.08
Voluntary retirement scheme (VRS) expenses u/s 35DDA	32.21	(8.05)	-	24.16
Right-of-use assets and lease liabilities	8.85	1.27	-	10.12
	159.82	**1.06**	**-**	**160.88**
Deferred tax liabilities (net)	**434.82**	**74.76**	**-**	**509.58**

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
Deferred tax liabilities				
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
	532.21	**62.43**	**-**	**594.64**
Less: Deferred tax assets				
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
	126.84	**32.98**	**-**	**159.82**
Deferred tax liabilities (net)	**405.37**	**29.45**	**-**	**434.82**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

22. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables##		
Total outstanding dues of micro and small enterprises (MSME)	15.92	15.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,550.22	5,512.36
Total	**5,566.14**	**5,528.15**

Include payables to related parties (refer Note 36)

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.

Ageing of trade payables as on March 31, 2025:

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	Total
(1) MSME	1.87	14.05	-	-	-	15.92
(2) Others - Trade payables	3,448.35	208.29	2.86	3.29	7.16	3,669.95
(3) Others - Accruals						1,880.27
Total						**5,566.14**

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	Total
(1) MSME	6.22	9.57	-	-	-	15.79
(2) Others - Trade payables	3,345.06	342.72	2.40	2.83	8.07	3,701.08
(3) Others - Accruals						1,811.28
Total						**5,528.15**

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, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	15.92	15.79
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, 2025

(Amount in crores of INR)

23. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital creditors	143.83	178.13
Total	**143.83**	**178.13**
Current		
Capital creditors	157.01	146.61
Security deposits dealers and others	87.69	76.42
Unclaimed dividend *	22.28	27.26
Total	**266.98**	**250.29**

* Does not include any amounts outstanding as at 31 March 2025 (March 31, 2024: NIL) which are required to be credited to Investor Education and Protection Fund.

Note : 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, 2025	As at March 31, 2024
Current		
Statutory remittances (contributions to provident fund and employee state insurance, withholding taxes, GST etc.)	327.74	284.00
Advance from customers	91.83	72.97
Deferred revenue	335.66	226.20
Others	2.59	2.43
Total	**757.82**	**585.60**

Contract Liabilities

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as deferred revenue:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening contract liabilities	**226.20**	**221.98**
Deferred revenue booked during the year	393.39	332.43
Amount recognised in revenue	283.93	328.21
Closing contract liabilities	**335.66**	**226.20**

25. Revenue from operations

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Sale of products**		
	Two wheelers (58.99 lakh units (previous year 56.21 lakh units))	34,315.37	31,448.85
	Spare parts	5,828.41	5,386.77
		40,143.78	**36,835.62**
(b)	**Income from services**		
	Dealers support services	100.03	74.53
	Dealer/Customer Program	58.77	57.63
	Services-others	278.49	322.34
		437.29	**454.50**
(c)	**Other operating revenue**		
	Duty drawback and other incentives	56.40	36.86
	Incentive from State Government	-	44.15
	Miscellaneous income	118.90	84.59
		175.30	**165.60**
	Total	**40,756.37**	**37,455.72**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

25. Revenue from operations (Contd.)

Disaggregation of Revenue:

Revenue is disaggregated by timing of revenue recognition are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Timing of revenue recognition		
Goods transferred at a point of time	40,472.44	37,127.51
Over a period of time	283.93	328.21
Total revenue from contracts and Customers	**40,756.37**	**37,455.72**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	40,908.42	37,459.50
Less: Trade discounts, volume rebates, etc.	(764.64)	(623.88)
Sale of products	**40,143.78**	**36,835.62**

26. Other Income

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Interest income**		
	Tax free bonds, debentures and other instruments classified as debt	128.55	114.92
	Deposit with dealers and others	312.03	181.30
(b)	**Dividend income**		
	Dividend received on investments	73.75	59.35
(c)	**Profit on sale of investments #**	157.64	120.39
(d)	**Gain on investments carried at fair value through profit or loss**	417.25	406.99
(e)	**Impairment of investments-subsidiaries (refer Note 9)**	(41.20)	-
(f)	**Other non-operating income**		
	Exchange fluctuation-net	5.78	3.33
	Profit on sale of property, plant and equipments	2.12	6.27
		1,055.92	**892.55**

Net off fair value adjustment upto previous year.

27. Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials and components consumed:		
Opening stock	857.33	677.38
Add: Purchase of raw materials and components	26,543.12	24,976.26
	27,400.45	**25,653.64**
Less: Closing stock	843.84	857.33
	26,556.61	**24,796.31**
Less: Cash discount	28.86	28.85
Consumption of raw materials and components	**26,527.75**	**24,767.46**

28. Changes in inventory of finished goods, stock-in-trade and work-in-progress

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Opening stock (Refer Note 14)**		
	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
		452.64	**631.75**
(b)	**Closing stock (Refer Note 14)**		
	Two wheelers (includes goods-in-transit)	270.51	233.66
	Stock-in-trade	28.09	25.06
	Spare parts	98.76	82.38
	Work-in-progress	62.22	111.54
		459.58	**452.64**
Net (increase)/decrease		**(6.94)**	**179.11**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

29. Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	2,251.77	2,082.36
Contribution to provident and other funds	152.70	139.68
Employee stock compensation cost (refer Note 40)	15.66	23.74
Staff welfare expenses	175.07	156.56
Total	**2,595.20**	**2,402.34**

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, 2025	For the year ended March 31, 2024
a) Employer's contribution to provident fund and labour welfare fund	102.46	94.16
b) Employer's contribution to superannuation fund	17.75	17.70
c) Employer's contribution to gratuity fund *	28.17	24.27
d) Employer's contribution to employee state insurance	4.32	3.55
Total	**152.70**	**139.68**

* In addition to this contribution made amounting to ₹16.08 crores (previous year : ₹ 29.87 crores) 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, 2025

(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	As at March 31, 2025 Gratuity	As at March 31, 2024 Gratuity
Discount rate	6.70%	7.00%
Future salary increase	7.25% p.a.	7.00% p.a.
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 recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	For the year ended March 31, 2025 Gratuity	For the year ended March 31, 2024 Gratuity
Service cost:		
Current service cost	29.72	26.25
Net Interest expense/(income)	(1.55)	(1.98)
Components of defined benefit costs recognised in profit or loss	**28.17**	**24.27**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(3.68)	1.47
Actuarial (gains)/losses arising from changes in financial assumptions	20.21	25.09
Actuarial (gains)/losses arising from experience adjustments	(0.45)	3.30
Components of defined benefit costs recognised in other comprehensive income	**16.08**	**29.86**
Total	**44.25**	**54.13**

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, 2025 Gratuity	As at March 31, 2024 Gratuity
Present Value of funded defined benefit obligation	489.73	449.48
Fair value of plan assets	489.73	449.48
Net liability arising from defined benefit obligation	**-**	**-**

Movements in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2025 Gratuity	For the year ended March 31, 2024 Gratuity
Opening defined obligation	449.48	427.19
Current service cost	29.72	26.25
Interest cost	30.09	28.95
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in financial assumptions	20.21	25.09
Actuarial (gains)/losses arising from experience adjustments	(0.45)	3.30
Benefits paid	(39.31)	(61.30)
Closing defined benefit obligation	**489.73**	**449.48**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

29. Employee benefits expense (Contd.)

Movements in the fair value of the plan assets are as follows:

Particulars	For the year ended March 31, 2025 Gratuity	For the year ended March 31, 2024 Gratuity
Opening fair value of plan assets	449.48	427.19
Interest income	31.64	30.92
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	3.68	(1.47)
Contribution	44.25	54.14
Benefit paid	(39.31)	(61.30)
Closing fair value of plan assets	**489.73**	**449.48**

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 ₹ 27.21 crores (increase by ₹ 9.77 crores) (as at March 31, 2024: decrease by ₹18.49 crores (increase by ₹ 15.92 crores)).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 26.27 crores (decrease by ₹ 9.46 crores) (as at March 31, 2024: increase by ₹ 18.43 crores (decrease by ₹ 16.97 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 recognised in the balance sheet.

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2025	As at March 31, 2024
Weighted Average duration of the defined benefit obligation (in years)	8.0 years	8.0 years

The Company expects to make a contribution of ₹22.90 crores (as at March 31, 2024 ₹ 29.72 crores) 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 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
As at 31 March 2025	21.00	83.28	104.86	323.11	532.25
As at 31 March 2024	80.63	27.01	98.17	274.83	480.63

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

30. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest cost on financial liabilities at amortised cost		
- On dealers security deposits	3.10	3.03
- On others	0.15	0.27
- Unwinding of discount on lease & other financial liabilities	16.67	15.20
Total	**19.92**	**18.50**

31. Other Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stores and tools consumed	117.30	114.06
Packing, forwarding, freight etc.	1,046.62	961.91
Power and fuel	127.85	118.00
Rent (Refer Note 7A)	34.16	37.96
Repairs and maintenance		
- Buildings	31.84	26.58
- Plant and machinery	149.73	130.33
- Others	12.68	12.38
Insurance charges	78.30	75.62
Rates and taxes	4.06	8.97
Advertisement and publicity	1,247.60	1,053.97
Donations[#]	0.02	0.03
Expenditure on corporate social responsibility	80.54	73.89
Payment to auditors (Refer below)	2.83	2.86
Loss on sale of property, plant and equipments	4.15	5.55
Loss allowance on trade receivables	6.31	17.71
Miscellaneous expenses	2,280.79	1,727.08
Total	**5,224.78**	**4,366.90**

[#] Donations include ₹Nil (previous year ₹Nil) under Section 182 of the Companies Act, 2013.

Payment to auditors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) As Statutory Audit		
-Audit fee	1.64	1.69
-Limited Review of unaudited financial results	0.81	0.81
-Other certifications	0.25	0.16
b) Tax audit fees	0.05	0.05
c) Out of pocket expenses	0.08	0.15
Total	**2.83**	**2.86**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025	For the year ended March 31, 2024
Current tax		
In respect of the current year	1,443.10	1,260.95
Deferred tax charge		
In respect of the current year	74.76	29.45
Total income tax expense recognised in the Statement of profit and loss	**1,517.86**	**1,290.40**

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligations	4.05	7.52
Total income tax benefit recognised in other comprehensive income	**4.05**	**7.52**

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	6,127.81	5,258.36
Income tax expense calculated at 25.168%	1,542.25	1,323.42
Effect of income exempt/taxed on lower rate	(22.41)	(68.36)
Others	(1.98)	35.34
Income tax expense recognised in the Statement of profit and loss	**1,517.86**	**1,290.40**

33. Earning per share

Particulars	As at March 31, 2025	As at March 31, 2024
Basic earnings per share (in ₹) (A/B)	230.53	198.53
Diluted earnings per share (in ₹) (A/C)	230.25	198.18
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Profit for the year, per statement of profit and loss (₹ in crores) (A)	4,609.95	3,967.96
Opening Balance	**19,99,21,741**	**19,98,39,718**
Effect of share options exercised	48,532	31,992
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**19,99,70,273**	**19,98,71,710**
Effect of share options	2,47,581	3,52,633
Weighted average number of equity shares for the purposes of diluted earnings per share (C)	**20,02,17,854**	**20,02,24,343**

34. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Contingent liabilities		
In respect of excise and other matters	-	-
In respect of income tax matters (refer note (b) below)	182.27	178.00

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, 2025

(Amount in crores of INR)

34. Contingent liabilities and commitments (to the extent not provided for) (Contd.)

b) During the year ended March 31, 2024, the Income Tax Authorities had disallowed certain expenses incurred in prior periods and made a demand of ₹178 crores. The Company evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information had filed an appeal with the Commissioner of Income Tax – Appeals in April 2024, and concluded that no provision is 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. During the current year, investigation against the Company and the Chairman by certain Government agencies were concluded in their favour. While uncertainty exists regarding the ultimate outcome of the other investigations, based on the developments in favour of the Company's position and external legal advice, the Company after considering available information and facts, as of the date of approval of these financial statements, has not identified any adjustments, disclosures or any effect to financial statements or financial information.

c)

Commitments	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid) amounting to ₹94.39 crores (March 31, 2024 ₹ 105.61 crores)	594.24	253.37

35. Segment Information

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, 2025

Particulars	Domestic	Overseas	Total
2024-25	38,443.35	2,313.02	40,756.37

For the year ended March 31, 2024

Particulars	Domestic	Overseas	Total
2023-24	35,983.48	1,472.24	37,455.72

Disclosure as per the requirement of Ind AS 115, Revenue

For the year ended March 31, 2025

Particulars	India	Outside India	Total
Sale of products	37,870.92	2,272.86	40,143.78
Income from services	415.81	21.48	437.29
Other operating revenue	156.62	18.68	175.30
Total	**38,443.35**	**2,313.02**	**40,756.37**

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
Total	**35,983.48**	**1,472.24**	**37,455.72**

Note:

1. Domestic segment includes sales and services to customers domiciled in India.
2. Overseas segment includes sales and services rendered to customers domiciled outside India.
3. There are no material non-current assets and post employment benefits domiciled outside India.
4. 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, 2025

(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 Center Germany GmbH

Subsidiaries of HMCL Netherlands B.V. (step down subsidiaries)

HMCL Colombia S.A.S.

HMCL Niloy Bangladesh Limited

Associate of the Company

Hero FinCorp Limited

Ather Energy Limited (formerly known as Ather Energy Private Limited)

C. Key management personnel and their relatives

Dr. Pawan Munjal	- Executive Chairman
Mr. Vikram Sitaram Kasbekar	- Acting Chief Executive Officer (w.e.f. May 01, 2025)
	- Executive Director
Mr. Niranjan Kumar Gupta	- Chief Executive Officer (From May 01, 2023 till April 30,2025)
	- Chief Financial Officer (till Feb 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 (w.e.f. Sept 06, 2023)

Non Executive and Independent Directors

Mr. Pradeep Dinodia

Mr. Suman Kant Munjal

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, 2025

(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, Hero Rooftop Energy Private Limited, Hero Future Energies Private Limited, BML Munjal University, ACIC BMU Foundation, Eternal Design Private Limited, S.R. Dinodia & LLP, 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, 2025	For the year ended March 31, 2024
A)	**Parties in respect of which the Company is an associate**		
	Dividend paid		
	Brijmohan Lal Om Parkash-Partnership firm	390.98	377.02
	Bahadur Chand Investments Private Limited	560.47	540.45
	Rental Income		
	Brijmohan Lal Om Parkash-Partnership firm	0.02	0.02
	Bahadur Chand Investments Private Limited	0.02	0.02
Balance outstanding at the year end			

Particulars	As at March 31, 2025	As at March 31, 2024
-Trade Receivable		
Brijmohan Lal Om Parkash-Partnership firm	-	-
Bahadur Chand Investments Private Limited	-	-

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
B)	**Parties over which the Company has control**		
	Investment in equity instruments during the year		
	Subsidiaries		
	HMCL Netherlands B.V.	-	22.50
	HMC MM Auto Limited	-	15.00
	Sales *		
	HMCL Colombia S.A.S.	545.76	190.95
	HMCL Niloy Bangladesh Limited	511.53	289.54
	Other operating revenues		
	HMCL Colombia S.A.S.	11.11	5.95
	HMCL Niloy Bangladesh Limited	10.96	6.20
	Purchases of goods/services		
	HMC MM Auto Limited	463.39	351.48
	Hero Tech Center Germany GmbH	149.67	121.82
	Purchase of Assets and its related services		
	HMC MM Auto Limited	0.84	2.47
	Expenses reimbursed		
	HMCL Colombia S.A.S.	21.12	20.74
	HMCL Niloy Bangladesh Limited	15.78	7.14

*Net of reimbursements amounting to ₹13.74 crores (March 31, 2024: ₹ 17.36 crores)

Balance outstanding at the year end:

Particulars	As at March 31, 2025	As at March 31, 2024
-Trade Receivable		
HMCL Colombia S.A.S.	379.79	138.75
HMCL Niloy Bangladesh Limited	195.90	121.13
-Trade Payable		
HMC MM Auto Limited	43.62	17.69
Hero Tech Center Germany GmbH	30.08	33.49

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025	For the year ended March 31, 2024
Hero FinCorp Limited		
Dividend received	73.43	59.10
Dividend paid	0.02	0.02
Miscellaneous expenses	3.79	14.00
Sale	0.13	-
Ather Energy Limited		
Investment (refer Note 9)	123.83	639.41
Service Income	0.67	0.09
Service Expense	1.37	0.04

Balance outstanding at the year end:

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payable		
Hero FinCorp Limited	-	-
Ather Energy Limited	0.01	-
Trade receivable		
Ather Energy Limited	-	0.03

D) Key management personnel and their relatives

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Managerial Remuneration/Sitting fees		
Dr. Pawan Munjal	109.41	109.41
Mr. Vikram Sitaram Kasbekar	14.08	12.11
Mr. Niranjan Kumar Gupta	17.93	10.84
Mr. Vivek Anand	7.75	2.84
Mr. Dhiraj Kapoor	1.64	1.24
Relative of KMP	0.48	0.22
Dividend paid to KMP and their relatives	9.95	9.42
Lease rent recovery	2.12	2.02
Sale	0.11	-
Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors		
Mr. Pradeep Dinodia	1.97	1.87
Mr. Suman Kant Munjal	0.48	0.24
Dr. Jagmohan Singh Raju	1.18	1.13
Mr. B. S. Dhanoa	1.57	1.55
Ms. Tina Trikha	1.47	1.33
Ms. Camille Tang	0.67	0.48
Mr. Rajnish Kumar	0.56	0.48
Ms. Vasudha Dinodia	0.72	0.36

Balance outstanding at the year end:

Particulars	As at March 31, 2025	As at March 31, 2024
-Payables (including commission)	62.94	44.86

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025	For the year ended March 31, 2024
Managerial remuneration*		
Short-term benefits	141.10	127.63
Post-employment benefits	4.89	5.40
Share-based payments	5.80	3.41

* 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, 2025	For the year ended March 31, 2024
Purchase of raw materials and components etc.	1,661.37	1,605.73
Purchase of property, plant and equipments	32.95	25.88
Payment towards services etc.	8.43	7.05
Expenditure towards Corporate Social Responsibility (CSR)	20.15	23.70
Rental income	0.04	0.04
Dividend paid	12.23	11.80
Sale of Goods	0.01	-

Balance outstanding as at the year end:

Particulars	As at March 31, 2025	As at March 31, 2024
- Payables	261.03	285.63
- Receivables	0.05	-

Significant related party transactions included in the above are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of raw materials and components etc.		
A. G. Industries Private Limited	705.85	742.30
Rockman Industries Limited	804.19	749.81
A. G. Industries (Bawal) Private Limited	151.32	113.62
Purchase of Assets		
Rockman Industries Limited	20.32	15.38
A. G. Industries Private Limited	12.52	10.37
A. G. Industries (Bawal) Private Limited	0.11	0.13
Payment for services etc.		
BML Munjal University	1.33	1.63
Hero Solar Energy Private Limited	0.41	0.38
Hero Rooftop Energy Private Limited	0.14	-
Cosmic Kitchen Private Limited	5.27	4.44
Raman Munjal Vidya Mandir	0.59	0.62
ACIC BMU Foundation	0.06	-
Eternal Design Private Limited	0.47	-
S. R. Dinodia & LLP	0.17	-
CSR		
Raman Kant Munjal Foundation	5.15	3.70
BML Munjal University	15.00	20.00
Rental Income		
Munjal ACME Packaging Systems Private Limited	0.02	0.02
Hero InvestCorp Private Limited	0.02	0.02
Dividend paid		
Hero InvestCorp Private Limited	12.23	11.80
Sale of Goods		
Hero Solar Energy Private Limited	0.01	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

36. Related party disclosures under Ind AS 24 (Contd.)

Significant closing balances of related parties are as under:

Particulars	As at March 31, 2025	As at March 31, 2024
- Trade Payables		
A. G. Industries Private Limited	107.63	119.72
Rockman Industries Limited	129.79	145.88
A. G. Industries (Bawal) Private Limited	23.42	19.14

F. 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 year ended March 31, 2024, the Company had introduced a voluntary retirement scheme (VRS) and the Company had considered an expense of ₹159.99 crores 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, 2025, 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	36.37	1.52	34.85
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)	GST Appellate Tribunal (yet to be constituted)	FY 2017-18	1.78	0.18	1.60
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Joint commissioner Appeals	FY 2018-19	0.25	0.02	0.23
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Commissioner Appeals	FY 2017-18 to FY 2023-24	930.59	8.64	921.95
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	DC Appeals SGST	FY 2017-18	0.08	-	0.08
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Special Commissioner	FY 2017-18 & FY 2019-20	15.39	1.44	13.95
Finance Act, 1994	Service Tax	CESTAT	FY 2004-05 to FY 2011-12	233.11	24.99	208.12
Finance Act, 1994	Service Tax	Supreme Court	FY 2004-05 to FY 2005-06	0.89	0.45	0.44
Income-tax Act, 1961	Income-Tax	Income Tax Appelate Tribunal (ITAT)	FY 2020-21	5.50	-	5.50
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2013-14	10.85	0.18	10.67
			FY 2018-19			
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2014-15	97.56**	-	97.56
			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 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	-

*Amount of disputed tax liabilities are exclusive of interest, if any.

**During the year, the department has adjusted demand of ₹ 80.44 crores related to FY 2013-14 and FY 2015-16 against the refund order of FY 2015-16.

Above excludes an aggregate amount of ₹155.40 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, 2025

(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, 2025, 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 2009-10, FY 2010-11 & FY 2013-14	85.66	-	85.66
Finance Act, 1994	Service Tax	CESTAT	FY 2016-17	1.99	0.15	1.84
Income-tax Act, 1961	Income-Tax	High Court	FY 1995-96, FY 1997-98, FY 1998-99, FY 2000-01, FY 2003-04, FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13	6,223.29	-	6,223.29

39. Research and development expenses:

Expenses charged to revenue account

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw material consumption*	101.87	48.74
Consumables	6.91	5.21
Employee Benefits	315.13	314.90
Depreciation and amortisation	177.92	158.36
Others	131.00	105.92
Total	**732.83**	**633.13**

* Includes intangible asset under development amounting to ₹ 57.38 crores (previous year ₹ 0.94 crores) expensed off during the year.

Capital expenditure

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Building	2.34	8.26
Equipments	30.05	31.54
Furniture and fixtures	2.93	2.97
Software	7.42	1.95
Vehicles	1.84	2.87
Data processing equipments	5.16	2.72
Intangible assets	245.79	141.50
	295.53	**191.81**
Capital Work-in-progress	11.11	1.28
Total	**306.64**	**193.09**

39A.

The Ministry of Environment, Forest and Climate Change issued the Environment Protection (End-of-Life Vehicles) Rules, 2025 (ELV rules), effective from April 1st, 2025. In accordance with ELV rules, Extended Producer Responsibility (EPR) obligations are imposed on producers ("vehicle manufacturers") for the scrapping of End-of-Life Vehicles. The obligations require acquiring EPR certificates from registered Vehicle Scrapping Facilities via a Centralised Online Portal (Portal), for the applicable year's obligation. As the Portal is yet to be developed and made operational, the registration of producers and vendors, pricing mechanism for EPR certificates, and measurement framework for determining obligations are not yet available. Consequently, the Company is currently unable to reliably estimate a range of possible outcomes and will be evaluated once the implementation framework for determining the reliable estimate is established.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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 (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/PRSU to the employees deemed eligible. The options and RSU/PRSU 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/PRSU, representing Stock compensation charge, is expensed over the vesting period.

Details of the Stock Option/RSU/PRSU issued under the Scheme

Plan	Number of Options/RSU/PRSU	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
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
RSU 2024	59,137	25-Jun-24	24-Dec-28	2	5,011
PRSU 2024	1,12,244	25-Jun-24	24-Dec-28	2	4,442

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, 2025

(Amount in crores of INR)

40. Share-based payments (Contd.)

Inputs in to the pricing model

Particulars	Option Plan						
	RSU 2024	PRSU 2024	RSU 2023	PRSU 2023	RSU 2023 (1)	PRSU 2023 (1)	ESOP 2023
Weighted Average Fair value of option/RSU/PRSU	5,011	4,442	2,584	2,321	2,773	2,511	1,318
Spot share price	5,510	5,510	2,851	2,851	3,060	3,060	3,060
Exercise price	2	2	2	2	2	2	1,974
Expected average volatility	25.33%	25.80%	27.10%	38.15%	27.60%	38.50%	31.50%
Option life	4.5 years	4.5 years	4.5 years	4.5 years	4.5 years	4.5 years	7 years
Dividend yield	3.45%	3.45%	3.58%	3.58%	3.58%	3.58%	3.58%
Average risk-free interest rate	7.09%	7.11%	7.09%	7.14%	7.25%	7.28%	7.29%

Movements in share options during the year

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of options	Weighted average exercise price ₹	Number of options	Weighted average exercise price ₹
Outstanding at the beginning of the year	92,518	2,071	1,43,023	2,083
Granted during the year	-	-	30,000	1,974
Forfeited during the year	37,355	-	27,642	2,223
Exercised during the year	31,963	2,160	52,863	1,968
Outstanding at the end of the year	23,200	2,053	92,518	2,071
Exercisable at the end of the year	23,200	2,053	49,761	2,126

Movements in RSU/PRSU during the year

Particulars	Number of RSU/ PRSU	Weighted average exercise price ₹	Number of RSU/ PRSU	Weighted average exercise price ₹
Outstanding at the beginning of the year	4,24,467	2.00	2,49,920	2.00
Granted during the year	1,71,381	2.00	2,54,234	2.00
Forfeited during the year	2,48,122	2.00	50,527	2.00
Exercised during the year	57,132	2.00	29,160	2.00
Outstanding at the end of the year	2,90,594	2.00	4,24,467	2.00
Exercisable at the end of the year	5,614	2.00	3,652	2.00

Share options exercised during the year

Option Plan	For the year ended 31 March 2025		For the year ended 31 March 2024	
	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	5,208	5,140	2,103	4,108
ESOP 2018	10,630	4,674	18,500	3,568
ESOP 2019	2,525	4,852	20,840	3,712
ESOP 2020	13,600	4,960	10,570	3,721
RSU 2020	-	-	624	4,138
RSU 2021	7,148	5,008	10,562	3,270
PRSU 2021	10,225	5,409	-	-
RSU 2022	18,799	5,232	17,974	3,302
RSU 2023	17,907	5,342	-	-
RSU 2023(1)	3,053	5,217	-	-
Total	**89,095**	**-**	**82,023**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025	Options outstanding as at March 31, 2024	Remaining contractual life (in Years) as on March 31, 2025	Remaining contractual life (in Years) as on March 31, 2024	Exercise Price ₹
ESOP 2017	-	6,523	-	0.59	2,818
ESOP 2018	7,570	19,400	0.98	1.98	2,033
RSU 2018	-	-	0.84	1.84	2
ESOP 2019	1,025	5,050	1.56	2.56	1,745
RSU 2019	-	-	1.56	2.56	2
ESOP 2020	14,605	31,545	2.58	3.58	2,085
RSU 2020	-	-	2.58	3.58	2
RSU 2021	821	8,442	0.36	1.36	2
PRSU 2021	578	21,374	0.36	1.36	2
RSU 2022	14,766	40,714	1.74	2.74	2
PRSU 2022	61,011	1,17,737	1.74	2.74	2
RSU 2023	37,186	66,777	2.74	3.74	2
PRSU 2023	77,467	1,25,316	2.74	3.74	2
RSU 2023 (1)	-	9,116	2.86	3.86	2
PRSU 2023 (1)	-	34,992	2.86	3.86	2
ESOP 2023	-	30,000	5.36	6.36	1,974
RSU 2024	40,416	-	3.74	-	2
PRSU 2024	58,349	-	3.74	-	2
Total	**3,13,794**	**5,16,986**			

During the year ended March 31, 2025, the Company recorded an employee stock compensation expense of ₹ 15.66 crores (March 31, 2024: ₹ 23.74 crores) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2025 is ₹ 43.86 crores (March 31, 2024: ₹ 45.63 crores)

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, opitimisation 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, 2025	As at March 31, 2024
Share capital	40.00	39.98
Equity reserves	19,766.85	17,946.20
Total Equity	**19,806.85**	**17,986.18**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

41. Financial instruments (Contd.)

Categories of financial instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	3,521.91	3,818.66
Current		
Investments	6,097.33	4,127.61
Financial assets at amortised cost		
Non-current		
Investments	1,245.42	1,543.93
Loans	24.87	21.15
Others	45.99	188.87
Current		
Investments	513.27	146.91
Trade receivables	3,674.43	2,703.44
Cash and bank balances	353.15	608.93
Loans	27.07	24.56
Others	112.78	283.51
Total	**15,616.22**	**13,467.57**
Financial liabilities at amortised cost		
Non-Current		
Lease Liability	124.20	111.50
Other financial liabilities	143.83	178.13
Current		
Lease Liability	38.86	26.08
Trade payables	5,566.14	5,528.15
Other financial liabilities	266.98	250.29
Total	**6,140.01**	**6,094.15**

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, 2025

(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, 2025		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	2,152.14	-
Investments in equity instruments	119.28	-	240.96
Investments in preference shares	-	-	1,009.53
Current			
Investments in mutual funds	-	6,097.33	-

Particulars	Fair value as at March 31, 2024		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	2,391.20	-
Investments in equity instruments	76.00	-	437.51
Investments in preference shares	-	-	913.95
Current			
Investments in mutual funds	-	4,127.61	-

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.
- 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).
- 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, 2025 and March 31, 2024.

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 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

41. Financial instruments (Contd.)

(A) Market risk

Market risk is the risk of any loss in future earnings, in realizable 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. Future specific market movements cannot be normally predicted with reasonable accuracy.

Market risk exposures are measured using sensitivity analysis.

(I) 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 at March 31, 2025	EUR	USD	JPY	GBP	CHF	COP	RMB
Trade Receivables	-	9.67	0.09	-	-	-	0.04
Trade Payables	(0.05)	(0.04)	-	(0.00)	(0.00)	-	-
Capital Creditors	(0.35)	(0.04)	-	(0.00)	-	(20.81)	-

Foreign Currency Exposure as at March 31, 2025	SGD	CNY	AED
Trade Receivables	-	-	0.00
Trade Payables	(0.00)	(2.35)	-
Capital Creditors	-	-	-

Foreign currency exposure as at March 31, 2024	EUR	USD	JPY	GBP	CHF	COP	RMB
Trade Receivable	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	-

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	2024-25		2023-24	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	41.35	(41.35)	22.83	(22.83)
JPY	0.00	(0.00)	0.00	(0.00)
EUR	-	-	0.09	(0.09)
AED	0.00	(0.00)	-	-
RMB	0.02	(0.02)	-	-
Trade Payable				
USD	(0.16)	0.16	(2.69)	2.69
EUR	(0.25)	0.25	(1.73)	1.73
JPY	-	-	(0.00)	0.00
GBP	(0.01)	0.01	(0.00)	0.00
RMB	-	-	(0.19)	0.19
CNY	(1.38)	1.38	(1.43)	1.43

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

41. Financial instruments (Contd.)

Currency	2024-25		2023-24	
	5% increase	5% decrease	5% increase	5% decrease
SGD	(0.01)	0.01	-	-
CHF	(0.00)	0.00	-	-
Capital Creditors				
USD	(0.17)	0.17	0.41	(0.41)
EUR	(1.59)	1.59	(0.10)	0.10
GBP	(0.00)	0.00	(0.00)	0.00
COP	(0.23)	0.23	(0.35)	0.35
JPY	-	-	(0.02)	0.02
Impact on profit or loss as at the end of the reporting period	37.57	(37.57)	16.82	(16.82)
Impact on total equity as at the end of the reporting period	28.26	(28.26)	12.69	(12.69)

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.

(II) Other price risks

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, 2025 would increase/decrease by ₹ 82.49 crores (for the year ended March 31, 2024 ₹65.19 crores).

(III) Interest rate risks

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.

(B) 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.

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

41. Financial instruments (Contd.)

Movement in the expected credit loss allowance of financial assets

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at beginning of the year	138.97	121.26
Add: Provided during the year	34.60	35.47
Less: Reversals of provision	28.28	17.76
Less: Amounts written back	1.07	-
Balance at the end of the year	**144.22**	**138.97**

(C) 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, 2025			
	Less than 1 Year	1-5 Years	More than 5 Years	Total
(i) Trade payables	5,566.14	-	-	5,566.14
(ii) Other financial liabilities	266.98	153.88	-	420.86
(iii) Lease liabilities	49.72	131.44	42.14	223.30

Particulars	As at March 31, 2024			
	Less than 1 Year	1-5 Years	More than 5 Years	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

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

42. Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent by the Company during the year	79.99	72.70
Amount of expenditure incurred	80.54	73.89
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)	20.15	23.70
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

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

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, 2025 and March 31, 2024:

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance
Current ratio *	Current assets	Current liabilities	1.87	1.50	25.25%
Debt equity ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.01	0.01	7.62%
Debt service coverage ratio	Earnings available for debt service = Net profit after taxes + Depreciation + Finance cost+Loss on sale of property, plant and equipments + other adjustments	Debt service including lease payments during the year	117.30	130.91	-10.40%
Return on equity	Net profit after taxes	Average shareholder's equity	24.40%	22.88%	6.64%
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	18.66	17.67	5.58%
Trade receivables turnover ratio	Gross sale of products + Gross income from services	Average Trade receivables	16.28	17.34	-6.11%
Trade payables turnover ratio	Purchase of stock-in-trade + Purchase of raw material and components - cash discount + Other expenses	Average Trade Payables	5.70	5.72	-0.26%
Net capital turnover ratio	Revenue from operations	Average Working capital (current assets - current liabilities)	8.82	11.24	-21.53%
Net profit ratio	Net profit after taxes	Total income	11.03%	10.35%	6.55%
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + deferred tax liability	30.02%	28.43%	5.58%
Return on investment (ROI)	Income generated from investments carried at FVTPL and amortised cost	Investments carried at FVTPL and amortised cost	6.76%	8.21%	-17.72%

* Higher on account of increase in Current assets mainly Trade receivable & Current investments.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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) The Company has not traded or invested in crypto-currency or virtual currency during the financial year.

(vii) 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.

(viii) 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.

(ix) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one registered Core Investment Company and one unregistered Core Investment Company as part of the Group.

(x) 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, 2025.

(xi) The Company has used an accounting software system for maintaining its books of account for the financial year ended March 31, 2025 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 system. Additionally, the audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Company as per the statutory requirements for record retention.

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Independent Auditor's 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 profit/loss in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2025, 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 of such subsidiaries and associate audited by the other auditors/joint auditor, 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, 2025, 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.

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 Matters	Auditor's Response
Investment in Associates and Equity Instruments The Group holds investment in associates and equity instruments amounting to ₹ 4,350.71 Crores as at March 31, 2025. 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. 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. 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. Refer note 3.15 and 9 of the Consolidated Financial Statements	**Principal audit procedures performed included the following:** Obtained understanding of the process and tested the internal controls related to the assumptions used by the management for determination of (a) recoverable value of the investment in associates and (b) fair value of investments in equity instruments. Challenged management on the appropriateness of the valuation methodology and performed following procedures: ▪ Assessed the recoverable value of the associates based on latest available financial information; ▪ Evaluated the objectivity and competency of the specialist engaged by the group and reviewed the valuation reports issued by such specialist; ▪ 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 associates and fair value of investments in equity instruments, primarily related to discount rates, long term growth rate and revenue multiples; ▪ Tested the arithmetical accuracy of the valuation models; and ▪ Assessed appropriateness of disclosures made by the group.
Assessment of impairment loss allowance basis expected credit losses (ECL) on loans The auditors of Hero FinCorp Ltd ('HFCL'), an associate of the Parent, have reported assessment of impairment loss allowance basis expected credit losses (ECL) on loans as a key audit matter due to exercise of significant judgement by the management of the associate company around the determination of the impairment allowance in line with the ECL model specified under Ind AS 109 'Financial Instruments'. Refer note 3.15 and 9A of the Consolidated Financial Statements	**Principal audit procedures performed included the following:** In respect of the key audit matter reported to us by the auditors of HFCL, we performed inquiry and oversight of the audit procedures performed by them to address the key audit matter. As reported by the auditors of HFCL, the audit procedures performed by them included and were not limited to the following: Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: ▪ the assumptions used in the calculation of ECL and its various aspects such as determination of Probability of Default, Loss Given Default, Exposure at Default, Staging of Loans, etc.; ▪ the completeness and accuracy of source data used by the management in the ECL computation; and ▪ Computation of ECL. Verified the appropriateness of the methodology and models used by the associate company and reasonableness of the assumptions used within the computation process to derive the impairment allowance in line with the Board approved ECL policy; Verified on a test check basis the completeness and accuracy of the source data used; Recomputed the impairment allowance for a sample of loans across the portfolio, to check arithmetical accuracy and compliance with the requirements of Ind AS 109 in the ECL computation; and Evaluated the reasonableness of the judgement involved in management overlays forming part of the impairment allowance, and the related approvals.

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 and associate, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group 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 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 and Board of Directors 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 ₹ 1,508.42 crores as at March 31, 2025, total revenues of ₹ 1405.22 crores and net cash inflows amounting to ₹ 29.29 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 after tax of ₹ 47.80 crores for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of one associate, whose consolidated financial statements have been jointly audited by us along with other auditor. These financial statements have been audited by other auditors/joint auditor 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 associate is based solely on the reports of the other auditors/joint auditor.

(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 and joint auditor.

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 and joint auditor on the separate financial statements of the subsidiaries and associate referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group 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 and joint auditor except in relation to compliance with the requirements of audit trail, in respect of two associates and one subsidiary, refer paragraph (i)(vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 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, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modifications relating to the maintenance of accounts related to audit trail of associates and subsidiary are as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, 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.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

   In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary 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.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group 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 joint 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, 2025.

      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/joint auditor, incorporated in India. The subsidiary and one 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 one subsidiary and two associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other joint 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 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 one subsidiary and two associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other joint auditor of an associate respectively that, to the best of their knowledge and belief, as disclosed in the note 44(viii) 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.

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

      v) 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 and its associate company, 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 the associate, jointly audited by us along with other auditor, the dividend declared during the year is in accordance with section 123 of the Act, as applicable.

      b. The interim dividend declared and paid by the Parent during the year and until the date of this audit report is in accordance with section 123 of the Act, as applicable.

      c. The Board of Directors of the Parent and its associate 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. Based on the report of the associate, jointly audited by us along with other auditor, the dividend so proposed during the year is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks, and based on the joint 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 account for the financial year ended March 31, 2025, 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. the audit trail (edit log) facility was not enabled for direct changes at the database level, in case of an accounting software, for the period from April 1, 2024 to June 04, 2024.

B. In case of an associate company:

a. the audit trail (edit log) facility was not enabled for direct changes at the database level, in case of an accounting software, for the period from April 1, 2024 to July 05, 2024.

C. In case of an associate company, jointly audited by us with the other auditor:

a. no audit trail feature has been enabled at the database level to log any direct data changes in respect of accounting software(s) used for loan management system (LMS).

b. in respect of the accounting software used for maintaining payroll records, which is operated by a third party software service provider, in the absence of an independent auditor's system and organization controls report covering the audit trail requirement, we and the joint auditor are 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 joint 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. Additionally, the audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Parent and the above referred subsidiary and associate companies as per the statutory requirements for record retention.

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 Limited (Formerly known as Ather Energy Private Limited)	U40100KA2013PTC093769	Associate	Clause xvii[1] of Annexure B to the Independent Auditor's report.
Hero FinCorp Limited	U74899DL1991PLC046774	Associate	Clause iii (d)[2], ix(c)[3], xi(a)[4] of Annexure B to the Independent Auditor's Report.

[1]Clause pertains to cash losses incurred.

[2]Clause pertains to amount overdue for more than ninety days.

[3]Clause pertains to application of term loans availed.

[4]Clause pertains to instances of 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: 25094468BMMIYQ3060

Place: Gurugram
Date: May 13, 2025

Annexure "A" to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2025, 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 and Board of Directors' Responsibilities 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 us along with the joint 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 joint 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, 2025, 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 on the corresponding report jointly audited by us along with the joint auditor.

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: 25094468BMMIYQ3060

Place: Gurugram
Date: May 13, 2025

Balance Sheet

as at March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,219.13	5,212.58
(b) Capital work-in-progress	6	105.37	127.16
(c) Right-of-use assets	7	483.39	475.97
(d) Other Intangible assets	7A	580.46	543.65
(e) Intangible assets under development	8	381.81	356.90
(f) Equity accounted investments in associates	9A	2,980.94	3,083.59
(g) Financial assets			
(i) Investments	9B	4,767.33	5,362.57
(ii) Loans	10	24.87	21.15
(iii) Others	11	47.09	189.44
(h) Income tax assets (net)	12	254.49	335.68
(i) Other non-current assets	13	111.55	128.65
Total non -current assets		**14,956.43**	**15,837.34**
Current assets			
(a) Inventories	14	2,013.34	1,755.90
(b) Financial assets			
(i) Investments	9B	6,635.99	4,305.08
(ii) Trade receivables	15	3,381.29	2,630.22
(iii) Cash and cash equivalents	16	383.55	604.91
(iv) Bank balances other than (iii) above	17	190.53	91.56
(v) Loans	10	27.07	24.56
(vi) Others	11	141.59	423.53
(c) Income tax assets (net)	12	198.12	-
(d) Other current assets	13	462.41	479.69
Total current assets		**13,433.89**	**10,315.45**
Total assets		**28,390.32**	**26,152.79**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	40.00	39.98
(b) Other equity	19	19,232.04	17,658.94
Equity attributable to owners of the Company		**19,272.04**	**17,698.92**
Non-controlling interests	20	132.05	135.65
Total equity		**19,404.09**	**17,834.57**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7	196.21	199.13
(ii) Other financial liabilities	25	143.83	178.13
(b) Provisions	22	495.29	322.46
(c) Deferred tax liabilities (net)	23	674.92	570.13
Total non - current liabilities		**1,510.25**	**1,269.85**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	456.76	363.43
(ii) Lease liabilities	7	46.96	43.85
(iii) Trade payables	24		
Total outstanding dues of micro and small enterprises		21.50	18.74
Total outstanding dues of creditors other than micro and small enterprises		5,678.16	5,604.16
(iv) Other Financial liabilities	25	282.94	254.90
(b) Other current liabilities	26	768.17	603.85
(c) Provisions	22	221.49	159.44
Total current liabilities		**7,475.98**	**7,048.37**
Total equity and liabilities		**28,390.32**	**26,152.79**
The notes referred to above form an integral part of the consolidated financials statements	1 - 44		

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: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Statement of Profit and Loss

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I INCOME			
(a) Revenue from operations	27	40,923.42	37,788.62
(b) Other income	28	1,044.08	854.54
Total Income		**41,967.50**	**38,643.16**
II EXPENSES			
(a) Cost of materials consumed	29	26,607.07	24,836.89
(b) Purchases of stock in trade		547.91	484.20
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	30	(244.34)	188.35
(d) Employee benefits expense	31	2,680.07	2,471.55
(e) Finance costs	32	70.65	76.37
(f) Depreciation and amortisation expense	5, 7 and 7A	824.59	757.36
(g) Other expenses	33	5,386.87	4,458.00
Total expenses		**35,872.82**	**33,272.72**
III Profit before share of profit/(loss) of associates, exceptional items and tax (I - II)		**6,094.68**	**5,370.44**
IV Profit/(loss) from associates			
Share in profit/(loss) of associates (net of tax)		(161.12)	(120.25)
V Profit before tax and exceptional items (III+IV)		**5,933.56**	**5,250.19**
VI Exceptional item			
Expense towards VRS		-	159.99
VII Profit before tax (V-VI)		**5,933.56**	**5,090.20**
VIII Tax expense	34		
Current tax		1,448.02	1,264.18
Deferred tax charge/(credit)		109.73	83.86
Total tax expense		**1,557.75**	**1,348.04**
IX Net profit after taxes (VII -VIII)		**4,375.81**	**3,742.16**
X Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		(16.07)	(30.00)
Income tax effect		4.05	7.51
Share of Other comprehensive income/(loss) of associates, to the extent not be reclassified to profit or loss		0.09	(1.55)
		(11.93)	**(24.04)**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences in translating the financial statements of foreign operations		(18.83)	1.92
Income tax effect		4.74	(0.48)
Share of Other comprehensive income/(loss) of associates, to the extent reclassified to profit or loss		(13.02)	(10.26)
		(27.11)	**(8.82)**
Other comprehensive income/(loss) for the year		**(39.04)**	**(32.86)**
XI Total comprehensive income for the year (net of tax) (IX + X)		**4,336.77**	**3,709.30**
Net Profit/(loss) for the year attributable to:			
- Owners of the Company		4,378.48	3,744.83
- Non-controlling interests		(2.67)	(2.67)
		4,375.81	**3,742.16**
Other comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		(32.10)	(32.76)
- Non-controlling interests		(6.94)	(0.10)
		(39.04)	**(32.86)**
Total comprehensive income for the year attributable to:			
- Owners of the Company		4,346.38	3,712.07
- Non-controlling interests		(9.61)	(2.77)
		4,336.77	**3,709.30**
Earnings per share (Nominal Value of ₹ 2 each) in ₹	35		
(a) Basic		218.96	187.36
(b) Diluted		218.69	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 Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Statement of Cash Flows

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars		Year ended March 31, 2025		Year ended March 31, 2024	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit after tax and share in profit/(loss) of associates		**4,375.81**		**3,742.16**
	Adjustments for:				
	Add: Depreciation and amortisation expense	824.59		757.36	
	Tax expense	1,557.75		1,348.04	
	Loss on property, plant and equipments sold/ discarded	4.15		5.57	
	Finance cost	70.65		76.37	
	Employee stock compensation cost	15.66		23.74	
	Loss allowances on financial assets	158.41		19.66	
			2,631.21		**2,230.74**
	Less: Interest income	445.74		301.31	
	Dividend income	22.88		18.59	
	Profit on sale of investments	158.57		120.82	
	Gain on investments carried at fair value through profit or loss	414.64		403.01	
	Share of profit / (loss) in associates	(161.12)		(120.25)	
	Profit on sale of property, plant and equipments	2.25		6.27	
	Net Foreign currency translation	18.82		(1.92)	
			901.78		**727.83**
	Operating profit before working capital changes		**6,105.24**		**5,245.07**
	Changes in working capital:				
	Adjustment for (increase)/decrease in operating assets:				
	Inventories	(257.44)		0.49	
	Trade receivables	(759.48)		69.59	
	Loans-Current	(2.51)		(0.85)	
	Loans-Non-Current	(3.72)		(1.28)	
	Other financial assets	274.29		164.78	
	Other current assets	17.28		(210.23)	
	Other non-current assets	5.97		7.05	
			(725.61)		**29.55**
	Adjustment for increase/(decrease) in operating liabilities:				
	Trade payables	76.75		862.72	
	Other financial liabilities-Current	18.98		8.35	
	Other current liabilities	164.32		41.76	
	Current provisions	62.05		(33.24)	
	Non-current provisions	160.81		98.03	
			482.91		**977.62**
	Cash generated from operating activities		**5,862.54**		**6,252.24**
	Less: Direct taxes paid (net of refund)		1,565.15		1,329.17
	Net cash generated from operating activities		**4,297.39**		**4,923.07**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on property, plant and equipment, intangible assets, capital work-in-progress and intangible assets under development including capital advances and capital creditors		(856.63)		(787.89)
	Proceeds from sale of property, plant and equipment		22.44		10.70
	Deposits (made) / withdrawn		(103.94)		97.96
	Sale of investments other than associates / subsidiaries		49,335.75		45,306.67
	Purchase of investments other than associates / subsidiaries		(50,498.20)		(46,178.27)
	Investment in associates		(123.83)		(639.41)
	Dividend income received from associates		52.43		42.47
	Dividend income received from other than associates		22.88		18.59
	Interest income		445.74		301.31
	Net cash (used) in investing activities		**(1,703.36)**		**(1,827.87)**

Statement of Cash Flows

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

Particulars		Year ended March 31, 2025		Year ended March 31, 2024	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest paid		(70.65)		(76.37)
	Repayment of principal amount of lease liabilities		(55.16)		(11.32)
	Dividend paid		(2,799.83)		(2,702.09)
	Additions to minority interest		10.00		12.58
	Proceeds from issue of equity share capital (including securities premium)		6.92		10.41
	(Repayment) / proceeds of non-current borrowings		-		(20.09)
	(Repayment) / proceeds from current borrowings		93.33		70.29
	Net cash (used) in financing activities		**(2,815.39)**		**(2,716.59)**
D.	**INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		(221.36)		378.61
	Cash and cash equivalents at the beginning of the period		**604.91**		**226.30**
	Cash and cash equivalents at the end of the period		**383.56**		**604.91**

Movement of Borrowings	Non-Current Borrowings	Current Borrowings (including current maturities)	Interest expense on financial liabilities	Total
As on March 31, 2024	-	363.43	2.52	365.95
Cash Flows (net)	-	93.33	(46.70)	46.63
Non Cash:				
Interest expenses	-	-	47.97	47.97
As on March 31, 2025	**-**	**456.76**	**3.79**	**460.55**

Notes:

1. 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.
2. Refer Note 33 for the disclosure related to corporate social responsibility expense.
3. 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 Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Statement of Changes in Equity

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

A. Equity Share Capital

Particulars	As at March 31, 2025	
	Number of shares	Amount
Balance as at April 1, 2023	**19,98,39,718**	**39.97**
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
Balance as at March 31, 2024	**19,99,21,741**	**39.98**
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (in absolute INR 1,78,190 (Note 41))	89,095	0.02
Balance as at March 31, 2025	**20,00,10,836**	**40.00**

B. Other Equity*

Amount in crores of INR

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				
Balance as at April 1, 2023	**#**	**49.22**	**2,676.34**	**35.63**	**13,862.79**	**(8.38)**	**16,615.60**	**125.06**	**16,740.66**
Profit for the year	-	-	-	-	3,744.83	-	3,744.83	(2.67)	3,742.16
Other comprehensive income/(loss) for the year (net of income tax)	-	-	-	-	(34.24)	1.48	(32.76)	(0.10)	(32.86)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**3,710.59**	**1.48**	**3,712.07**	**(2.77)**	**3,709.30**
Transaction with owners, recorded directly in equity									
Addition during the year	-	-	-	-	-	-	-	12.58	12.58
Charge against share-based payments	-	-	-	23.74	-	-	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	-
Balance as at March 31, 2024	**#**	**73.36**	**2,676.34**	**45.63**	**14,870.51**	**(6.90)**	**17,658.94**	**135.65**	**17,794.59**
Profit for the year	-	-	-	-	4,378.48	-	4,378.48	(2.67)	4,375.81
Other comprehensive income/(loss) for the year, net of income tax	-	-	-	-	(24.96)	(7.14)	(32.10)	(6.94)	(39.04)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**4,353.52**	**(7.14)**	**4,346.38**	**(9.61)**	**4,336.77**

Statement of Changes in Equity

for the year ended March 31, 2025
CIN: L35911DL1984PLC017354

Amount in crores of INR

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				
Transaction with owners, recorded directly in equity									
Addition during the year	-	-	-	-	-	-	-	10.00	10.00
Charge against share-based payments	-	-	-	15.66	-	-	15.66	-	15.66
Transferred to securities premium on issue of shares	-	17.43	-	(17.43)	-	-	-	-	-
Payment of dividends	-	-	-	-	(2,799.83)	-	(2,799.83)	-	(2,799.83)
Adjustment on account of change in controlling interest	-	-	-	-	3.99	-	3.99	(3.99)	-
Issue of equity shares under employee share option plan	-	6.90	-	-	-	-	6.90	-	6.90
Balance as at March 31, 2025	**#**	**97.69**	**2,676.34**	**43.86**	**16,428.19**	**(14.04)**	**19,232.04**	**132.05**	**19,364.09**

*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 financials statements 1-44

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: Gurugram, Haryana
Date: May 13, 2025

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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, 2025 were approved by the Board of Directors and authorised for issue on May 13, 2025.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the 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 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 off during the year are included in the consolidated statement of profit and loss from the date the Company 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.

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.

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, 2025	March 31, 2024
HMCL Americas Inc.	Subsidiary	United States of America	Company	100%	100%
HMC MM Auto Ltd.	Subsidiary	India	Company	60%	66.32%
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 Center 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 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.

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

Notes forming part of the Financial Statements

for the year ended March 31, 2025

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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 off 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, 2025	March 31, 2024
Hero FinCorp Ltd.	Associate	India	Company	41.15%	41.19%
Ather Energy Ltd.	Associate	India	Company	39.60%	43.94%

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 recognised 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 of 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.

Royalty income is recognised 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 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 recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes 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 recognised 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 amortised 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, 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

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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.

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 recognised 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 derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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 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, 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 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 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 recognised 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 for debt instruments that are designated as at fair value through the statement of profit and loss on initial recognition):

Notes forming part of the Financial Statements

for the year ended March 31, 2025

- 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 bases. 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 intents 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 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 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 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 considered to be relevant. Actual results may differ from these estimates.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

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 gains are not recognised 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, 2025 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

New amendments adopted during the year:

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, 2025, MCA has notified Ind AS-117 Insurance Contracts and amendments to Ind AS-116 Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation it has determined that it does not have any impact on its financial statements.

Standards notified but not yet effective:

There are no standards that are notified and not yet effective as on the date.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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
Gross carrying amount								
At April 1,2023	**174.96**	**3,036.12**	**6,910.86**	**63.93**	**65.71**	**105.87**	**295.74**	**10,653.19**
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
At March 31,2024	**174.88**	**3,121.87**	**7,261.72**	**80.37**	**90.00**	**113.81**	**331.83**	**11,174.48**
Additions	3.43	60.71	460.85	12.15	57.24	14.06	40.41	648.85
Disposals/Adjustments	(3.53)	(2.06)	(71.39)	(0.84)	(11.78)	(0.82)	(14.26)	(104.68)
Foreign currency translation reserve	-	-	(19.81)	0.03	0.01	(0.02)	0.15	(19.64)
At March 31,2025	**174.78**	**3,180.52**	**7,631.37**	**91.71**	**135.47**	**127.03**	**358.13**	**11,699.01**
Accumulated depreciation								
At April 1,2023	**-**	**728.79**	**4,400.81**	**38.88**	**32.67**	**79.46**	**213.15**	**5,493.77**
Depreciation expense	-	94.75	442.99	5.48	8.76	8.67	31.74	592.39
Disposal/Adjustments	-	(0.29)	(117.68)	(0.33)	(3.04)	(0.44)	(5.41)	(127.19)
Foreign currency translation reserve	-	-	2.93	-	-	-	-	2.93
At March 31,2024	**-**	**823.25**	**4,729.05**	**44.03**	**38.39**	**87.69**	**239.48**	**5,961.90**
Depreciation expense	-	98.49	448.40	6.12	13.06	8.72	37.29	612.08
Disposals/Adjustments	-	(0.32)	(67.27)	(0.72)	(2.13)	(0.79)	(13.53)	(84.76)
Foreign currency translation reserve	-	-	(9.33)	-	-	-	-	(9.33)
At March 31,2025	**-**	**921.42**	**5,100.85**	**49.43**	**49.32**	**95.62**	**263.24**	**6,479.88**
Net carrying amount								
At March 31,2024	**174.88**	**2,298.62**	**2,532.68**	**36.34**	**51.61**	**26.12**	**92.35**	**5,212.58**
At March 31,2025	**174.78**	**2,259.10**	**2,530.52**	**42.28**	**86.15**	**31.41**	**94.89**	**5,219.13**

6. Capital work-in-progress*

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work-in-progress*	105.37	127.16
(includes pre-operative expenses of ₹ 2.80 crores (March 31, 2024 : ₹ Nil)	**105.37**	**127.16**

The following is the movement in Capital work-in-progress:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**127.16**	**122.09**
Additions	92.46	108.29
Transfers	(114.25)	(103.22)
Closing balance	**105.37**	**127.16**

Ageing of capital work-in-progress:

Particulars	Amount in Capital work-in-progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress as on March 31, 2025	92.46	8.15	3.37	1.39	**105.37**
Projects in progress as on March 31, 2024	108.29	13.35	4.41	1.11	**127.16**

* 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, 2025

(Amount in crores of INR)

7. Right-of-use assets

Particulars	Leasehold land right	Right-of-use assets	Total
Gross carrying amount			
At April 1,2023	**277.25**	**367.82**	**645.07**
Additions	-	13.41	13.41
Disposals	-	(66.56)	(66.56)
Foreign currency translation reserve	-	23.28	23.28
At March 31,2024	**277.25**	**337.95**	**615.20**
Additions	-	60.70	60.70
Disposals	-	(11.70)	(11.70)
Foreign currency translation reserve	-	(6.82)	(6.82)
At March 31,2025	**277.25**	**380.13**	**657.38**
Accumulated depreciation			
At April 1,2023	**12.96**	**150.83**	**163.79**
Depreciation expense	3.17	30.46	33.63
Disposals	-	(64.31)	(64.31)
Foreign currency translation reserve	-	6.12	6.12
At March 31,2024	**16.13**	**123.10**	**139.23**
Depreciation expense	3.17	40.85	44.02
Disposals	-	(7.29)	(7.29)
Foreign currency translation reserve	-	(1.97)	(1.97)
At March 31,2025	**19.30**	**154.69**	**173.99**
Net carrying amount			
At March 31, 2024	**261.12**	**214.85**	**475.97**
At March 31,2025	257.95	225.44	**483.39**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	46.96	43.85
Non-current lease liabilities	196.21	199.13
Total	**243.17**	**242.98**

The following is the movement in lease liabilities:

Particulars	Amount
At April 1,2023	254.30
Additions/Deletions	12.36
Finance cost accrued during the period	29.31
Payment of principal and interest amount of lease liabilities accrued during the year	(52.35)
Foreign Currency Translation Reserve	(0.64)
At March 31,2024	**242.98**
Additions/Deletions	60.35
Finance cost accrued during the period	25.64
Payment of principal and interest amount of lease liabilities accrued during the year	(80.80)
Foreign Currency Translation Reserve	(5.00)
At March 31,2025	**243.17**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	59.55	56.03
One to five years	192.98	188.52
More than five years	52.68	54.48
Total	**305.21**	**299.03**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

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 ₹ 36.30 crores during the year ended March 31, 2025 (previous year- ₹ 42.11 crores).

7A. Other intangible assets

Particulars	Model fee/brand license/Product designs and development	Computer Software	Technical know how/Export licenses	Total
Gross carrying amount				
At April 1,2023	**1,330.57**	**224.93**	**2,912.50**	**4,468.00**
Additions	106.51	49.82	-	156.33
Disposals/Adjustments	-	(0.82)	-	(0.82)
Foreign Currency Translation reserve	-	1.58	-	1.58
At March 31,2024	**1,437.08**	**275.51**	**2,912.50**	**4,625.09**
Additions	170.37	34.89	-	205.26
Disposals/Adjustments	-	(0.05)	-	(0.05)
Foreign Currency Translation reserve	-	(0.14)	-	(0.14)
At March 31,2025	**1,607.45**	**310.21**	**2,912.50**	**4,830.16**
Accumulated amortisation				
At April 1,2023	**866.90**	**175.10**	**2,907.50**	**3,949.50**
Amortisation expense	108.25	21.40	1.69	131.34
Disposal/Adjustments	-	(0.82)	-	(0.82)
Foreign Currency Translation reserve	-	1.42	-	1.42
At March 31,2024	**975.15**	**197.10**	**2,909.19**	**4,081.44**
Amortisation expense	139.05	27.89	1.55	168.49
Disposals/Adjustments	-	(0.04)	-	(0.04)
Foreign Currency Translation reserve	-	(0.19)	-	(0.19)
At March 31,2025	**1,114.20**	**224.76**	**2,910.74**	**4,249.70**
Net block				
At March 31,2024	**461.93**	**78.41**	**3.31**	**543.65**
At March 31,2025	**493.25**	**85.45**	**1.76**	**580.46**

8. Intangible Assets under Development**

Particulars	As at March 31, 2025	As at March 31, 2024
Intangible Assets Under Development	381.81	356.90
Total	**381.81**	**356.90**

Ageing of intangible assets under development:

Particulars	Amount in intangible assets under development 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, 2025	177.99	67.72	26.85	109.25	381.81
Projects in progress as on March 31, 2024	118.77	67.75	37.81	132.57	356.90

** 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, 2025

(Amount in crores of INR)

9. Investments

	Particulars	Quantity As at March 31, 2025	Quantity As at March 31, 2024	As at March 31, 2025 Current	As at March 31, 2025 Non-current	As at March 31, 2024 Current	As at March 31, 2024 Non-current
9A.	**Equity accounted investment in Associates**						
	Investment in equity instruments						
	Unquoted Investments						
	Investment in Associates (carrying amount determined using equity method of accounting)						
	Ather Energy Limited (Formerly known as Ather Energy Private Limited)						
	Equity Shares of Face Value of ₹ 1 each	11,50,83,252	1,098	-	1,680.31	-	139.61
	Preference shares of face value of ₹ 10 each (Compulsorily Convertible into equity instruments)[#]	-	4,15,450	-	-	-	1,416.87
	[#] (including Goodwill on acquisition of interest ₹ 470.12 crores (Previous Year ₹ 417.31 Crores))						
	Add: Group's share of profit/(loss)**			**-**	**(1,091.02)**	**-**	**(899.53)**
				-	**589.29**	**-**	**656.95**
	Hero FinCorp Ltd.						
	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)**			-	922.61	-	957.60
				-	**2,391.65**	**-**	**2,426.64**
	Investment in equity instruments			**-**	**2,980.94**	**-**	**3,083.59**

** 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, 2025 Current	As at March 31, 2025 Non-current	As at March 31, 2024 Current	As at March 31, 2024 Non-current
9B.	**Investments**				
	Investment in equity instruments*	25.39	360.24	30.59	513.51
	Investment in preference shares	-	1,009.53	-	913.95
	Investment in bonds	513.27	1,245.42	146.90	1,543.92
	Investment in mutual funds	6,097.33	2,152.14	4,127.59	2,391.20
		6,635.99	**4,767.33**	**4,305.08**	**5,362.57**

	Particulars	Quantity As at March 31, 2025	Quantity As at March 31, 2024	As at March 31, 2025 Current	As at March 31, 2025 Non-current	As at March 31, 2024 Current	As at March 31, 2024 Non-current
	Investments carried at fair value through profit or loss (FVTPL)						
	Investment in equity instruments of Other Entities						
	Quoted investments						
	Bombay Stock Exchange Ltd.						
	Face Value of ₹ 2 each	2,10,600	2,10,600	-	115.40	-	52.98
	Gogoro Inc.						
	Face Value of USD 0.0001 each	15,00,000	15,00,000	-	3.88	-	23.02
	Face value of Bangladesh Takas 10 each						
	ACME Pesticides Ltd.	50,000	50,000	0.05	-	0.10	-
	Bangladesh Export Import Company Ltd.	32,025	30,500	0.25	-	0.27	-
	Bangladesh Building Systems Ltd.	1,00,000	1,00,000	0.09	-	0.13	-
	Baraka Patenga Power Ltd.	1,40,000	1,40,000	0.11	-	0.19	-
	Baraka Power Ltd.	1,15,000	1,15,000	0.08	-	0.14	-
	BBS Cables PLC	1,30,511	-	0.17	-	-	-
	BBS Cables Ltd.	-	1,30,511	-	-	0.38	-
	Beximo Green-Sukuk al Istisna's	2,89,085	2,89,085	0.92	-	1.74	-
	British American Tobacco Bangladesh Company Ltd.	8,000	8,000	0.18	-	0.25	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9. Investments (Contd.)

	Particulars	Quantity As at March 31, 2025	Quantity As at March 31, 2024	As at March 31, 2025 Current	As at March 31, 2025 Non-current	As at March 31, 2024 Current	As at March 31, 2024 Non-current
	Coppertech Industries Ltd.	52,000	52,000	0.07	-	0.11	-
	City Bank PLC	-	12,46,862	-	-	2.20	-
	Delta Brac Housing Finance PLC	44,880	44,880	0.11	-	0.14	-
	DBH First Mutual Fund	12,60,695	12,60,695	0.43	-	0.53	-
	Export Import (Exim) Bank of Bangladesh Ltd.	18,93,013	18,93,013	0.88	-	1.34	-
	GPH Ispat Ltd.	2,19,334	2,19,334	0.34	-	0.49	-
	Grameenphone Ltd.	-	2,84,962	-	-	5.17	-
	Green Delta Mutual Fund	20,00,000	15,00,000	0.53	-	0.56	-
	IFAD Autos Ltd.	3,23,452	3,20,250	0.54	-	0.81	-
	IFIC Bank Ltd.	16,83,159	12,02,836	0.84	-	1.02	-
	Jamuna Bank Ltd.	3,29,110	3,72,883	0.45	-	0.62	-
	LafargeHolcim Bangladesh PLC	3,20,475	-	1.03	-	-	-
	LafargeHolcim Bangladesh Ltd.	-	3,20,475	-	-	1.67	-
	Lankabangla Finance Ltd.	75,000	75,000	0.10	-	0.12	-
	LR Global Bangladesh Mutual Fund One	13,80,000	8,80,000	0.34	-	0.32	-
	Mercantile Bank PLC	7,72,140	7,72,140	0.56	-	0.72	-
	National Credit and Commerce Bank Ltd.	32,98,260	32,98,260	2.53	-	2.99	-
	National Tubes Ltd.	1,05,133	1,05,133	0.59	-	0.54	-
	One Bank PLC	5,13,488	4,96,125	0.30	-	0.31	-
	Power Grid Company of Bangladesh Ltd.	70,000	70,000	0.18	-	0.24	-
	Robi Axiata Ltd.	2,55,000	2,55,000	0.47	-	0.54	-
	Runner Automobiles Ltd.	1,51,800	1,51,800	0.28	-	0.38	-
	Singer Bangladesh Ltd.	52,999	52,999	0.41	-	0.58	-
	Southeast Bank Ltd.	10,14,973	9,75,936	0.70	-	0.85	-
	Square Pharmaceuticals Ltd.	50,000	1,00,000	0.77	-	1.66	-
	The Premier Bank PLC	7,96,525	7,96,525	0.51	-	0.83	-
	United Power Generation & Distribution Company Ltd.	1,37,944	1,37,944	1.12	-	1.52	-
	Walton Hi-Tech Industries Ltd.	7,392	7,392	0.24	-	0.37	-
	Government Treasury Bond- 2Y BGTB 03/01/2026	50,000	50,000	0.36	-	0.38	-
	Government Treasury Bond- 2Y BGTB 08/11/2025	50,000	50,000	0.35	-	0.37	-
	Government Treasury Bond- 2Y BGTB 06/11/2026	4,00,000	-	2.81	-	-	-
	Government Treasury Bond- 2Y BGTB 07/08/2026	2,00,000	-	1.41	-	-	-
	Government Treasury Bond- 2Y BGTB 08/01/2027	2,00,000	-	1.41	-	-	-
	Government Treasury Bond- 5Y BGTB 15/05/2029	3,00,000	-	2.16	-	-	-
	Government Treasury Bond- 5Y BGTB 11/12/2029	1,00,000	-	0.71	-	-	-
	Government Treasury Bond- 5Y BGTB 13/12/2028	1,000	1,000	0.01	-	0.01	-
	Investments carried at fair value through profit or loss (FVTPL)			**25.39**	**119.28**	**30.59**	**76.00**
	Investments carried at fair value through profit or loss (FVTPL)						
	Investments in equity instruments of other entities						
	Unquoted investments						
	Zero Motorcycles Inc.						
	Face Value of USD 0.001 each	55,81,395	55,81,395	-	240.96	-	437.51
	Investments in equity instruments carried at cost			**-**	**240.96**	**-**	**437.51**
	Investments carried at fair value through profit or loss (FVTPL)						
	Investment in preference shares of other entities						
	Unquoted Investments						
	Investment in Associates						
	Hero FinCorp Ltd.						
	Preference shares (Financial Instrument) at the face value of ₹ 550 each	1,27,27,272	1,27,27,272	-	1,009.53	-	913.95

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2025	Quantity As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
Investment in preference shares			**-**	**1,009.53**	**-**	**913.95**
Investments carried at amortised cost						
Quoted Investments						
Investment in bonds						
Face Value of ₹ 1,000 each						
8.00% Aditya Birla Finance Ltd. 2026-Maturity-09.10.2026	3,50,000	3,50,000	-	36.20	-	36.15
7.75% Muthoot Finance Ltd. 2026-Maturity-04.10.2026	1,49,300	1,49,300	-	15.04	-	15.04
7.75% Muthoot Finance Ltd. 2026-Maturity-04.10.2026	1,50,000	1,50,000	-	15.11	-	15.11
7.75% Muthoot Finance Ltd. OP I TR II-Maturity-04.10.2026	1,20,000	1,20,000	-	12.09	-	12.09
Face Value of ₹ 1,00,000 each						
7.9050% Tata Capital Financial Services Ltd. 2026 -Maturity-03.12.2026	3,000	3,000	-	31.43	-	31.37
8.25% Mahindra & Mahindra Financial Services Ltd. 2026 -Maturity-26.03.2026	2,000	2,000	20.02	-	-	20.03
8.25% Mahindra & Mahindra Financial Services Ltd. 2026 -Maturity-26.03.2026	1,500	1,500	15.01	-	-	15.02
8.30% Tata Capital Financial Services Ltd.-Maturity-13.03.2026	2,500	2,500	25.13	-	-	25.24
8.75% Shriram Finance Ltd. 2026-Maturity-04.05.2026	4,000	4,000	-	43.10	-	43.05
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	5,000	-	-	53.84	-	-
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	1,500	-	-	15.69	-	-
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	2,500	-	-	26.16	-	-
8.78% Muthoot Finance Limited 2027 - Maturity - 20.05.2027	1,000	-	-	10.77	-	-
8.75% Shriram Finance Limited - Maturity - 15.06.2026	3,000	-	-	30.06	-	-
Face Value of ₹ 10,00,000 each						
8.50% SBI Series II BD Perpetual-Maturity-22.11.24	-	250	-	-	25.79	-
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	250	250	25.45	-	-	25.46
7.73% State Bank Of India SR II BD Perpetual -Maturity-24.11.2025	250	250	25.73	-	-	25.84
7.99% LIC Housing Finance Ltd. -Maturity-12.07.2029	500	500	-	54.04	-	54.28
6.83% HDFC Bank Ltd. -Maturity-08.01.2031	500	500	-	49.66	-	49.52
6.65% Food Corporation Of India Sr. IX -Maturity-23.10.2030	500	500	-	50.19	-	50.01
7.92% REC Ltd. Series 189-Maturity-31.03.2030	350	350	-	35.80	-	38.71
7.79% REC Ltd. Series 198B-Maturity-21.05.2030	150	150	-	16.32	-	16.37
6.39% National Bank For Agriculture And Rural Development -Maturity-19.11.2030	250	250	-	24.88	-	24.79
6.42% National Bank For Agriculture And Rural Development -Maturity-25.11.2030	200	200	-	19.91	-	19.84
7.25% HDFC Bank Ltd. Series X-006-Maturity-17.06.2030	500	500	-	52.86	-	52.87
7.54% National Highways Authority Of India Series VIII -Maturity-27.01.2030	500	500	-	51.44	-	51.58
7.05% LIC Housing Finance Ltd.-Maturity-21.12.2030	250	250	-	25.46	-	25.45
7.70% LIC Housing Finance Ltd. Sr 2-Maturity-10.03.2031	250	250	-	25.81	-	25.91
7.05% HDFC Bank Ltd. SR AA-Maturity-01.12.2031	500	500	-	51.14	-	51.14
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.27	-	26.29
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.27	-	26.29
7.10% Tata Capital Financial Services Ltd. SR H-Maturity-29.09.2031	500	500	-	51.51	-	51.49
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.95	-	25.93
7.05% HDFC Bank Ltd. SR AA-Maturity-01.12.2031	500	500	-	50.56	-	50.49
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.92	-	25.90
7.05% HDFC Bank Ltd SR AA -Maturity-01.12.2031	250	250	-	25.22	-	25.18
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.26	-	15.28

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2025	Quantity As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
7.79% REC Ltd. Series 198B-Maturity-21.05.2030	100	100	-	10.94	-	10.98
6.80% REC Ltd. SR 203A-Maturity-20.12.2030	200	200	-	20.04	-	20.00
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.89	-	25.86
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	350	350	37.06	-	-	36.98
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	150	150	15.88	-	-	15.85
7.34% National Housing Bank-Maturity-07.08.2025	250	250	26.49	-	-	26.49
6.50% Power Finance Corporation Ltd.SR 208-Maturity-17.09.2025	350	350	36.05	-	-	35.76
8.39% Power Finance Corporation Ltd.SR-130C-Maturity-19.04.2025	250	250	25.08	-	-	25.31
8.33% Rural Electrification Corporation Ltd. SR-133-Maturity-10.04.2025	250	250	25.60	-	-	25.81
8.33% Rural Electrification Corporation Ltd. SR-133-Maturity-10.04.2025	250	250	25.60	-	-	25.81
7.40% National Bank For Agriculture And Rural Development SR 23A -Maturity-30.01.2026	250	250	25.30	-	-	25.30
6% HDFC Bank Ltd. Z-001-Maturity-29.05.2026	250	250	-	25.76	-	25.39
7.40% National Bank For Agriculture And Rural Development SR 23A -Maturity-30.01.2026	250	250	25.31	-	-	25.32
5.70% National Bank For Agriculture And Rural Development SR22D -Maturity-31.07.2025	250	250	25.81	-	-	25.43
7.90% LIC Housing Finance Ltd. TR 421-Maturity-23.06.2027	500	500	-	53.02	-	53.02
7.40% National Bank For Agriculture And Rural Development SR 23A -Maturity-30.01.2026	300	300	30.36	-	-	30.37
6% HDFC Bank Ltd. Z-001-Maturity-29.05.2026	250	250	-	25.79	-	25.42
7.40% HDFC Bank Ltd. SR AA-006-Maturity-02.06.2025	250	250	26.51	-	-	26.47
6.01% LIC Housing Finance Ltd. TR 409-Maturity-19.05.2026	100	100	-	10.34	-	10.19
7.70% Tata Steel Ltd. -Maturity-13.03.2025	-	250	-	-	25.09	-
7.75% Small Industries Development Bank Of India SRVI -Maturity-27.10.2025	250	250	25.91	-	-	25.97
7.95% ICICI Home Finance Company Ltd. SRHDB Nov221 TR 2 -Maturity-24.11.2025	250	250	25.68	-	-	25.68
L&T Finance Ltd. SR K BR-Int payable on Maturity-27.12.2024	-	250	-	-	27.66	-
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	250	25.29	-	-	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	-
7.95% Cholamandalam Investment & Finance Company Limited 2027 -Maturity - 18.05.2027	250	-	-	26.56	-	-
7.95% Cholamandalam Investment & Finance Company Limited 2027 - Maturity - 18.05.2027	500	-	-	53.12	-	-
Investment in bonds			**513.27**	**1,245.42**	**146.90**	**1,543.92**
Investment in mutual funds						
{include funds which are listed but not quoted}						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Debt fund						
Units of the face value of ₹ 10 each						
ICICI Prudential Mutual Fund						
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	108.79	-	100.33	-
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	48.29	-	44.49	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2025	Quantity As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
Credit Risk Fund -Direct Plan -Growth	3,02,39,527	-	103.01	-	-	-
All Seasons Bond Fund -Direct Plan -Growth	2,65,63,812	-	103.75	-	-	-
Aditya Birla Sunlife Mutual Fund						
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	34,19,78,125	-	415.34	-	384.65
Kotak Mutual Fund						
Debt Hybrid Fund Direct Growth	1,54,02,672	-	100.73	-	-	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	3,90,79,742	146.40	-	133.82	-
Corporate Bond Fund -Direct Plan Growth Plan	2,66,79,406	98,39,711	163.98	-	55.49	-
SBI Mutual Fund						
Conservative Hybrid Fund Direct Plan Growth	2,40,96,849	43,82,290	183.99	-	30.67	-
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	19,63,39,110	-	236.58	-	219.26
Savings Fund - Direct-Growth	-	3,03,65,254	-	-	122.80	-
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Banking & PSU Debt Fund - Direct Plan - Growth (erstwhile IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	2,86,29,997	2,86,29,997	70.97	-	65.58	-
Money Market Fund Direct Growth	1,17,07,957	-	50.11	-	-	-
HDFC Mutual Fund						
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	68.26	-	63.15	-
Credit Risk Debt Fund -Direct-Growth	8,55,79,216	8,55,79,216	216.89	-	199.94	-
Axis Mutal Fund						
Short Term - Direct Plan - Growth	2,03,55,074	2,03,55,074	66.97	-	61.53	-
DSP Mutual Fund						
Low Duration Fund- Direct Plan-Growth	1,03,95,299	1,03,95,299	20.86	-	19.35	-
Edelweiss Mutual Fund						
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	78,38,10,661	-	1,002.95	-	930.58
Franklin Templeton Mutual Fund						
Money Market Fund -Direct Fund Plan Growth	1,57,84,510	-	80.23	-	-	-
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	278.19	-	257.53	-
Money Market Fund Direct Plan Growth	21,34,907	-	80.41	-	-	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	310.53	-	287.61	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
ETF NIFTY SDL-2026 Maturity-30.04.2026	3,85,00,000	3,85,00,000	-	497.27	-	461.22
Units of the face value of ₹ 1000 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Low Duration Fund- Direct Growth Plan Growth Option	1,72,138	1,72,138	66.88	-	61.89	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Term Fund-Direct Plan Growth	3,13,044	3,13,044	120.26	-	110.84	-
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	6,29,377	177.68	-	164.80	-
Corporate Bond Fund - Direct Plan Growth	4,50,789	1,39,843	150.03	-	42.78	-
Money Market Fund-Direct Plan Growth	3,28,503	-	101.53	-	-	-
Kotak Mutual Fund						
Low Duration Fund Direct Growth	3,80,566	3,80,566	135.73	-	125.45	-
Money Market Fund-Direct Plan-Growth	1,35,274	-	60.13	-	-	-
Axis Mutal Fund						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	119.38	-	110.23	-
Money Market Fund Direct Growth	4,74,512	-	67.19	-	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2025	Quantity As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Current	Non-current	Current	Non-current
HDFC Mutual Fund						
Money Market Fund Direct Plan Growth	87,654	2,25,849	50.11	-	119.70	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	1,63,734	-	50.11	-	-	-
TATA Mutual Fund						
Money Market Fund Direct Plan Growth	2,56,717	5,42,592	121.08	-	236.98	-
Edelweiss Mutual Fund						
Edelweiss Bharat Bond ETF	33,03,209	33,03,209	425.84	-	-	395.49
Equity fund						
Units of the face value of ₹ 10 each						
Edelweiss Mutual Fund						
Arbitrage Fund -Direct Plan Growth	16,46,14,121	11,24,78,381	336.53	-	212.75	-
Invesco Mutual Fund						
Arbitrage Fund - Direct Plan Growth	13,83,30,843	7,64,34,768	469.10	-	239.78	-
Kotak Mutual Fund						
Kotak Equity Arbitrage Fund- Direct Plan-Growth	5,43,37,517	3,22,89,129	213.83	-	117.49	-
DSP Mutual Fund						
DSP Arbitrage Fund- Direct-Growth	17,60,05,154	7,21,91,741	270.71	-	102.92	-
Axis Mutual Fund						
Axis Arbitrage Fund- Direct Growth	5,56,70,608	5,56,70,608	111.05	-	102.88	-
HDFC Mutual Fund						
Arbitrage Fund - Wholesale - Direct Plan - Growth	5,33,64,641	-	105.81	-	-	-
SBI Mutual Fund						
Arbitrage Opportunities Fund - Direct Plan - Growth	2,99,39,400	-	105.73	-	-	-
Aditya Birla Sunlife Mutual Fund						
Arbitrage Fund -Growth-Direct Plan	2,51,45,046	-	70.70	-	-	-
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Arbitrage Fund-Growth-(Direct Plan) Growth	2,70,68,890	-	93.42	-	-	-
TATA Mutual Fund						
Arbitrage Fund Direct Plan Growth	6,50,55,437	-	96.55	-	-	-
Liquid/Overnight fund						
Units of the face value of ₹ 100 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Overnight Fund -Direct Growth Plan	54,74,277	-	75.07	-	-	-
Aditya Birla Sunlife Mutual Fund						
Liquid Fund -Growth-Direct Plan	17,94,203	-	75.13	-	-	-
Units of the face value of ₹ 1000 each						
Axis Mutual Fund						
Liquid Fund- Direct Growth	1,73,685	8,02,242	50.08	-	215.30	-
Kotak Mutual Fund						
Liquid Fund Direct Plan Growth	1,91,188	6,15,712	100.17	-	300.41	-
HDFC Mutual Fund						
Overnight Fund- Direct Plan- Growth Option	-	6,63,956	-	-	235.92	-
Liquid Fund Direct Plan Growth	1,47,517	-	75.14	-	-	-
Kotak Mutual Fund						
Overnight Fund Direct Plan Growth	-	14,49,822	-	-	185.18	-
Investment in mutual funds			**6,097.33**	**2,152.14**	**4,127.59**	**2,391.20**
Total Investments*			**6,635.99**	**4,767.33**	**4,305.08**	**5,362.57**

*All shares are fully paid-up

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Aggregate book value of quoted investments	538.66	1,364.69	177.49	1,619.92
Aggregate market value of quoted investments	526.50	1,317.39	176.50	1,555.29
Aggregate carrying value of unquoted investments	6,097.33	6,383.57	4,127.59	6,826.25

Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Financial Assets carried at Fair Value through Profit or Loss (FVTPL)				
Unquoted				
Investment in Mutual Funds	6,097.33	2,152.14	4,127.59	2,391.20
Investment in bonds	-	-	-	-
Investment in preference shares	-	1,009.53	-	913.95
Investment in equity instruments	-	240.96	-	437.51
Quoted				
Investment in equity instruments	25.39	119.28	30.59	76.00
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	513.27	1,245.42	146.90	1,543.92

Note:

(1) The above does not include investments in associates amounting to ₹ 2,980.94 crores (as at March 31, 2025) and ₹ 3,083.59 crores (as at March 31, 2024) being accounted for as per equity method.

(2) In current year, Ather Energy Limited issued 2,85,480 bonus equity shares against existing 1,098 equity shares in the ratio 260:1.

The Company has further invested in Ather Energy Limited amounting to ₹ 123.83 crores (comprising of 18,488 CCPS and 10,51,047 equity shares).

In current year, Ather Energy Limited has converted all its CCPS into equity shares. Hero MotoCorp was having 4,35,807 CCPS share (inclusive of 1,869 CCPS - Anti Dilutive) which got converted into 11,37,45,627 equity shares of Ather Energy at a rate of 261 equity shares per preference share. Subsequent to the year ended March 31, 2025, Ather Energy Limited, successfully completed its Initial Public Offering (IPO) of equity shares. Following the IPO, the equity shares of Ather Energy Limited were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

(3) 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, 2025	As at March 31, 2024
Hero FinCorp Ltd.	Non-Banking Financial Company	India	41.15%	41.19%
Ather Energy Ltd.	Business of designing and manufacturing smart electric vehicles and associated charging infrastructure	India	39.60%	43.94%

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, 2025	As at March 31, 2024
Non-financial assets	1141.36	939.73
Financial assets	58,901.03	52,264.92
Non-financial liabilities	(172.04)	(185.59)
Financial liabilities	(54,109.59)	(47,247.06)
Non-controlling interests	(7.61)	(6.06)

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

9. Investments (Contd.)

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, 2025	For the year ended March 31, 2024
Total revenue	9,832.73	8,290.90
Profit/(Loss) for the year	109.95	637.05
Other comprehensive income for the year	(26.99)	(25.91)
Total Comprehensive income for the year	82.96	611.14
Dividends received from the associate during the year	52.43	42.47

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, 2025	As at March 31, 2024
Net assets of the associate	5,753.15	5,765.94
Proportion of the Group's ownership interest in the associate	41.15%	41.19%
Group's ownership interest in the associate	**2,367.43**	**2,375.00**
Add: Goodwill on acquisition	51.64	51.64
Less:- Other Adjustments	(27.42)	-
Carrying amount of the Group's interest in the associate	**2,391.65**	**2,426.64**

Ather Energy Ltd.	As at March 31, 2025	As at March 31, 2024
Non-current assets	943.80	677.90
Current assets	1,156.80	1,235.50
Non-current liabilities	(434.40)	(291.20)
Current liabilities	(1,173.20)	(1,076.30)

Ather Energy Ltd.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue	2,255.00	1,789.10
Loss for the year	(812.30)	(1,059.70)
Other comprehensive income for the year	(4.60)	(2.60)
Total Comprehensive income for the year	(816.90)	(1,062.30)

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, 2025	As at March 31, 2024
Net assets of the associate	493.00	545.90
Proportion of the Group's ownership interest in the associate	39.60%	43.94%
Group's ownership interest in the associate	**195.24**	**239.89**
Add: Goodwill on acquisition	470.12	417.31
Less:- Other Adjustments	(76.07)	(0.25)
Carrying amount of the Group's interest in the associate	**589.29**	**656.95**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

10. Loans

Particulars	As at March 31, 2025	As at March 31, 2024
Non - current		
Unsecured, considered good		
Loans to employees	24.87	21.15
Total	**24.87**	**21.15**
Current		
Unsecured, considered good		
Loans to employees	27.07	24.56
Total	**27.07**	**24.56**

Note:

1. These financial assets are carried at amortised cost, unless otherwise stated.
2. The Group's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 42.

11. Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non - current		
Unsecured, considered good		
Security Deposits	47.09	39.44
Accrual of incentive from State Government	185.06	185.06
Less: Loss allowance	(185.06)	(35.06)
Accrual of incentive from State Government (Net)	-	150.00
Total	**47.09**	**189.44**
Current		
Unsecured, considered good		
Interest accrued on deposits	16.58	11.17
Incentive from State Government*	53.40	230.38
Security Deposit	6.90	5.59
Other recoverables	64.71	176.39
Total	**141.59**	**423.53**

Note:

1. These financial assets are carried at amortised cost, unless otherwise stated.
2. The Group's exposure to credit and currency risks, and impairment allowances related to other financial assets is disclosed in Note 42.

*including EV Subsidy under various government initiatives of ₹ 53.40 crores (March 31, 2024 - ₹ 46.86 crores)

12. Income tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Tax assets		
Advance income tax	1,720.04	1,614.37
Less: Provision for taxation	1,465.55	1,278.69
Total	**254.49**	**335.68**
Current		
Advance income tax	198.12	-
Total	**198.12**	**-**

13. Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Unsecured, considered good		
Capital advances	95.21	106.34
Prepaid expenses	6.03	9.12
Balance with government authorities		
- Excise duty and others	0.31	3.19
- VAT/Sales tax and Others	10.00	10.00
Total	**111.55**	**128.65**
Current		
Unsecured, considered good		
Prepaid expenses	102.00	75.97
Advance to suppliers	276.85	339.08
Less: Loss allowance	(50.14)	(50.14)
Advance to suppliers (Net)	**226.71**	**288.94**
Other advances	22.62	16.52
Balance with government authorities		
- VAT/Sales tax and Other	71.55	75.40
- Goods and service tax (GST)	12.72	7.19
- Export incentive receivable	26.81	15.67
Total	**462.41**	**479.69**

14. Inventories

(lower of cost or net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and components	839.28	791.96
Goods in transit of raw materials and components	47.54	104.42
Work-in-progress (Two Wheelers)	65.26	113.86
Finished goods		
Two wheelers	737.73	478.09
Goods in transit of two wheelers	4.68	-
Spare parts	133.51	107.92
Stock In Trade	28.09	25.06
Stores and spares	131.38	111.35
Loose tools	25.87	23.24
Total	**2,013.34**	**1,755.90**

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) ₹ 64.29 crores (previous year ₹ 80.42 crores) for write down to net realisable value and provision for slow moving and obsolete items.

15. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Trade receivables considered good- (Secured)	48.86	41.78
Trade receivables considered good- (Unsecured) **	3,332.43	2,588.44
Trade receivables Credit Impaired	145.36	140.26
	3,526.65	**2,770.48**
Less: Allowance for expected credit loss	145.36	140.26
Total	**3,381.29**	**2,630.22**

Note:

1. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.
2. 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)

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

15. Trade receivables (Contd.)

Trade receivables ageing as on March 31, 2025:

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,780.29	1,591.84	9.16	-	-	-	3,381.29
Undisputed Trade Receivables - credit impaired	2.52	27.42	10.13	10.34	6.22	59.06	115.69
Disputed Trade Receivables - credit impaired	-	-	0.01	0.63	6.29	22.74	29.67
Total-Gross carrying amount	**1,782.81**	**1,619.26**	**19.30**	**10.97**	**12.51**	**81.80**	**3,526.65**
Expected loss rate	0.14%	1.69%	52.54%	100.00%	100.00%	100.00%	4.12%
Expected credit losses (Loss allowance provision)	2.52	27.42	10.14	10.97	12.51	81.80	145.36
Carrying amount of Trade receivable	**1,780.29**	**1,591.84**	**9.16**	**-**	**-**	**-**	**3,381.29**

Trade receivables ageing as on March 31, 2024:

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,023.38	1,568.13	28.95	9.76	-	-	2,630.22
Undisputed Trade Receivables - credit impaired	4.31	25.26	5.51	13.14	7.71	53.53	109.46
Disputed Trade Receivables - credit impaired	0.01	0.02	0.55	5.58	0.19	24.45	30.80
Total-Gross carrying amount	**1,027.70**	**1,593.41**	**35.01**	**28.48**	**7.90**	**77.98**	**2,770.48**
Expected loss rate	0.42%	1.59%	17.31%	65.73%	100.00%	100.00%	5.06%
Expected credit losses (Loss allowance provision)	4.32	25.28	6.06	18.72	7.90	77.98	140.26
Carrying amount of Trade receivable	**1,023.38**	**1,568.13**	**28.95**	**9.76**	**-**	**-**	**2,630.22**

16. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.10	0.10
Balances with banks		
In current accounts	383.45	604.81
Total	**383.55**	**604.91**

17. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In dividend current accounts (earmarked accounts)	22.27	27.24
In deposit accounts*	168.26	64.32
Total	**190.53**	**91.56**

* 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, 2025	As at March 31, 2024
Authorised Equity shares capital		
250,000,000 (as at March 31, 2024 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
Total	**50.00**	**50.00**
Issued, subscribed and fully paid up		
200,010,836 (as at March 31, 2024 - 199,921,741) Equity shares of ₹ 2 each	40.00	39.98
Total	**40.00**	**39.98**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

18. Share capital (Contd.)

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, 2025		As at March 31, 2024	
	Nos.	₹ in crores	Nos.	₹ in crores
Opening Balance	19,99,21,741	39.98	19,98,39,718	39.97
Issued during the current year ₹ 1,78,190 (previous year ₹ 1,64,046) under Employee Stock Option Plan (refer Note 41)	89,095	0.02	82,023	0.01
Closing Balance	**20,00,10,836**	**40.00**	**19,99,21,741**	**39.98**

(ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding in the class	No. of shares	% 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	13.96%	2,79,27,058	13.97%
Bahadur Chand Investments Private Limited	4,00,33,238	20.02%	4,00,33,238	20.02%
Life Insurance Corporation of India	1,18,47,012	5.92%	1,69,63,373	8.49%

Shares held by promoters at the end of March 31, 2025

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	13.96%	-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 Limited	4,00,33,238	20.02%	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%

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 Private Limited	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, 2025

(Amount in crores of INR)

18. Share capital (Contd.)

(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, 2025	As at March 31, 2024	Expiry Date
ESOP 2016	-	-	August 21, 2023
ESOP 2017	-	6,523	October 30, 2024
ESOP 2018	7,570	19,400	March 24, 2026
ESOP 2019	1,025	5,050	October 21, 2026
ESOP 2020	14,605	31,545	October 26, 2027
RSU 2020	-	-	October 26, 2027
RSU 2021	821	8,442	August 10, 2025
PRSU 2021	578	21,374	August 10, 2025
RSU 2022	14,766	40,714	December 27, 2026
PRSU 2022	61,011	1,17,737	December 27, 2026
RSU 2023	37,186	66,777	December 25, 2027
PRSU 2023	77,467	1,25,316	December 25, 2027
RSU 2023 (1)	-	9,116	February 8, 2028
PRSU 2023 (1)	-	34,992	February 8, 2028
ESOP 2023	-	30,000	August 8, 2030
RSU 2024	40,416	-	December 24, 2028
PRSU 2024	58,349	-	December 24, 2028
Total	**3,13,794**	**5,16,986**	

Note: Also refer details of the employee stock option plan are provided in Note 41.

b) Preference share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised Preference shares capital		
4,00,000 (as at March 31, 2024 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at March 31, 2024 - 4,00,000) Cumulative redeemable preference shares of ₹ 100 each	4.00	4.00
Total	**8.00**	**8.00**

Note: The Holding Company has not issued preference share capital.

19. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserves (# ₹ 29,750 in absolute INR)	#	#
Securities premium	97.69	73.36
General reserve	2,676.34	2,676.34
Share options outstanding account	43.86	45.63
Foreign currency translation reserve	(14.04)	(6.90)
Retained earnings	16,428.19	14,870.51
Total	**19,232.04**	**17,658.94**

Particulars		As at March 31, 2025	As at March 31, 2024
A.	**Capital reserves**		
	On shares forfeited (# in absolute INR 4,250)	#	#
	Securities premium account on forfeited shares reissued (## in absolute INR 25,500)	##	##
B.	**Securities premium**		
	Opening balance	73.36	49.22
	Premium on equity shares issued during the year @	24.33	24.14
	Closing balance	**97.69**	**73.36**

@ Addition in securities premium represents premium of equity shares under various schemes amounting to ₹ 6.90 crores (Previous year ₹ 10.40 crores) and ₹ 17.43 crores (Previous year ₹ 13.74 crores) transferred from share option outstanding account on 89,095 equity shares (Previous year 82,023 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, 2025

(Amount in crores of INR)

19. Other equity (Contd.)

Particulars		As at March 31, 2025	As at March 31, 2024
C.	**General reserve**		
	General reserve at the beginning and end of the year	2,676.34	2,676.34
	Closing balance	**2,676.34**	**2,676.34**
D.	**Share options outstanding account***		
	Opening balance	45.63	35.63
	Add: Net charge during the year	15.66	23.74
	Less: Transferred to securities premium on issue of shares	(17.43)	(13.74)
	Closing balance	**43.86**	**45.63**
	* Also refer Note 41.		
E.	**Foreign currency translation reserve**		
	Opening balance	(6.90)	(8.38)
	Exchange differences in translating the financial statements of foreign operations	(9.54)	2.00
	Income tax effect	2.40	(0.52)
	Closing balance	**(14.04)**	**(6.90)**
F.	**Retained earnings**		
	Opening balance	14,870.51	13,862.79
	Add: Profit for the year	4,378.48	3,744.83
	Adjustment on account of change in controlling interest	3.99	(4.20)
	Other Comprehensive income (net of income tax)	(24.96)	(34.24)
	Less: Appropriations		
	Final dividend	799.72	699.45
	Interim dividend	2,000.11	1,999.22
	Closing Balance	**16,428.19**	**14,870.51**

In respect of the year ended March 31, 2025, the directors propose that a dividend of ₹ 65 per share (March 31, 2024 : ₹ 40 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 ₹ 1,300.07 crores (March 31, 2024 : ₹ 799.72 crores).

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

20. Non-controlling interests

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	135.65	125.06
Additions/adjustment during the year	10.00	12.58
Dividend paid during the year	-	(3.42)
Share of profit/(loss) for the year	(9.61)	(2.77)
Adjustment on account of change in controlling interest	(3.99)	4.20
Closing Balance	**132.05**	**135.65**

21. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured - at amortised cost		
Other loans from banks	456.76	343.35
Term loan from Banks	-	19.89
Secured - at amortised cost		
Term loan from Banks	-	0.19
Total	**456.76**	**363.43**

Lender	As at March 31, 2025	As at March 31, 2024	Repayment terms
Unsecured - Current			
Rate of Interest - range RBI Repo rate + spread ranging 1.60% to 2.65%, One month Tbill + spread ranging from 1.21% to 1.91% (Previous year: RBI Repo rate + spread ranging 1.35% to 2.70%, One month Tbill + spread ranging from 1.54% to 2.28%)	82.25	79.53	Repayable on demand.
UPAS Loan from The Hongkong & Shanghai Banking Corporation Limited, Bangladesh Rate of interest - SOFR+3% (Previous year-SOFR+3%)	95.92	0.67	Repayable within a period of 180 days
UPAS Loan from BRAC Bank Rate of interest - SOFR+3.5% (Previous year-Nil)	70.88	-	Repayable within a period of 180 days
UPAS loan from Standard Chartered Bank, Bangladesh (Rate of Interest -SOFR+4%) (Previous year- SOFR+4%)	7.18	28.63	Repayable within a period of 90 days.
UPAS loan from Citi Bank, NA, Bangladesh (Rate of Interest -SOFR+3.50%) (Previous year- SOFR+3.50%)	19.98	29.00	Repayable within a period of 180 days for materials and within a period of 360 days for machinery (Previous year: Repayable within a period of 350 days.)
UPAS Loan from City Bank, PLC (Rate of Interest -SOFR+4%) (Previous year- SOFR+4%)	46.56	43.25	Repayable within a period of 180 days.
Short term loan from Citibank, NA, Bangladesh (Rate of Interest -12%)	-	7.73	Repayable within a period of 90 days.
Short term loan from City Bank,PLC (Rate of Interest -12.90%) (Previous year- SMART+3%)	35.19	26.04	Repayable within a period of 180 days (Previous year: Repayable within a period of 90 days.)
Short term loan from The Honkong and Shanghai Banking Corporation Limited, Bangladesh (Rate of Interest -8.50%)	-	21.35	Repayable within a period of 90 days.
T/R loan from Woori Bank, Bangladesh (Rate of Interest -Woori Bank FDR +5%)	-	18.80	Repayable within a period of 180 days.
Loan from Bancolombia Rate of Interest - SOFR + 3.50% to 6.90% (Previous year: SOFR + 5.90% to 6.90%)	84.50	66.67	Repayable within a period of 180 days.
Loan from Banco de Bogota Rate of Interest - IBR + 5% (Previous year: IBR + 1.97% to 5%)	0.21	4.01	Repayable on demand.
Loan from Banco Davivienda Rate of Interest - SOFR + 2.90% (Previous year: SOFR + 2%)	10.84	12.06	Repayable on demand.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

21. Borrowings (Contd.)

Lender	As at March 31, 2025	As at March 31, 2024	Repayment terms
Loan from Banco Bogota Rate of Interest - SOFR + 2.28% (Previous year: SOFR + 1.55% to 1.70%)	3.25	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: 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 26 September 2021.
Total	**456.76**	**363.24**	
Secured - Current			
Loan from ICICI Bank (Secured by charge on vehicles)	-	0.19	48 equal monthly instalments beginning from 01 August 2022
Total	**-**	**0.19**	

The Group has not defaulted in repayment of any loan and interest thereon.

22. Provisions

Particulars		As at March 31, 2025	As at March 31, 2024
Non-current			
Employee benefits (Refer Note (i) below)			
Compensated absences		49.03	33.28
Gratuity		1.07	1.17
Other employee benefits		15.14	15.00
	Sub-total (A)	**65.24**	**49.45**
Warranties (Refer Note (ii) below)		430.05	273.01
	Sub-total (B)	**430.05**	**273.01**
	Total (A+B)	**495.29**	**322.46**
Current			
Employee benefits (Refer Note (i) below)			
Compensated absences		10.91	7.54
Gratuity		0.02	0.16
Other employee benefits		3.08	2.45
	Sub-total (A)	**14.01**	**10.15**
Warranties (Refer Note (ii) below)		207.48	149.29
	Sub-total (B)	**207.48**	**149.29**
	Total (A+B)	**221.49**	**159.44**

Note:

1. The provision for employee benefits includes compensated leaves, gratuity and vested long term service reward (refer note 31).
2. Movement in warranties provisions.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	422.30	325.43
Additions during the year	386.86	262.80
Amount utilised during the year	(169.68)	(165.73)
Reversals during the year	(1.95)	-
Unwinding of discount and effect of changes in the discount rate	-	(0.20)
Closing balance	**637.53**	**422.30**

The provision for warranty claims represents the 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, 2025, this particular provision had a carrying amount of ₹ 637.53 crores (March 31, 2024: ₹ 422.30 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹ 63.75 crores higher or lower (March 31, 2024 - ₹ 42.23 crores higher or lower).

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

23. Deferred tax (assets)/liabilities (net)

Particulars		As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities			
Property, plant and equipments and intangible assets		503.68	482.52
Financial assets carried at fair value through profit and loss		174.40	114.56
Investments in associate		171.74	135.61
	Sub-total (A)	**849.82**	**732.69**
Less: Deferred tax assets			
Deferred revenue		71.52	56.93
Accrued expenses deductible on payment		55.08	61.83
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA		24.16	32.21
Right-of-use assets and lease liabilities		10.14	8.86
Others		14.00	2.73
	Sub-total (B)	**174.90**	**162.56**
	Total (A-B)	**674.92**	**570.13**

A. Movement of Deferred tax (assets)/liabilities

As at March 31, 2025

Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Foreign Currency Translation reserve	Closing Balance
Deferred tax liabilities					
Property, plant and equipments and intangible assets	482.52	20.95	-	0.21	503.68
Financial assets carried at fair value through profit and loss	114.56	59.84	-	-	174.40
Investments in associate	135.61	36.13	-	-	171.74
	732.69	**116.92**	**-**	**0.21**	**849.82**
Deferred tax assets					
Deferred revenue	56.93	14.59	-	-	71.52
Accrued expenses deductible on payment	61.83	(6.75)	-	-	55.08
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	32.21	(8.05)	-	-	24.16
Right-of-use assets and lease liabilities	8.86	1.27	-	0.01	10.14
Others	2.73	6.13	4.74	0.40	14.00
	162.56	**7.19**	**4.74**	**0.41**	**174.90**
Deferred tax liabilities (net)	**570.13**	**109.73**	**(4.74)**	**(0.20)**	**674.92**

As at March 31, 2024

Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Foreign Currency Translation reserve	Closing Balance
Deferred tax liabilities					
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
	618.41	**114.28**	**-**	**-**	**732.69**
Deferred tax assets					
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
	132.62	**30.42**	**(0.48)**	**-**	**162.56**
Deferred tax liabilities (net)	**485.79**	**83.86**	**0.48**	**-**	**570.13**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025		As at March 31, 2024	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses from HMC MM Auto Limited (will expire from March 31, 2026 to March 31, 2033) (previous year: will expire from March 31, 2025 to March 31, 2032)	13.16	3.42	36.00	9.36
Unabsorbed depreciation losses from HMC MM Auto Limited (can be carried forward for indefinite period)	63.62	16.54	65.12	16.93
Tax losses from HMCL Colombia SAS (tax losses amounting to ₹ 80.34 crores will be carried forward indefinitely, tax losses for ₹ 136.02 crores will expire in the next 12 years) (previous year: 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)	269.25	88.85	286.29	94.48

24. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables ##		
Total outstanding dues of micro enterprises and small enterprises (MSME)	21.50	18.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,678.16	5,604.16
Total	**5,699.66**	**5,622.90**

Include payables to related parties (Refer Note 38)

Note: 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 2025:

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	Total
(1) MSME	7.45	14.05	-	-	-	21.50
(2) Others	3,324.09	459.72	2.90	3.51	7.70	3,797.92
(3) Others- Accruals	1,880.24	-	-	-	-	1,880.24
Total						**5,699.66**

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	Total
(1) MSME	9.17	9.57	-	-	-	18.74
(2) Others	3,156.77	622.27	2.40	2.83	8.61	3,792.88
(3) Others- Accruals	1,811.28	-	-	-	-	1,811.28
Total						**5,622.90**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	21.50	18.74
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)	-	-
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, 2025	As at March 31, 2024
Non-current		
Capital creditors	143.83	178.13
Total	**143.83**	**178.13**
Current		
Capital creditors	160.98	146.95
Security deposits dealers and others	87.73	76.96
Unclaimed dividend*	22.28	27.26
Derivative instruments carried at fair value (forward contracts)	11.95	3.73
Total	**282.94**	**254.90**

* Does not include any amounts outstanding as at March 31, 2025 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, 2025	As at March 31, 2024
Current		
Statutory remittances (contributions to provident fund, employee state insurance, withholding taxes, goods and service tax etc.)	334.50	289.77
Advance from customers	92.69	74.02
Deferred revenue	334.55	226.20
Others	6.43	13.86
Total	**768.17**	**603.85**

Contract Liabilities

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as deferred revenue

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening contract liabilities	226.20	221.98
Deferred revenue booked during the year	392.28	332.43
Amount recognised in revenue	283.93	328.21
Closing contract liabilities	**334.55**	**226.20**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

27. Revenue from operations

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Sale of products**		
	Two wheelers	33,906.58	31,326.34
	Spare parts	6,389.97	5,829.83
		40,296.55	**37,156.17**
(b)	**Income from services**		
	Dealers support services	100.51	75.04
	Dealer / Customer Program	35.62	42.43
	Services - others	279.81	325.39
		415.94	**442.86**
(c)	**Other operating revenue**		
	Duty drawback and other incentives	56.40	36.86
	Incentive from State Governments	-	44.15
	Miscellaneous income	154.53	108.58
		210.93	**189.59**
	Total	**40,923.42**	**37,788.62**
	Disaggregation of Revenue		
	Revenue is disaggregated by timing of revenue recognition are as follows:		
	Timing of revenue recognition		
	Goods transferred at a point of time	40,639.49	37,460.41
	Over a period of time	283.93	328.21
	Total revenue from contracts and Customers	**40,923.42**	**37,788.62**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	41,072.87	37,787.97
Less: Trade discounts, volume rebates, etc.	(776.32)	(631.80)
Sale of products	**40,296.55**	**37,156.17**

28. Other Income

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Interest income**		
	Tax free bonds, debentures and other instruments classified as debt	128.55	114.92
	Deposit with bank and others	317.19	186.39
(b)	**Dividend income**		
	Dividend received on investments	22.88	18.59
(c)	**Profit on sale of investments#**	158.57	120.82
(d)	**Gain on investments carried at fair value through profit or loss**	414.64	403.01
(e)	**Other non-operating income**		
	Exchange fluctuation (net)	-	4.54
	Profit on sale of property, plant and equipments	2.25	6.27
	Total	**1,044.08**	**854.54**

Net of fair value adjustment upto previous year.

29. Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials and components consumed:		
Opening stock	895.77	717.12
Add: Purchase of raw materials, components and packing material	26,626.98	25,044.39
	27,522.75	**25,761.51**
Less: Closing stock	886.82	895.77
	26,635.93	**24,865.74**
Less: Cash discount	28.86	28.85
Consumption of raw materials and components	**26,607.07**	**24,836.89**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025	For the year ended March 31, 2024
(a)	**Opening stock (Refer Note 14)**		
	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
		724.93	**913.28**
(b)	**Closing stock (Refer Note 14)**		
	Two wheelers (includes goods in transit)	742.41	478.09
	Stock in trade	28.09	25.06
	Spare parts	133.51	107.92
	Work-in-progress	65.26	113.86
		969.27	**724.93**
	Net (increase)/ decrease in inventory	**(244.34)**	**188.35**

31. Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	2,313.12	2,133.09
Contribution to provident and other funds	168.71	153.32
Employee stock compensation cost (Refer Note 41)	15.66	23.74
Staff welfare expenses	182.58	161.40
Total	**2,680.07**	**2,471.55**

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, 2025	For the year ended March 31, 2024
a)	Employer's contribution to provident fund and labour welfare fund	118.37	107.80
b)	Employer's contribution to superannuation fund	17.83	17.70
c)	Employer's contribution to gratuity fund *	28.17	24.27
d)	Employer's contribution to employee state insurance	4.34	3.55
Total		**168.71**	**153.32**

* In addition to this contribution made amounting to ₹ 16.07 crores (previous year - ₹ 30.00 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, 2025

(Amount in crores of INR)

31. Employee benefits expense (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.
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, 2025	Gratuity As at March 31, 2024
Discount rate	6.70%	7.00%
Future salary increase	7.25%	7.00%
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, 2025	Gratuity As at March 31, 2024
Discount rate	7.04%	7.25%
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, 2025

(Amount in crores of INR)

31. Employee benefits expense (Contd.)

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
	Gratuity- funded		Gratuity- unfunded	
Service cost				
Current service cost	29.72	26.25	0.24	0.24
Net Interest expense/(income)	(1.55)	(1.98)	0.10	0.13
Components of defined benefit costs recognised in profit or loss	**28.17**	**24.27**	**0.34**	**0.37**
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	(3.68)	1.47	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	20.21	25.09	0.03	0.02
Actuarial (gains)/ losses arising from experience adjustments	(0.45)	3.30	(0.04)	0.11
Components of defined benefit costs recognised in other comprehensive income	**16.08**	**29.86**	**(0.01)**	**0.13**
Total	**44.25**	**54.13**	**0.33**	**0.50**

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, 2025	As at March 31, 2024
Present Value of funded defined benefit obligation	489.73	449.48
Fair value of plan assets	489.73	449.48
Net liability arising from defined benefit obligation	-	-
Present Value of unfunded defined benefit obligation	1.09	1.33
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**1.09**	**1.33**

Net liability disclosed as follows (under Provisions - Note -22):

Particulars	Gratuity			
	As at March 31, 2025		As at March 31, 2024	
	Current	Non-Current	Current	Non-Current
Other employee benefits	0.02	1.07	0.16	1.17

Movements in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
	Gratuity- funded		Gratuity- unfunded	
Opening defined benefit obligation	449.48	427.19	1.37	1.78
Current service cost	29.72	26.25	0.23	0.24
Interest cost	30.09	28.95	0.10	0.13
Remeasurement (gains)/losses:				
Actuarial (gains)/ losses arising from changes in financial assumptions	20.21	25.09	0.03	0.02
Actuarial (gains)/ losses arising from experience adjustments	(0.45)	3.30	(0.04)	0.11
Benefits paid	(39.31)	(61.30)	(0.60)	(0.91)
Closing defined benefit obligation	**489.74**	**449.48**	**1.09**	**1.37**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

31. Employee benefits expense (Contd.)

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening fair value of plan assets	449.49	427.21
Interest income	31.64	30.92
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	3.68	(1.47)
Contribution	44.25	54.13
Benefit paid	(39.33)	(61.30)
Closing fair value of plan assets	**489.73**	**449.49**

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 ₹ 27.28 crores (increase by ₹ 9.77 crores) (as at March 31, 2024: Decrease by ₹ 15.99 crores (increase by ₹ 17.11 crores)).
- If the expected salary growth increases/(decreases) by 0.5%, the defined benefit obligation would increase by ₹ 26.27 crores (decrease by ₹ 9.46 crores) (as at March 31, 2024: increase by ₹ 17.05 crores (decrease by ₹ 16.06 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 recognised in the balance sheet.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2025	As at March 31, 2024
Average duration of the defined benefit obligation (in years)	8.0 years	8.0 years

The Group expects to make a contribution of ₹ 22.90 crores (as at March 31, 2024 ₹ 29.72 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
As at March 31, 2025	21.02	83.34	104.95	324.00	**533.31**
As at March 31, 2024	80.79	27.02	98.41	275.74	**481.96**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

32. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest cost on financial liability at amortised cost		
- on dealers security deposits	3.10	3.03
- on borrowings	47.97	55.08
- on others	1.97	1.95
Unwinding of discount on lease & other financial liabilities	17.61	16.31
Total	**70.65**	**76.37**

33. Other Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stores and tools consumed	119.76	115.32
Packing, forwarding, freight etc.	1,060.50	970.03
Power and fuel	131.13	120.18
Rent (Refer Note 7)	36.30	42.11
Repairs and maintenance		
- Buildings	31.99	26.62
- Plant and machinery	152.44	132.94
- Others	15.16	12.65
Insurance charges	80.14	76.84
Rates and taxes	6.93	9.69
Royalty	7.96	7.99
Advertisement and publicity	1,292.86	1,089.54
Donations #	1.18	0.52
Expenditure on corporate social responsibility (Refer below)	80.67	73.89
Payment to auditors (Refer below)	5.10	5.46
Exchange fluctuation	37.80	(12.21)
Loss on sale of property, plant and equipment	4.15	5.57
Loss allowance on trade receivables	8.41	19.66
Miscellaneous expenses	2,314.39	1,761.20
Total	**5,386.87**	**4,458.00**

Donations include ₹ Nil (previous year ₹ Nil) under Section 182 of the Companies Act, 2013.

Payment to auditors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) As Statutory Audit		
- Audit fee (including audit fees for the auditors of other entities of Group)*	3.81	4.19
- Limited Review of unaudited financial results	0.87	0.87
- Other certifications	0.25	0.16
b) Tax audit fees	0.07	0.07
c) Out of pocket expenses	0.10	0.17
Total	**5.10**	**5.46**

* Paid to other auditors ₹ 2.27 crores (Previous year - ₹ 2.60 crores).

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

33. Other Expenses (Contd.)

Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent by the company during the year	79.99	72.70
Amount of expenditure incurred	80.54	73.89
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)	20.15	23.70

34. Income tax expense

(a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
In respect of the current year	1,448.02	1,264.18
Deferred tax charge		
In respect of the current year	109.73	83.86
Total income tax expense recognised in the Statement of profit and loss	**1,557.75**	**1,348.04**

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Arising on income and expenses recognised in other comprehensive income		
Re-measurement of defined benefit obligations	4.05	7.51
Exchange differences in translating the financial statements of foreign operations	4.74	(0.48)
Total income tax benefit recognised in other comprehensive income	**8.79**	**7.03**

(c) The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	5,933.56	5,090.20
Income tax expense calculated at 25.168%	1,493.36	1,281.10
Effect of income exempt/ taxed on lower rate	(12.29)	(28.41)
Effect of unused tax losses of subsidiaries not recognised as deferred tax assets	78.66	96.80
Others	(1.98)	(1.45)
Income tax expense recognised in the Statement of profit and loss	**1,557.75**	**1,348.04**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

35. Earning per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share (in ₹) (A/B)	218.96	187.36
Diluted earnings per share (in ₹) (A/C)	218.69	187.04
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the Company (₹ in crores) (A)	4,378.48	3,744.83
Opening Balance	**19,99,21,741**	**19,98,39,718**
Effect of share options exercised	48,532	31,992
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**19,99,70,273**	**19,98,71,710**
Effect of share options	2,47,581	3,52,633
Weighted average number of equity shares for the purposes of diluted earnings per share (C)	**20,02,17,854**	**20,02,24,343**

36. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Contingent liabilities		
- In respect of income tax matters (refer note (b) below)	182.27	178.00
- In respect of excise and other matters#	69.45	47.00

including proportionate share of contingent liability from associate companies

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.

b) During the year ended March 31, 2024, the Income Tax Authorities had disallowed certain expenses incurred in prior periods and made a demand of ₹ 178 crores. The Company evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information had filed an appeal with the Commissioner of Income Tax – Appeals in April 2024, and concluded that no provision is 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. During the current year, investigation against the Company and the Chairman by certain Government agencies were concluded in their favour. While uncertainty exists regarding the ultimate outcome of the other investigations, based on the developments in favour of the Company's position and external legal advice, the Company after considering available information and facts, as of the date of approval of these financial statements, has not identified any adjustments, disclosures or any effect to financial statements or financial information.

Particulars	As at March 31, 2025	As at March 31, 2024
c) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to ₹ 95.38 crores (March 31, 2024 ₹ 107.87 crores))	1,779.35	952.01

37. Segment Information

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

37. Segment Information (Contd.)

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from operations	India	Outside India	Total
2024-25	37,217.95	3,705.47	**40,923.42**
2023-24	36,005.51	1,783.11	**37,788.62**

Disclosure as per the requirement of Ind AS 115, Revenue:

For the year ended March 31, 2025:

Particulars	India	Outside India	Total
Sale of products	36,817.64	3,478.91	40,296.55
Income from services	242.86	173.08	415.94
Other operating revenue	157.45	53.48	210.93
Total	**37,217.95**	**3,705.47**	**40,923.42**

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
Total	**36,005.51**	**1,783.11**	**37,788.62**

Non-current segment assets	India	Outside India	Total
As at March 31, 2025	6,822.95	313.25	7,136.20
As at March 31, 2024	6,874.35	306.24	7,180.59

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

Bahadur Chand Investments Private Limited - Core Investment Company

Brijmohan Lal Om Parkash - Partnership firm

B. Parties in respect of which the other Group Companies are associate

Marelli Europe S.p.A.

Marelli Powertrain India Private Limited

Marelli (China) Co. Limited

Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda

Niloy Motors Limited; Bangladesh

Nitol Motors Limited; Bangladesh

Nitol Machineries Limited; Bangladesh

Nitol Insurance Company Limited; Bangladesh

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

38. Related party disclosures under Ind AS 24 (Contd.)

C. Associates of the Holding Company

Hero FinCorp Limited

Ather Energy Limited (formerly known as Ather Energy Private Limited)

D. For subsidiaries of the Holding Company - Refer Note 2.4

E. Key management personnel and their relatives of Holding company

Dr. Pawan Munjal	- Executive Chairman
Mr. Vikram Sitaram Kasbekar	- Acting Chief Executive Officer (w.e.f May 01, 2025)
	- Executive Director
Mr. Niranjan Kumar Gupta	- Chief Executive Officer (From May 01, 2023 till April 30,2025)
	- Chief Financial Officer (till Feb 29, 2024)
Mr. Vivek Anand	- Chief Financial Officer (w.e.f Mar 01, 2024)
Mr. Dhiraj Kapoor	- Company Secretary and Compliance Officer
Mr. Annuvrat Munjal	- Assistant General Manager (w.e.f. Sept 06, 2023)

Non Executive and Independent Directors

Mr. Pradeep Dinodia
Mr. Suman Kant Munjal
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 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, Hero Rooftop Energy Private Limited, Hero Future Energies Private Limited, BML Munjal University, ACIC BMU Foundation, Eternal Design Private Limited, S.R. Dinodia & LLP, 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, 2025	For the year ended March 31, 2024
A) Parties in respect of which the Group is an associate		
Dividend paid		
Brijmohan Lal Om Parkash -Partnership firm	390.98	377.02
Bahadur Chand Investments Private Limited	560.47	540.45
Rental Income		
Brijmohan Lal Om Parkash -Partnership firm	0.02	0.02
Bahadur Chand Investments Private Limited	0.02	0.02

Balance outstanding at the year end

Particulars	As at March 31, 2025	As at March 31, 2024
- Trade Receivable		
Brijmohan Lal Om Parkash -Partnership firm	-	-
Bahadur Chand Investments Private Limited	-	-

38. Related party disclosures under Ind AS 24 (Contd.)

B) Parties in respect of which the other Group Companies are associate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Marelli Europe S.p.A.		
Purchase of goods	0.09	0.04
Payment of development fee (Group)	0.05	1.97
Royalty	9.29	7.22
Investment	10.00	-
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda		
Purchase of goods	24.50	20.23
Development Fee and Warranty Recovery (Group)	-	0.40
Testing Expenses	0.08	-
Marelli Powertrain India Private Limited		
Purchase of goods	93.80	81.98
Development Fee (Group)	11.60	-
Expense Reimbursement	0.57	0.71
Warranty Recovery	0.14	-
Marelli (China) Co. Limited		
Warranty Recovery	-	0.35
Sale of goods		
Niloy Motors Limited*	642.73	510.35
Nitol Motors Limited	0.25	0.29
Purchase of goods/services		
Nitol Insurance Company Limited	0.33	0.33
Rockman Industries Limited	1.05	-
Others		
Nitol Motors Limited	0.36	0.38
Niloy Motors Limited	28.90	28.56

* Including taxes and duties

Balance outstanding at the year end

Particulars	As at March 31, 2025	As at March 31, 2024
- Trade Payable		
Marelli Europe S.p.A.	5.54	5.18
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda	3.49	3.22
Marelli Powertrain India Private Limited	24.57	11.51
Nitol Motors Limited	0.06	-
Rockman Industries Limited	1.56	-
- Trade Receivable		
Marelli (China) Co. Limited	0.62	0.62
Niloy Motors Limited	90.35	90.36
Nitol Machineries Limited	1.27	1.35
Nitol Motors Limited	-	0.26

C) Associates of the Holding Company

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Hero FinCorp Limited		
Lease rental expenses	-	0.00
Dividend received	73.43	59.10
Dividend paid	0.02	0.02
Miscellaneous expenses	3.79	14.00
Sale	0.13	-
Ather Energy Limited		
Investment	123.83	639.41
Service Income	0.67	0.09
Service Expenses	1.37	0.04

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

38. Related party disclosures under Ind AS 24 (Contd.)

Balance outstanding at the year end

Particulars	As at March 31, 2025	As at March 31, 2024
- Trade Payable		
Hero FinCorp Limited	-	-
Ather Energy Limited	0.01	-
- Trade receivable		
Ather Energy Limited	-	0.03

E) Key management personnel and their relatives of Holding company

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Managerial Remuneration/Sitting fees/Commission		
Dr. Pawan Munjal	109.41	109.41
Mr. Vikram Sitaram Kasbekar	14.08	12.11
Mr. Niranjan Kumar Gupta	17.93	10.84
Mr. Vivek Anand	7.75	2.84
Mr. Dhiraj Kapoor	1.64	1.24
Relative of KMP	0.48	0.22
Dividend paid to KMP and their relatives	9.95	9.42
Lease rent recovery	2.12	2.02
Sale	0.11	-

Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Mr. Suman Kant Munjal	0.48	0.24
Mr. Pradeep Dinodia	1.97	1.87
Dr. Jagmohan Singh Raju	1.18	1.13
Mr. B. S. Dhanoa	1.57	1.55
Ms. Tina Trikha	1.47	1.33
Ms. Camille Tang	0.67	0.48
Mr. Rajnish Kumar	0.56	0.48
Ms. Vasudha Dinodia	0.72	0.36

Balance outstanding at the year end

Particulars	As at March 31, 2025	As at March 31, 2024
- Payables (including commission)	62.94	44.86

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Managerial remuneration*		
Short-term benefits	141.10	127.63
Post-employment benefits	4.89	5.40
Share-based payments	5.80	3.41

* 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

38. Related party disclosures under Ind AS 24 (Contd.)

F) Enterprises over which key management personnel and their relatives are able to exercise control

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of raw materials and components etc.	1,661.37	1,605.73
Purchase of property, plant and equipments	32.95	25.88
Payment towards services etc.	8.43	7.07
Expenditure towards Corporate Social Responsibility (CSR)	20.15	23.70
Rental Income	0.04	0.04
Dividend paid	12.23	11.80
Sale of Goods	0.01	0.00

Balance outstanding as at the year end

Particulars	As at March 31, 2025	As at March 31, 2024
- Payables	261.03	285.63
- Receivables	0.05	-

Significant related party transactions included in the above are as under :-

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of raw materials and components etc.		
A .G. Industries Private Limited	705.85	742.30
Rockman Industries Limited	804.19	749.81
A.G Industries (Bawal) Private Limited	151.32	113.62
Purchase of Assets and related services		
Rockman Industries Limited	20.32	15.38
A.G. Industries Private Limited	12.52	10.37
A.G. Industries (Bawal) Private Limited	0.11	0.13
Payment for service etc.		
BML Munjal University	1.33	1.63
Hero Solar Energy Private Limited	0.41	0.38
Hero Rooftop Energy Private Limited	0.14	-
Cosmic Kitchen Private Limited	5.27	4.44
Raman Munjal Vidya Mandir	0.59	0.62
ACIC BMU Foundation	0.06	-
Eternal Design Private Limited	0.47	-
S.R. Dinodia & LLP	0.17	-
CSR		
Raman Kant Munjal Foundation	5.15	3.70
BML Munjal University	15.00	20.00
Rental Income		
Munjal ACME Packaging Systems Private Limited	0.02	0.02
Hero InvestCorp Private Limited	0.02	0.02
Dividend paid		
Hero InvestCorp Private Limited	12.23	11.80
Sale of Goods		
Hero Solar Energy Private Limited	0.01	-

Significant closing balances of related parties are as under:-

Particulars	As at March 31, 2025	As at March 31, 2024
- Payables		
A .G. Industries Private Limited	107.63	119.72
Rockman Industries Limited	129.79	145.88
A.G Industries (Bawal) Private Limited	23.42	19.40

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, 2025

(Amount in crores of INR)

39. Research and development expenses:

Expenses charged to revenue account

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw material consumption	104.53	48.74
Consumables	7.22	5.85
Employee benefits expense	315.14	317.46
Depreciation and amortisation	177.92	158.36
Others*	134.24	108.00
Total	**739.05**	**638.41**

* Includes intangible asset under development amounting to ₹ 57.38 crores (previous year ₹ 0.94 crores) expensed off during the year.

Capital expenditure

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Building	2.36	8.26
Equipments	30.27	31.87
Furniture and fixtures	3.01	3.00
Software	7.56	2.32
Vehicles	1.86	2.90
Data processing equipments	5.19	2.80
Intangible assets	245.79	144.17
	296.04	**195.32**
Capital work-in-progress and intangible assets under development	23.79	3.53
Total	**319.83**	**198.85**

39A. The Ministry of Environment, Forest and Climate Change issued the Environment Protection (End-of-Life Vehicles) Rules, 2025 (ELV rules), effective from April 1st, 2025. In accordance with ELV rules, Extended Producer Responsibility (EPR) obligations are imposed on producers ("vehicle manufacturers") for the scrapping of End-of-Life Vehicles. The obligations require acquiring EPR certificates from registered Vehicle Scrapping Facilities via a Centralised Online Portal (Portal), for the applicable year's obligation. As the Portal is yet to be developed and made operational, the registration of producers and vendors, pricing mechanism for EPR certificates, and measurement framework for determining obligations are not yet available. Consequently, the Company is currently unable to reliably estimate a range of possible outcomes and will be evaluated once the implementation framework for determining the reliable estimate is established.

40. During the year ended March 31, 2024, the Holding Company had introduced a voluntary retirement scheme (VRS) and the holding company had considered an expense of ₹ 159.99 crores for employees who have accepted to be part of VRS 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/PRSU to the employees deemed eligible. The options and RSU/PRSU 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/PRSU, representing Stock compensation charge, is expensed over the vesting period.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

41. Share-based payments (Contd.)

Details of the Stock Option/RSU/PRSU issued under the Scheme

Plan	Number of Options/RSU/PRSU	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
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
RSU 2024	59,137	25-Jun-24	24-Dec-28	2	5,011
PRSU 2024	1,12,244	25-Jun-24	24-Dec-28	2	4,442

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

Particulars	Option Plan						
	RSU 2024	PRSU 2024	RSU 2023	PRSU 2023	RSU 2023 (1)	PRSU 2023 (1)	ESOP 2023
Weighted Average Fair value of option/RSU/PRSU	5,011	4,442	2,584	2,321	2,773	2,511	1,318
Spot share price	5,510	5,510	2,851	2,851	3,060	3,060	3,060
Exercise price	2	2	2	2	2	2	1,974
Expected average volatility	25.33%	25.80%	27.10%	38.15%	27.60%	38.50%	31.50%
Option life	4.5 years	4.5 years	4.5 years	4.5 years	4.5 years	4.5 years	7 years
Dividend yield	3.45%	3.45%	3.58%	3.58%	3.58%	3.58%	3.58%
Average risk-free interest rate	7.09%	7.11%	7.09%	7.14%	7.25%	7.28%	7.29%

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

41. Share-based payments (Contd.)

Movements in share options during the year

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of options	Weighted average exercise price ₹	Number of options	Weighted average exercise price ₹
Outstanding at the beginning of the year	92,518	2,071	1,43,023	2,083
Granted during the year	-	-	30,000	1,974
Forfeited during the year	37,355	-	27,642	2,223
Exercised during the year	31,963	2,160	52,863	1,968
Outstanding at the end of the year	**23,200**	**2,053**	**92,518**	**2,071**
Exercisable at the end of the year	23,200	2,053	49,761	2,126

Movements in RSU/PRSU during the year

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of RSU/PRSU	Weighted average exercise price ₹	Number of RSU/PRSU	Weighted average exercise price ₹
Outstanding at the beginning of the year	4,24,467	2.00	2,49,920	2.00
Granted during the year	1,71,381	2.00	2,54,234	2.00
Forfeited during the year	2,48,122	2.00	50,527	2.00
Exercised during the year	57,132	2.00	29,160	2.00
Outstanding at the end of the year	**2,90,594**	**2.00**	**4,24,467**	**2.00**
Exercisable at the end of the year	5,614	2.00	3,652	2.00

Share options exercised during the year

Options/RSU/PRSU Plans	For the year ended March 31, 2025		For the year ended March 31, 2024	
	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	5,208	5,140	2,103	4,108
ESOP 2018	10,630	4,674	18,500	3,568
RSU 2018	-	-	-	-
ESOP 2019	2,525	4,852	20,840	3,712
RSU 2019	-	-	-	-
ESOP 2020	13,600	4,960	10,570	3,721
RSU 2020	-	-	624	4,138
RSU 2021	7,148	5,008	10,562	3,270
PRSU 2021	10,225	5,409	-	-
RSU 2022	18,799	5,232	17,974	3,302
RSU 2023	17,907	5,342	-	-
RSU 2023(1)	3,053	5,217	-	-
Total	**89,095**		**82,023**	

Share options/RSU/PRSU outstanding at end of the year

Options/RSU/PRSU Plans	Options outstanding as at March 31, 2025	Options outstanding as at March 31, 2024	Remaining contractual life (in Years) as on March 31, 2025	Remaining contractual life (in Years) as on March 31, 2024	Exercise Price ₹
ESOP 2017	-	6,523	-	0.59	2,818
RSU 2017	-	-	-	0.59	2
ESOP 2018	7,570	19,400	0.98	1.98	2,033
RSU 2018	-	-	0.84	1.84	2
ESOP 2019	1,025	5,050	1.56	2.56	1,745
RSU 2019	-	-	1.56	2.56	2
ESOP 2020	14,605	31,545	2.58	3.58	2,085
RSU 2020	-	-	2.58	3.58	2
RSU 2021	821	8,442	0.36	1.36	2
PRSU 2021	578	21,374	0.36	1.36	2
RSU 2022	14,766	40,714	1.74	2.74	2
PRSU 2022	61,011	1,17,737	1.74	2.74	2
RSU 2023	37,186	66,777	2.74	3.74	2

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

41. Share-based payments (Contd.)

Options/RSU/PRSU Plans	Options outstanding as at March 31, 2025	Options outstanding as at March 31, 2024	Remaining contractual life (in Years) as on March 31, 2025	Remaining contractual life (in Years) as on March 31, 2024	Exercise Price ₹
PRSU 2023	77,467	1,25,316	2.74	3.74	2
RSU 2023 (1)	-	9,116	2.86	3.86	2
PRSU 2023 (1)	-	34,992	2.86	3.86	2
ESOP 2023	-	30,000	5.36	6.36	1,974
RSU 2024	40,416	-	3.74	-	2
PRSU 2024	58,349	-	3.74	-	2
Total	**3,13,794**	**5,16,986**			

During the year ended March 31, 2025, the holding Company recorded an employee stock compensation expense of ₹ 15.66 crores (March 31, 2024: ₹ 23.74 crores) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2025 is ₹ 43.86 crores (March 31, 2024: ₹ 45.63 crores)

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 summarizes the capital of the Group:

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (Borrowings including current maturity)	456.76	363.43
Share capital	40.00	39.98
Equity reserves	19,232.04	17,658.94
Total Equity	**19,272.04**	**17,698.92**
Gearing Ratio	**2.37%**	**2.05%**

Categories of financial instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	3,521.91	3,818.64
Current		
Investments	6,122.72	4,158.18
Financial assets at amortised cost		
Non-current		
Investments	1,245.42	1,543.92
Loans	24.87	21.15
Others	47.09	189.44
Current		
Investments	513.27	146.90
Trade receivables	3,381.29	2,630.22
Cash and bank balances	574.08	696.46
Loans	27.07	24.56
Other financial assets	141.59	423.53
Total	**15,599.31**	**13,652.99**
Financial liabilities at amortised cost		
Non-current		
Lease liabilities	196.21	199.13
Other financial liabilities	143.83	178.13
Current		
Borrowings	456.76	363.43
Lease liabilities	46.96	43.85
Trade payables	5,699.66	5,622.90
Other financial liabilities	282.94	254.90
Total	**6,826.36**	**6,662.35**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(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, 2025		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	2,152.14	-
Investments in equity instruments	119.28	-	240.96
Investments in preference shares	-	-	1,009.53
Current			
Investments in mutual funds	-	6,097.33	-
Investments in equity instruments	25.39	-	-

Particulars	Fair value as at March 31, 2024		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	2,391.20	-
Investments in equity instruments	76.00	-	437.51
Investments in other instruments	-	-	913.95
Current			
Investments in mutual funds	-	4,127.59	-
Investments in equity instruments	30.59	-	-

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

42. Financial instruments (Contd.)

- 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, 2025 and March 31, 2024.

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 realizable 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.

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, 2025	Amount in SGD	Amount in CHF	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	-	-	13.16	-	0.09
Trade Payables	-	-	684.39	-	-
Capital Creditors	-	-	(0.04)	(0.35)	-

Foreign currency exposure as at March 31, 2025	Amount in AED	Amount in GBP	Amount in CNY	Amount in COP	Amount in RMB
Trade Receivables	-	-	-	-	0.04
Trade Payables	-	-	(2.35)	-	0.94
Capital Creditors	-	-	-	(20.81)	-

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	Amount in RMB
Trade Receivables		-	-	-	-
Trade Payables		-	2.48	-	1.04
Capital Creditors		-	-	32.06	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

42. Financial instruments (Contd.)

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	As at March 31, 2025		As at March 31, 2024	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	41.58	(41.58)	22.27	(22.27)
JPY	0.00	(0.00)	0.00	(0.00)
EUR	-	-	0.09	(0.09)
GBP	-	-	-	-
AED	0.02	(0.02)	-	-
COP	-	-	-	-
RMB	0.02	(0.02)	-	-
Payable				
USD	(22.77)	22.77	(56.81)	56.81
JPY	-	-	(0.00)	0.00
EUR	(0.46)	0.46	(1.99)	1.99
SGD	(0.01)	0.01	-	-
RMB	(0.56)	0.56	(0.60)	0.60
THB	-	-	-	-
CHF	(0.00)	0.00	-	-
GBP	(0.01)	0.01	(0.00)	0.00
CNY	(1.38)	1.38	(1.43)	1.43
Capital Creditors				
USD	(0.17)	0.17	0.41	(0.41)
EUR	(1.59)	1.59	(0.10)	0.10
CHF	-	-	-	-
COP	(0.23)	0.23	(0.35)	0.35
JPY	-	-	(0.02)	0.02
GBP	(0.00)	0.00	(0.00)	0.00
Borrowings				
USD	-	-	-	-
Impact on profit or loss as at the end of the reporting period	14.44	(14.44)	(38.53)	38.53
Impact on total equity as at the end of the reporting period	**10.90**	**(10.90)**	**(29.07)**	**29.07**

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

42. Financial instruments (Contd.)

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 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, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	140.26	121.47
Add: Provided during the year	35.93	36.69
Less: Reversals of provision	29.68	17.78
Less: Amounts written back	1.15	0.12
Balance at the end of the year	**145.36**	**140.26**

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.

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, 2025 would increase/decrease by ₹ 82.49 crores (for the year ended March 31, 2024: increase/decrease by ₹ 65.18 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, 2025	As at March 31, 2024
Borrowings	456.76	363.43

The profit for the year ended March 31, 2025 would increase/decrease by ₹ 4.10 crores (for the year ended March 31, 2024: increase/decrease by ₹ 3.38 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

42. Financial instruments (Contd.)

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, 2025			
	Less than 1 year	1-5 years	More than 5 year	Total
(i) Borrowing	456.76	-	-	456.76
(ii) Trade payables	5,685.55	14.11	-	5,699.66
(iii) Other financial liabilities	282.94	143.83	-	426.77
(iv) Lease liabilities	59.55	192.98	52.68	305.21

Particulars	As at March 31, 2024			
	Less than 1 year	1-5 years	More than 5 year	Total
(i) Borrowing	363.43	-	-	363.43
(ii) Trade payables	5,663.52	13.84	-	5,677.36
(iii) Other financial liabilities	254.90	155.68	22.47	433.03
(iv) Lease liabilities	56.03	188.52	54.48	299.03

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

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	As % of Consolidated Profit or (Loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	Hero MotoCorp Ltd.	97.70%	16,617.50	99.94%	4,609.95	46.09%	(12.03)	100.24%	4,597.92
Subsidiaries	**Indian**								
	HMC MM Auto Ltd.	0.30%	51.76	0.22%	9.92	(0.04%)	0.01	0.22%	9.93
	Foreign								
	HMCL Netherlands B.V.	0.05%	8.18	0.12%	5.66	56.51%	(14.75)	(0.20%)	(9.09)
	HMCL Colombia S.A.S.	0.03%	5.59	(0.49%)	(22.45)	3.60%	(0.94)	(0.51%)	(23.39)
	HMCL Niloy Bangladesh Ltd.	1.42%	241.31	0.03%	1.22	(0.38%)	0.10	0.03%	1.32
	HMCL Americas Inc.	0.16%	26.50	0.02%	0.86	(1.95%)	0.51	0.03%	1.37
	Hero Tech Center Germany Gmbh	0.34%	57.76	0.17%	7.69	(3.83%)	1.00	0.19%	8.69
	Total	100.00%	17,008.60	100.00%	4,612.85	100.00%	(26.10)	100.00%	4,586.75
	Adjustments arising out of consolidation	-	(453.69)	-	(39.77)	-	(0.03)	-	(39.80)
	Non controlling interest	-	(132.05)	-	2.67	-	6.94	-	9.61
Associates*	**Indian**								
	Hero FinCorp Ltd.	11.32%	2,176.67	0.50%	22.02	34.61%	(11.11)	0.25%	10.91
	Ather Energy Ltd.	3.29%	632.51	(5.01%)	(219.29)	5.61%	(1.80)	(5.09%)	(221.09)
	Total		**19,232.04**		**4,378.48**		**(32.10)**		**4,346.38**

* Investments accounted as per equity method

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(Amount in crores of INR)

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 entererd into any transaction with the companies struck off under section 248 of the Companies act, 2013 or section 560 of the Companies act, 2013.

(iv) There are no transactions which have 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) The group has not traded or invested in crypto-currency or virtual currency during the financial year.

(vii) 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.

(viii) 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.

(ix) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one registered Core Investment Company and one unregistered Core Investment Company 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

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

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											
Name of the Subsidiary	**HMC MM Auto Ltd.**	**HMCL Americas Inc.**		**HMCL Netherlands B.V.**		**HMCL Colombia S.A.S. [3]**		**HMCL Niloy Bangladesh Ltd. [3]**		**Hero Tech Center Germany GmbH**	
Reporting period/Year	**Year ended March 31, 2025**	**Year ended March 31, 2025**		**Year ended March 31, 2025**		**Year ended March 31, 2025**		**Year ended March 31, 2025**		**Year ended March 31, 2025**	
Reporting Currency	INR	INR	USD	INR	USD	INR	COP [4]	INR	BDT [4]	INR	EURO [4]
Exchange Rate	1.00	85.46	1.00	85.46	1.00	0.02	1.00	0.70	1.00	92.09	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 [4] Thousand MN	INR Crore	BDT [4] MN	INR Crore	EURO [4] MN
Share Capital	105.00	29.91	3.50	409.60	47.93	132.33	64.58	69.07	981.30	23.25	2.53
Reserves	(53.24)	(1.49)	(0.17)	6.01	0.70	(132.60)	(64.71)	151.67	2,154.74	35.63	3.87
Total Assets	237.76	28.42	3.33	301.29	35.25	640.06	312.38	758.46	10,775.17	72.39	7.86
Total Liabilities[2]	237.76	28.42	3.33	301.29	35.25	640.06	312.38	758.46	10,775.17	72.39	7.86
Investments	-	-	-	288.78	33.79	-	-	25.39	360.67	-	-
Turnover [5]	470.50	1.19	0.14	7.69	0.90	671.70	327.82	562.28	7,988.00	157.58	17.11
Profit/(Loss) Before Taxation	9.92	1.00	0.12	(113.14)	(13.24)	(17.06)	(8.33)	3.03	43.04	10.78	1.17
Provision for Taxation	-	0.13	0.02	-	-	(5.44)	(2.66)	(1.83)	(26.01)	(2.98)	(0.32)
Profit/(Loss) after Taxation	9.92	0.87	0.10	(113.14)	(13.24)	(22.50)	(10.98)	1.20	17.02	7.80	0.85
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Percentage holding	60%	100%		100%		68%		55%		100%	

Note:

1. Financial information has been extracted from the standalone audited financial statements for the year ended March 31, 2025, and have been translated at the exchange rate prevailing on March 31, 2025.
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.

Form AOC-1

Part "B": Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

S. No.	Name of Associates***	Hero FinCorp Ltd.	Ather Energy Ltd.
1	Latest audited Balance Sheet Date	Year ended March 31, 2025	Year ended March 31, 2025
2	Shares of Associate held by the company on the year end		
	Number	5,24,31,893	11,50,83,252
	Amount of Investment in Associates (Rs in crores)	1,469.04	1,680.31
	Extend of Holding %	41.15%	39.60%
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 (Rs in crores)	2,367.43	195.25
6	Profit/(Loss) for the year*		
	i. Considered in Consolidation	17.44	(191.49)
	ii. Not Considered in Consolidation**	65.52	(625.41)

*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

Vikram S Kasbekar
Executive Director & Acting Chief Executive Officer
DIN-00985182

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Vivek Anand
Chief Financial Officer

Dhiraj Kapoor
Company Secretary & Compliance Officer
Membership No.: F5454

Place: Gurugram, Haryana
Date: May 13, 2025

Corporate Information

Company Secretary & Compliance Officer

Mr. Dhiraj Kapoor

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants
(FR No: 117366W/W100018)
7th Floor Building 10 Tower B,
DLF Cyber City Complex, DLF City Phase II,
Gurugram -122002, Haryana, India
Tel. no: +91 124 6792000
Fax: +91 124 6792012

Head of Internal Audit

Mr. Sohrab Prakash

Internal Audit Partners

Pricewaterhouse Coopers Private Limited
Building No. 8, 8th Floor,
Tower B, DLF Cyber City,
Gurugram - 122 002, Haryana, India
Tel: 0124-4620000, 3060000
Fax: 0124-4620620
Web: www.pwc.com/in

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Tel: +91 124 443 4000
Web: www.ey.com

Grant Thornton Bharat LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II,
Gurugram-122 002, Haryana, India
Tel: 0124-4628000
Web: 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

Registered and Corporate Office

The Grand Plaza,
Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase-II,
New Delhi - 110 070, India
Tel: +91-11-4604 4220
Fax: +91-11-4604 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.
Toll Free No: 1800 309 4001
Email: einward.ris@kfintech.com
Web: www.kfintech.com

Plant Locations and R&D Centre

Gurugram Plant
37 km Stone, Delhi-Jaipur Highway,
Sector 33, Gurugram - 122 001
Haryana, India
Tel: +91-124-289 4200, 237 2123
Fax: +91-124-237 3141/42

Dharuhera Plant
69 km Stone, Delhi-Jaipur Highway,
Dharuhera, Dist. Rewari - 123 110
Haryana, India
Tel: +91-1274-264 000
Fax: +91-1274-267 018

Haridwar Plant
Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar - 249 403, Uttarakhand, India
Tel: +91-1334-238 500, 239 514/16
Fax: +91-1334-239 512/13

Neemrana Plant
SP 101-103, 108 & 109,
RIICO Industrial Area,
Phase – II, Delhi-Jaipur Highway,
Neemrana, District Alwar,
Rajasthan - 301 705, India
Tel: +91-149-4673000

Global Parts Centre
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: +91-2676-229114

Tirupati Plant
Sy No.1, Industrial Park
Madanapalem Village
Satyavedu-Cherivi Road
Satyavedu Mandal
Tirupati District
Andhra Pradesh - 517588, India
Tel: +91-8576-227200

R&D Centre
Centre for Innovation & Technology
SPL-1, RIICO Industrial Area, Kukas,
Phase-II, NH-11C, Jaipur,
Rajasthan - 302 028, India
Tel: 1800 266 0018

Colombia Plant
HMCL Colombia S.A.S
KM 24, via Cali - Santender De Quilichao
Zona Franca Permanente Conjunto
Industrial Parque Sur, Villa Rica, Cauca
Lote 6A, Colombia
Tel: 018000116044

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: +880 9636666666

Hero Tech Center Germany GmbH
Kronstaudener Weg 1, D-83071
Stephanskirchen, Germany
Tel: +49 (0) 8036 3031120



Hero MotoCorp Limited

(CIN: L35911DL1984PLC017354)

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*Artistic impression

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