

July 17, 2023

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 FY 2022-23 including Notice of the 40th AGM

Dear Sir(s),

Pursuant to Regulations 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report for the financial year 2022-23 along with the Notice of 40th Annual General Meeting (AGM).

In compliance with circulars issued by the SEBI 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. The physical copies of the same will be sent to the Members on request.

The 40th AGM of the Company will be convened on Wednesday, August 9, 2023 at 11:30 AM through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"). 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
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 PAN: AAACH0812J





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- 4604 4220, **Fax:** 011-46044399

Email: secretarialho@heromotocorp.com, **Website:** www.heromotocorp.com

Notice

NOTICE is hereby given that the **40th Annual General Meeting ('AGM')** of the Members of **Hero MotoCorp Limited** will be held on **Wednesday, August 9, 2023 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, 2023 together with the reports of the Directors' and Auditors' thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2023.
2. To confirm payment of interim dividend of ₹65/- per equity share and to declare a final dividend of ₹35/-per equity share for the financial year 2022-23.
3. To appoint a Director in place of Mr. Suman Kant Munjal (DIN: 00002803) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Ratification of remuneration of Cost Auditors for financial year 2023-24.

To consider and if thought fit, to pass with or without modification(s), 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, 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 2023-24, amounting to ₹ 3,00,000/- (Rupees Three Lakh 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. Re-appointment of Prof. Jagmohan Singh Raju (DIN:08273039) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and 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 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Prof. Jagmohan Singh Raju (DIN: 08273039) who was appointed as an Independent Director of the Company to hold office up to November 14, 2023, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, 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 5 (five) consecutive years, with effect from November 15, 2023 to November 14, 2028.

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 the aforesaid resolution."

By order of the Board
For Hero MotoCorp Ltd.

Dhiraj Kapoor

Company Secretary & Compliance Officer

Membership No.: F5454

Place: Tirupati

Date: May 4, 2023

Registered Office:

The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj Phase –II, New Delhi-110070

CIN: L35911DL1984PLC017354

Phone: 011 - 4604 4220

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, Circular No.17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time (hereinafter collectively referred to as "Circulars") has allowed companies whose AGMs are due in the year 2023, to conduct their AGMs on or before 30.09.2023, in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020. Hence, in compliance with these Circulars, the annual general meeting of the Company (hereinafter referred as "AGM") will be conducted through Video Conferencing (VC)/Other Audio Visual Mode (OAVM). The deemed venue for the 40th AGM shall be the Registered Office of the Company.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard - 2 in respect of the Directors seeking appointment/re-appointment at the 40th AGM are annexed hereto as **Annexure - A** to the Notice 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, SEBI Circular nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, the Company has sent the Annual Report and the Notice of AGM only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a) Shareholders 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

(formerly known as KFin Technologies Private 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/default.aspx->> through Download Forms section.

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

5. The Notice of the 40th AGM and the Annual Report for the year 2022-23 including therein the Audited Financial Statements for the year 2022-23, will be available on the website of the Company at www.heromotocorp.com and the website of stock exchanges at BSE Limited www.bseindia.com and National Stock Exchanges of India Ltd www.nseindia.com The Notice of 40th AGM will also be available on the website of NSDL at www.evoting.nsdl.com
6. The Annual Report along with Notice of AGM will be sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on June 30, 2023.
7. Since the AGM will be held through VC, the facility to appoint proxy to attend and cast vote for the members is not available for the AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Therefore, the route map, proxy form and attendance slip are not annexed to this Notice.

8. AGM through Video Conference (VC):

- a) National Securities Depositories Limited ("NSDL") will be providing facility for convening 40th AGM through VC/OAVM Facility, voting through remote e-voting and e-voting during the 40th AGM.
- b) Since this AGM is being held through VC therefore physical attendance of Members has been dispensed with.
- c) 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 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.co.in. Corporate/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.

- d) 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 a.m. IST i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility 30 minutes after the scheduled time to start the AGM.
- e) The facility of participation at the AGM through VC/OAVM will be made available for members on 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.
- f) 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.

9. Instructions for attending the AGM through VC:

- a) Member 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. 15 below for access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of 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 camera, if any, and hence use 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 40th 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 Shareholders and e-voting user manual for Shareholders 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.co.in.

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

- a) The procedure for e-voting during the AGM is 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 in 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) 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.

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

Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by Wednesday, August 2, 2023 through email on secretarialho@heromotocorp.com. Such questions shall be taken up during the meeting or replied 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 Wednesday, August 2, 2023. Those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM.

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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.

12. Inspection

All documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Wednesday, August 9, 2023. Members seeking to inspect such documents can send an email to secretarialho@heromotocorp.com

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act") and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

13. Dividend:

- a) Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Friday, July 28, 2023 to Wednesday, August 9, 2023 (both days inclusive) for the purpose of 40th AGM of the Company and for determining the entitlement of the shareholders for final dividend for the financial year 2022-23, as may be approved by the Members at the meeting.
- b) Final Dividend for the financial year 2022-23, as recommended by the Board, if approved, at the AGM will be paid to the Members by Friday, September 8, 2023 i.e. within 30 days from the date of approval to those Members/beneficial owners whose names appear in the Register of Members/depository records as at close of business hours on Friday, July 28, 2023.
- 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.
- e) For the shareholders who have not updated their bank account details, the Company will send the dividend warrants at address registered in Company's record.
- f) Shareholders may note that the Income Tax Act, 1961 (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 shareholders. 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, shareholders are requested to submit their documents in accordance with the provisions of the Act. The Company has also sent an email to all the shareholders 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.

14. Cut-off Date

The Company has fixed Wednesday, August 2, 2023 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. Wednesday, August 2, 2023 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

15. Remote e-voting

Pursuant to Section 108 of the Companies Act, 2013, 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 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 40th AGM of the Company.

The remote e-voting period begins on **Saturday, August 5, 2023 at 9:00 a.m.** (IST) and ends on **Tuesday, August 8, 2023 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. Wednesday, August 2, 2023 may cast their votes electronically. The remote e-voting module shall be disabled after 05:00 p.m. (IST) on **Tuesday, August 8, 2023 at 5:00 p.m.**

The facility for electronic voting system, shall also be made available at the 40th 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 E-VOTING:

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.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.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. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Notice

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 use your existing my easi username & password. 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. 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. 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.co.in or call at 022 - 4886 7000 and 022 - 2499 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 22 55 33

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?

- 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, 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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

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

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- 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?

- 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.
 - 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".
 - Now you are ready for e-Voting as the Voting page opens.
 - 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.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- 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.
 - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request

General Guidelines for shareholders

1. 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.
2. 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 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in
3. 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. August 2, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. 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. August 2, 2023, may follow steps mentioned in the Notice of AGM under "Access to NSDL e-Voting system".
- 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 meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in 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.
16. 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 official at +91-11-46044220 or secretarialho@heromotocorp.com.
17. 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 Wednesday, August 2, 2023.
18. The Board of Directors has 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.
19. 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 or not later than 3 (three) days, whichever is earlier, 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.
20. 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 or not later than 3 (three) days, whichever is earlier, of conclusion of the Annual General Meeting of the Company. The results along with Scrutiniser's Report shall be placed on the website of the Company (www.heromotocorp.com), website of

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), AADHAR (self attested scanned copy of Aadhar 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), AADHAR (self-attested scanned copy of Aadhar Card) to secretarialho@heromotocorp.com. If you are

NSDL (evoting@nsdl.co.in) and by filing with the Stock Exchanges. It shall also be displayed on the Notice Board at the Registered Office of the Company.

21. 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 Central 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 2022-23 had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the financial year 2014-15 (Final) along with relevant shares to the IEPF within the stipulated time period.

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 2015-16 (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 Registrar before the same becoming due for transfer to the IEPF.

22. In respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their addresses, telephone numbers, e-mail ids, nominees or joint holders, as the case may be.

The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.

The SEBI vide its Circular: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated the following:

- a. furnishing of PAN, Address with PIN code, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Shareholders are encouraged to also register their email address with the RTA to avail the online service.
- b. any service request of the shareholder shall be entertained only upon registration of the aforementioned details.

The relevant forms for submitting aforementioned details are provided in the following link: <https://www.heromotocorp.com/en-in/investors/shareholder-resources/downloads.html>.

The shareholders are advised to provide the duly filled-in and signed documents along with the related proofs to the RTA.

Freezing of Folios without PAN, KYC details and Nomination:

- a. The folios wherein any one of the PAN, KYC details and Nomination is not available on or after October 01, 2023 or such other date/any other requirement as specified by SEBI shall be frozen by the RTA. The folios in which PANs is / are not linked to the Aadhaar number of the holder as on the cut-off date notified by the CBDT, shall also be frozen.
- b. The shareholder whose folio(s) have been frozen shall be:
 - eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.
 - eligible for any payment including dividend or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 1, 2024 or such other date as specified by SEBI. An intimation shall be sent by the RTA to the holder that such payment is due and shall be made electronically upon complying with the requirements in paragraph 3 & 4 above.
 - referred by the Company/RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.
- c. The RTA shall revert the frozen folios to normal status upon receipt of all the required documents / details.

Notice

23. 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:
- Issue of duplicate securities certificate;
 - Claim from Unclaimed Suspense Account;
 - Renewal / Exchange of securities certificate;
 - Endorsement;
 - Sub-division / Splitting of securities certificate;
 - Consolidation of securities certificates/folios;
 - Transmission;
 - Transposition
24. The SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the documents for transmission of securities. Please refer to the Faqs section on the website of the Company at following link: <https://www.heromotocorp.com/en-in/investors/shareholder-resources/faq.html>
25. The SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022 has simplified the procedure and standardized the documents for issuance of duplicate share certificates. Please refer to the Faqs section on the website of the Company at following link: <https://www.heromotocorp.com/en-in/investors/shareholderresources/faq.html>
26. The SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 on May 30, 2022, issued Standard Operating Procedures (SOP) for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/ Investor(s). If the shareholder has any dispute against the Company and/or its RTA on delay or default in processing of request, they can file for arbitration with the stock exchanges. The abovementioned circular (which includes the SOP), is available at the website of the Company at www.heromotocorp.com for easy reference of the Company.
27. Investor Education and Protection Fund (IEPF) Authority as a part of Azadi Ka Amrit Mahotsav (AKAM) had launched a special window facility for senior citizens of age 75 years and above. The Company supports the aforesaid initiative and is facilitating all such claimants in filing IEPF-5 as well as their e-verification report on priority in MCA 21. All such senior citizen claimants may write to secretarialho@heromotocorp.com for the required assistance.
28. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form. Therefore, **shareholders 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 Registrar 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 decision making process.**

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

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.

Based on the recommendation of Audit Committee, the Board at its meeting held on May 4, 2023 has approved the appointment of M/s. R.J Goel & Co., Cost Accountants (Firm Registration No. 000026), as Cost Auditors for the financial year 2023-24 at a remuneration of ₹ 3,00,000/- (Rupees three lakh only) plus applicable taxes and reimbursement of out of pocket expenses.

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

The Board recommends ratification of remuneration of Cost Auditors by passing an Ordinary Resolution.

Item No. 5

Prof. Jagmohan Singh Raju was appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). His term of five consecutive years commenced w.e.f. November 15, 2018 and is due to expire on November 14, 2023.

The Nomination and Remuneration Committee (NRC) evaluated the skills, knowledge and experience on the Board and found that Prof. Raju possess relevant expertise and capabilities required of an independent director.

Based on the report of performance evaluation of Prof. Raju and on the recommendation of NRC, the Board of Directors of the Company at its meeting held on May 4, 2023, has approved the re-appointment of Prof. Jagmohan Singh Raju for a second term of 5 (five) consecutive years, with effect from November 15, 2023 to November 14, 2028, not being liable to retire by rotation, as provided in the Resolution.

The Company has received a declaration from Prof. Raju confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and SEBI LODR.

Prof. Raju 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. He has given his consent to act as an Independent Director.

International experience with specialization in sales and marketing:

Prof. Jagmohan Singh Raju holds a Ph.D. in Business, an M.S. in Operations Research, and an M.A. in Economics from Stanford University, California. He is a 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 is currently the Joseph J. Aresty Professor of Marketing at the Wharton School of the University of Pennsylvania. Professor Raju 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 coordinates Wharton's relationship with the Indian School of Business. Prior to joining Wharton, he taught at the Anderson School at UCLA. He has received numerous teaching awards at Wharton and UCLA. 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. 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.

Sought after advisor with understanding of go to market strategies:

Prof. Jagmohan Singh Raju possess the required competencies and skills and has been actively involved at the Board and has also been advising/ guiding the management team. He is the Chairman of the Nomination and Remuneration Committee and is a member of Stakeholders' Relationship Committee and Sustainability & Corporate Social Responsibility Committee of the Board. His long and rich experience in marketing has aided in evaluating market dynamics and has steered the management in its market focused strategies. In addition, his independent views and perspective coupled with his expertise of global markets has been of huge benefit. His research interests include pricing, new product introduction strategies, retailing, strategic alliances, and advertising which are in sync with the business model of the Company.

The requisite details of Prof. Raju pursuant to SEBI LODR and Secretarial Standard-2 are provided in Annexure A to the Notice.

In the opinion of the Board, Prof. Raju is a person of integrity, possesses relevant expertise and fulfills the conditions specified in the Act, rules made thereunder and SEBI LODR and is independent of the management. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for re-appointment as an Independent Director of the Company.

It is proposed that Prof. Raju be re-appointed as an Independent Director of the Company for a term of five consecutive years i.e. from November 15, 2023 to November 14, 2028 and he shall not be liable to retire by rotation.

A copy of the draft letter of re-appointment of Prof. Raju 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 Prof. Raju is also available on the website of the Company i.e. www.heromotocorp.com.

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 Prof. Raju as an Independent Director. Accordingly, the Board recommends the passing of resolution set out in Item No. 5 as a Special Resolution.

Except Prof. Raju, none of the Directors and Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, in the Special Resolution as set out at Item No. 5.

The Board recommends the Resolution as set out in Item No. 5 to be approved by the shareholders by way of a Special Resolution.

By order of the Board
For Hero MotoCorp Ltd.

Dhiraj Kapoor

Place: Tirupati
Date: May 4, 2023

Company Secretary & Compliance Officer
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 - 4604 4220
Fax: 011 - 46044399
Email: secretarialho@heromotocorp.com
Website: www.heromotocorp.com

Annexure A

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

Name of Director	Mr. Suman Kant Munjal	Prof. Jagmohan Singh Raju
DIN	00002803	08273039
Brief Resume	Mr. Suman Kant Munjal was appointed as an Additional Director on the Board effective July 29, 2010. He is the Executive Chairman (Whole-time Director) of Rockman Industries Ltd., one of the leading suppliers of aluminum die casting, machined and painted assemblies to Hero MotoCorp Limited. A graduate in Commerce, he possesses rich experience and expertise in Business Management. Over the years, he has been instrumental in elevating Rockman Industries Ltd. to its current status. Years of experience and expertise have led Mr. Munjal to earn a place in the Boards of various companies.	As detailed in Explanatory Statement above for Item No. 5 of the Notice.
Date of Birth (Age in years)	February 26, 1953 (70)	September 26, 1954 (68)
Qualifications	Graduate in Commerce	Ph.D in Business, M.S. Operations Research, M.A. in Economics -Stanford University, California, MBA – IIM, Ahmedabad, B.Tech in Electrical Engineering – IIT, Delhi
Experience	46 years	40 years
Expertise in specific functional areas	<ul style="list-style-type: none"> ➤ Automotive/Mobility/Product Development ➤ Strategic Planning and Business Model Innovation ➤ Consumer Sales/ Marketing 	<ul style="list-style-type: none"> ➤ Strategic Planning and Business Model Innovation ➤ Human resources/ people management ➤ Corporate Governance, Regulatory & Public Policy/ESG ➤ Global Perspective ➤ Consumer Sales/ Marketing
Terms and conditions of appointment / re-appointment	At the 37 th AGM held on August 12, 2020, he was appointed as a Non-Executive Director, liable to retire by rotation. Being eligible, he has now offered himself for re-appointment.	He is being re-appointed as an Independent Director for a term of five consecutive years w.e.f. November 15, 2023 to November 14, 2028, not liable to retire by rotation. The other terms and conditions are available at website of the Company at www.heromotocorp.com .
Details of remuneration and remuneration last drawn	Details mentioned in Corporate Governance Report.	Details mentioned in Corporate Governance Report.
Date on which first appointed on the Board	July 29, 2010	November 15, 2018
Details of shareholding in the Company	Holding 94,11,101* equity shares of ₹ 2/- each aggregating to 4.71%	Nil
Relationship with other Directors / Key Managerial Personnel (if any)	Brother of Dr. Pawan Munjal, Executive Chairman & Whole-time Director	None
Number of Board meetings attended during the year	Details mentioned in the Corporate Governance Report.	Details mentioned in the Corporate Governance Report.
Details of Directorships/ Committee chairmanship and memberships in other Companies	As detailed herein below	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.

* Comprise of 91,250 equity shares held in his own name, 10,833 equity shares as Karta of HUF and 93,09,018 equity shares held on behalf of Brijmohan Lal Om Parkash, partnership firm.

Details of Directorship/Committee Chairmanship and Membership in other companies

Name of Director	Type of Company	Directorships held	Committee Membership	Committee Chairmanship
Mr. Suman Kant Munjal	L	Hero MotoCorp Ltd	-	-
	UL	Hero Steels Ltd	-	SATC
		Rockman Industries Ltd	AC, Finance Committee	CSR
	P	Bahadur Chand Investments Private Ltd	AC, RMC, ALMC, GRMC, SRC	-
		Hero InvestCorp Private Ltd	-	CSR
		Munjal Acme Packaging Systems Private Ltd	-	-
		Rockman Advanced Composites Private Ltd	AC	-
		Hero Electronix Private Ltd	-	-
		Rockman Precision Private Ltd	-	-
		Rockman Technologies Private Ltd	-	-
		Tessolve Semiconductor Private Ltd	-	CSR
		Hero Corporate Services Private Ltd	-	-
		Survam Private Ltd	-	-
	Herrox Private Ltd	-	-	
	Section 8	BML EduCorp Services	-	-
BMU Incubation Foundation		-	-	
Prof. Jagmohan Singh Raju	L	Hero MotoCorp Ltd	SRC, SCSR	NRC

List of Abbreviations used in the Table above:

L- Listed Company

UL – Unlisted Public Company

P – Private Company

SATC – Share Allotment & Transfer Committee

AC- Audit Committee

CSR- Corporate Social Responsibility Committee

RMC- Risk Management Committee

ALMC – Asset-Liability Management committee

GRMC- Group Risk Management Committee

SRC- Stakeholders’ Relationship Committee

SCSR- Sustainability and Corporate Social Responsibility Committee

NRC- Nomination and Remuneration Committee



Riding with India, for the World

CREATE | COLLABORATE | INSPIRE

Hero MotoCorp Limited

Annual Report 2022-23

Riding with **India**, for the **World**

Hero MotoCorp is ready to consolidate its global market leadership in two-wheelers with an expansive portfolio of 'Made in India, Made for the World' products. The large and growing addressable market, coupled with increased value-conscious consumers, provides Hero MotoCorp the perfect tailwind to drive innovation and deliver exceptional value, performance, and delight. Today, as India and the world stand at an inflection point in the sustainable technology era, Hero is well-positioned to address the mobility needs, aligned with the aspirations of future generations.



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Remembering our Hero

An institution builder, a philanthropist, an innovator, a statesman, a spiritual soul, a family man and above all, a proud Indian, he continues to be an inspiration to everyone in the Hero family and beyond.

For a man who had a lifelong passion for wheels, becoming the world's largest two-wheeler maker was a dream come true. And in the process of realising his dream, he contributed immensely to India's industrialisation and nation building.

While we continue to celebrate his legacy, we fondly look back at the eventful journey of his life, which left an indelible mark on millions.

Dr. Brijmohan Lall Munjal
A Hero Forever...



100TH BIRTH ANNIVERSARY OF
DR. BRIJMOHAN LALL MUNJAL
1ST JULY, 1923
HERO FOREVER



Pioneering Vision, Monumental Efforts

July 1,
1923



Born to parents Bahadur Chand Munjal and Thakur Devi Munjal

1930

Embarked on a transformative journey within the sacred halls of a Gurukul nestled in the idyllic village of Kamalia

1938

Started working in a farm



1943

Worked in an Army Ordnance Depot, Quetta

1947



Amidst the tumultuous backdrop of the partition, Brijmohan Lall Munjal boarded the last train out of Kamalia to move to Amritsar. He later got betrothed to Santosh Raheja, weaving their destinies together in a union of love

1949



Started his own business in Bombay

1951

Moved to Ludhiana and joined his brothers to trade in bicycle components

1953

Started manufacturing bicycle components



1956

Hero Cycles established in Ludhiana



1959



First trip to Germany to import the latest technology for bicycle chain machinery. Met Mr. Ernst Mann, his technology Guru

1960

Rockman Cycles established in Ludhiana to manufacture chain & bicycle hubs



1962

Munjal Gases established and becomes the second ancillary in Ludhiana

1964

President of the Managing Society - Dayanand Medical College & Hospital, Ludhiana

1968

Started Ludhiana Flying Club

1969

Highway Industries established in Ludhiana



1978

Started Bahadur Chand Munjal Arya Model School, Ludhiana & Ludhiana Management Association. Majestic Auto established in Ludhiana to manufacture mopeds

1983

Hero Honda established in New Delhi



1985

Hero Honda CD100 motorcycle was launched



1987

Sunbeam Auto established in Gurgaon
President of CII

1988

Gujarat Cycles, Hero Cycles as well as Hero Motors established in Sahibabad.

1990

Hero Cold Rolling Division established in Ludhiana

1994

Businessman of the year by Business India Group of Publications

1995

President of SIAM. National Award for outstanding contribution to development of Indian Small-Scale Industry



2001

Ernst & Young Entrepreneur of the Year

2003

Lifetime Achievement Award from the All India Management Association (AIMA) for Management

2005

The President of India bestows Padma Bhushan Doctor of Letters (Honoris Causa) received by Hemwati Nandan Bahuguna Garhwal University, Srinagar Garhwal

Lifetime Achievement Award by ET Awards for Corporate Excellence



1997

Distinguished entrepreneurship award from the PHD Chamber of Commerce & Industry

1998

Business Leader of the year by Business Baron

2000

Conferred Sir Jehangir Ghandy Medal for Industrial Peace by XLRI Jamshedpur



2009

SIAM Golden Jubilee Award for outstanding contribution to automobile industry



2011

Lifetime Achievement Award by Ernst & Young

Doctor of Science by IIT Kharagpur

Lifetime Achievement Award for the Asia Pacific Entrepreneurship Awarded by Enterprise Asia

Finlease renamed as Hero Fincorp.

Hero MotoCorp established



2012

Hero Future Energies established

2014

Establishment of BML Munjal University, Gurgaon, Haryana.

The CNB Visioneer Award for outstanding contribution to the Indian Automotive Industry by NDTV Profit Car & Bike Awards 2013.

2015

November 1

Dr. Brijmohan Lall Munjal lives forever...



**Dr. Brijmohan Lall Munjal
made our hearts his
forever abode.**

**The one who taught
us how to be a **Hero**.**



We miss you...

*Not a day passes by that
you don't cross our mind,*

*Not all of you departed when
you left earth behind,*

*In our heart there is a place
that only you can hold,*

*Filled with loving memories more
priceless than gold,*

*We know that you still look over us so
please know this is true,*

*that everything we are today,
is all because of you...*

- Team Hero



Dr. Brijmohan Lall Munjal
July 1, 1923 - Forever....



Highlights for the Year

₹ **34,371** crore
TOTAL INCOME

₹ **11,077** crore
CONTRIBUTION TO GOVERNMENT EXCHEQUER

₹ **3,986** crore
EBITDA

112 million+
UNITS SOLD (CUMULATIVE)

₹ **2,911** crore
PROFIT AFTER TAX

₹ **760** crore
R&D SPEND

₹ **146**
EARNINGS PER SHARE

₹ **78** crore
CSR SPEND



Halol Manufacturing Facility

Domestic Business

Splendor: World's highest selling motorcycle

11% two-wheeler growth over previous year

9 new models launched

Strong network expansion, added 666 networks in FY 2022-23

23% business growth in spare parts and accessories over the previous year

Launched Wheels of Trust, a digital integrated omni-channel platform for two-wheeler exchange

Vida

Launch of Vida V1—India's first fully integrated electric scooter

GUINNESS WORLD RECORDS ACHIEVEMENT

VIDA V1 scooter set a new Guinness World Record by covering 1,780 km (1,106.04 mi) in 24 hours, surpassing the previous record for the greatest distance traveled by an electric scooter. This accomplishment highlights the VIDA V1's outstanding engineering and performance.



Global Business

Expanded global presence from 43 countries in FY 2021-22 to 47 in FY 2022-23

Launch of 'Project Gold' aimed at developing two-wheelers tailored to usage conditions in specific countries

16 new models and refreshes launched



VIDA V1

ESG Highlights

405%

WATER POSITIVE

39%

CARBON NEUTRAL OPERATIONS

9.7%

GENDER DIVERSITY

Low ESG risk in Sustainalytics platform

The world's largest CRM programme in automotive sector- Hero GoodLife has crossed the enviable 46 million member base with a growth of 16% over last financial year

Rain water recharge potential 34 lakh cubic meter within and beyond fence

87.5%

ZERO WASTE TO LANDFILL CERTIFIED WITH 99%+ DIVERSION RATES

136.16 lakh kWh

RENEWABLE ENERGY GENERATION

6,250

STUDENTS COVERED BY REMEDIAL EDUCATION INITIATIVES

17%

REDUCTION IN CARBON EMISSION INTENSITY

2,50,000

RIDERS TRAINED ON RESPONSIBLE ROAD BEHAVIOUR

559

SCHOLARSHIPS GIVEN TO STUDENTS FOR PURSUING DEGREES LIKE BTECH, LLB, MBA



Centre for Innovation & Technology (CIT), Jaipur

Ready for the Future



We have been a flag bearer of excellence in the motorcycle and scooter industry. We offer products that are celebrated and respected for their quality, durability, technology, and their value delivery. For generations, we have addressed the personal mobility needs of riders, and now, doing so around the world.

Our ever-evolving portfolio caters to both - timeless needs as well as contemporary aspirations - from economy and performance to toughness, style and power to high-tech connectivity and intuitively smart features. Our pioneering presence has fostered a thriving automotive industry ecosystem, nurturing Original Equipment Manufacturers (OEMs), vendors, dealer networks, and aftermarket players. We have heralded the introduction of pathbreaking technologies into India through partnerships with world-leading industry players.

VISION

Be the Future of Mobility

MISSION

<p>Create</p> <ul style="list-style-type: none"> Re-define mobility through the creation of a mobility roadmap Set best practices and benchmarks for the industry 	<p>Collaborate</p> <ul style="list-style-type: none"> Leverage partnerships and exhibit teamwork Co-create solutions that benefit the community, while caring for both the internal and external environmental ecosystems and support sustainability 	<p>Inspire</p> <ul style="list-style-type: none"> Move forward with purpose Inspire our colleagues, customers and communities Thrive on the local and global stage
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VALUES



GETTING FUTURE-READY

Partnerships with Leading Global Brands

Harley Davidson to develop premium range of motorcycles

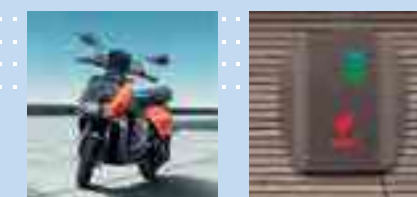
Zero Motorcycles, USA to develop premium electric two-wheelers for Indian consumers



Sustainable Mobility Solutions

Expanding the sale of Vida electric scooter

Partnership with HPCL and BPCL to set up 2W EV charging infrastructure across fuel stations across India



47%
DOMESTIC MOTORCYCLE MARKET SHARE

33.2%
DOMESTIC TWO-WHEELER MARKET SHARE

10,000+
CUSTOMER TOUCHPOINTS WORLDWIDE

6.40%
CONTRIBUTION OF DIGITAL SALES

57,000+
TWO-WHEELERS SOLD TO STATE GOVERNMENTS

9.50 million+
ANNUAL PRODUCTION CAPACITY (UNITS) ACROSS 8 MANUFACTURING FACILITIES

24
HERO 2.0 PHYGITAL SHOWROOMS



Tirupati Manufacturing Facility

Delighting Customers across the World

Hero MotoCorp's state-of-the-art manufacturing facilities located in multiple countries play a crucial role in the Company's ability to cater to the diverse needs and preferences of riders across the globe. These facilities enable Hero MotoCorp to produce a wide range of products which have gained appreciation and delighted our customers.

The Company's commitment to quality and customer satisfaction has been a driving force behind its expansion efforts. By delivering products that meet the expectations of riders, Hero MotoCorp has been able to expand its reach and reached newer communities around the world.

Hero MotoCorp's diverse product portfolio allows the Company to cater to different segments of the market, offering options that suit various riding needs, preferences and lifestyles.

Furthermore, Hero MotoCorp's focus on quality ensures that its products are reliable, durable, and performance – oriented. This dedication to delivering high-quality vehicles has contributed to the Company's strong reputation and customer satisfaction.

As Hero MotoCorp continues to expand its reach, it is bringing diverse sets of customers into its fold and providing them with fuel efficient, environment friendly and technologically advanced mobility solutions.

Overall, Hero MotoCorp's commitment to quality, customer satisfaction, and its ability to understand and cater to diverse market preferences will be instrumental in its success and continued expansion efforts worldwide.

Global Expansion Strategy

- ▶ Hero is executing its global expansion strategy by relaunching the Hero brand with several new launches planned in the coming year.
- ▶ The Company is strengthening its distribution network in key markets like the Democratic Republic of Congo and Costa Rica.
- ▶ Hero entered Haiti in Latin America. It also established a strategic partnership for its entry into the Philippines, marking its first foray into Southeast Asia.
- ▶ In FY 2023-24, Hero plans to expand its presence beyond the current 47 countries, with a focus on Africa and the Middle East due to their economic growth and growing need for two-wheelers.
- ▶ The Company aims to premiumise its brand in Latin America and Asia. Through these market expansion and product premiumisation initiatives, we hope to enter and establish ourselves in new countries, capitalise on economic opportunities, and strengthen our position as a global player in the two-wheeler industry.

THE GROWTH ROADMAP

1 Strengthening Existing Markets

Despite challenging market conditions, Hero MotoCorp Limited (Hero) has achieved significant growth in Latin America and gained market share in countries including Mexico, Argentina, Tanzania, Turkiye, Peru, South Africa, and Bolivia. To reinforce its market position, Hero is expanding its network increasing its presence in key regions, and enhancing brand awareness through targeted marketing campaigns. Additionally, Hero is focusing on strengthening retail finance options and introducing products tailored to specific market demands, such as Euro-5 compliant vehicles in Turkiye.

2 Market-specific Product Development for Global Markets

Hero's 'Project Gold' initiative involves developing two-wheelers designed for the unique usage patterns and conditions of different countries. Through comprehensive testing and analysis, Hero aims to create superior products that cater to local needs, offering performance, durability, and reliability. This customer-centric approach enables Hero to establish a strong presence in diverse markets and enhance its reputation as a manufacturer of high-quality two-wheelers.

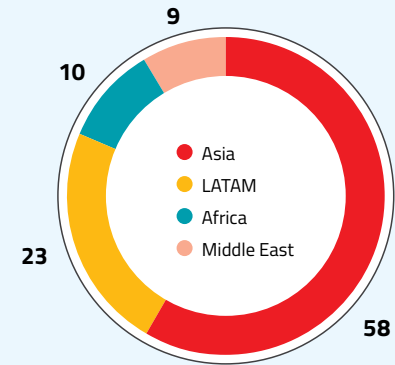
3 Advances in the Global EV Two-wheeler Industry

Hero has entered the Electric Vehicle (EV) segment with the launch of the Vida V1 electric scooter in India. This showcases Hero's commitment to sustainable mobility and the growing demand for electric vehicles. Additionally, the partnership with Zero Motorcycles allows Hero to co-develop premium electric motorcycles, leveraging their expertise to create innovative and high-performance EVs. By diversifying its EV portfolio, Hero aims to capture a wider customer base and capitalise on the global shift towards electric mobility.



Our Expanding Global Reach

Volumes Sold (%)



All figures related to the year ended March 31, 2023



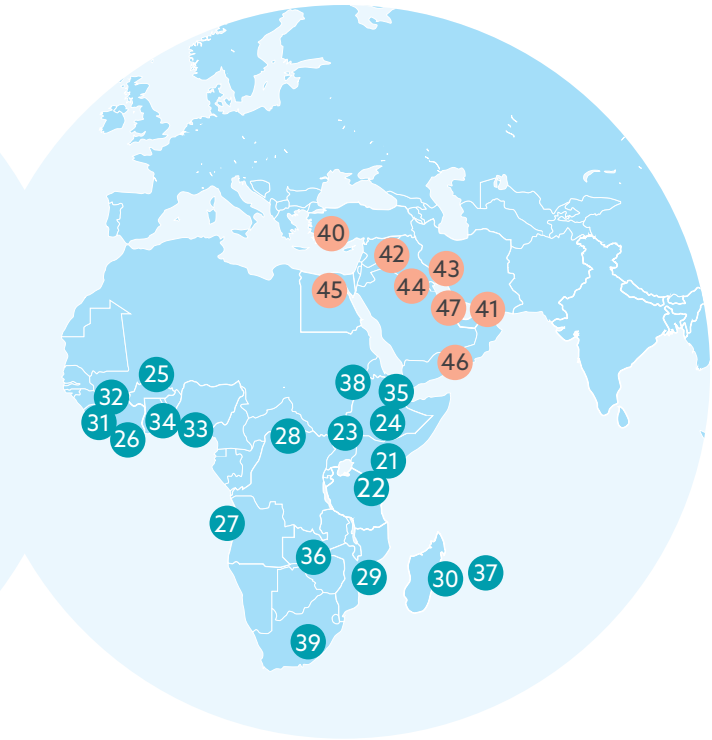
Asia

- 1 Sri Lanka
- 2 Bangladesh
- 3 Nepal
- 4 Myanmar



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 Trinidad & Tobago
- 19 Mexico
- 20 Haiti



Africa

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

Middle East

- 40 Turkiye
- 41 Dubai (UAE)
- 43 Iraq
- 43 Kuwait
- 44 Saudi Arabia
- 45 Egypt
- 46 Yemen
- 47 Qatar

47 countries
WORLDWIDE PRESENCE

\$ 14.28 million
REVENUE FROM GLOBAL BUSINESS FOR PARTS

The Philippines Strategic Partnership Agreement signed

16
NEW PRODUCTS AND REFRESHES LAUNCHED

3.2%
SHARE OF INTERNATIONAL SALES

32%
CONTRIBUTION FROM PREMIUM SEGMENT TO INTERNATIONAL SALES



Hero Tech Centre, Germany

Our Product Development
and Manufacturing Facilities

Elevating Mobility Standards

Our state-of-the-art world class manufacturing facilities - six in India and one each in Colombia and Bangladesh - are renowned Centres of Excellence. Along every step of the production process, from the initial design and prototyping, to the final assembly and quality control, our products are rigorously tested and refined to ensure that our customers receive nothing less than the best.

9.5 million

ANNUAL PRODUCTION CAPACITY



CENTRE FOR INNOVATION & TECHNOLOGY (CIT), JAIPUR



HERO TECH CENTRE, GERMANY



1984 — DHARUHERA
2.10 million capacity



2008 — HARIDWAR
2.70 million capacity



2016 — HALOL
1.20 million capacity



2015 — COLOMBIA
0.08 million capacity



1997 — GURUGRAM
2.10 million capacity



2014 — NEEMRANA
0.80 million capacity



2020 — TIRUPATI
0.40 million capacity



2017 — BANGLADESH
0.15 million capacity

Evolving Everyday

Our journey of selling 112+ million two-wheelers began with the launch of our first motorcycle, CD100, in 1985 when two-stroke motorcycles were plying on Indian roads. What distinguished CD100 was its very reliable four-stroke engine, providing value-for-money efficiency to our customers. Since then, we have never looked back. Over time, customer aspirations and needs evolved, and so did our products. We kept our product portfolio dynamic and introduced scooters and motorcycles in India and the 47 countries that we are present in.



April 13, 1985
1st (CD100) Motorcycle Produced

May 27, 1985
Official Line off Ceremony

April 21, 1989
Sleek



November 20, 1991
CD100 SS

January 19, 1994
Splendor

January 23, 1997
Street



February 11, 1999
CBZ



Passion
Dawn
Ambition
CD Dawn

Karizma
Splendor+ and
Passion Plus

Ambition 135
Splendor sells 5 million
units - Limited edition
Splendor



Glamour
Achiever and Pleasure



Glamour, Glamour FI,
CBZ Xtreme, Karizma ZMR
and Karizma



Unveiling of the new
corporate identity of Hero
at London



Duet and Maestro Edge



Ignitor FI (GB)

Dash CVT (GB)



Xtreme 200R

Destini 125cc + FI (GB)



Xtreme Sports 200cc



Passion XPro



Maestro Edge 125

Glamour FV (New Platform)

Xpulse 200 2V Enduro



Xtreme 160R

Maestro Edge

Xtreme 200S (2V)



Xpulse 200T 2V



Xpulse 200 4V



Splendor+ XTEC



Xtreme 160R 2V Stealth 2.0



Glamour XTEC



Super Splendor XTEC



Xoom

1985-1989 »

1991-1999 »

2001-2010 »

2010-2020 »

2021-2023 »

GB-GLOBAL BUSINESS

Inspiring the Future of Mobility



The current fiscal year is a milestone year for everyone in the Hero ecosystem. July 1, 2023, marked the 100th birth anniversary of our Founder Chairman and my beloved father, Dr. Brijmohan Lall Munjal.

Dr. Pawan Munjal
Executive Chairman, Hero MotoCorp



Celebrating the legacy of our Founder Chairman, Dr. Brijmohan Lall Munjal

Dear Stakeholders,

I am delighted to present to you our Annual Report for the Financial Year (FY) 2022-23.

Before I reflect on the year gone by, I must mention that July 1, 2023, marked the centenary birth anniversary of Dr. Brijmohan Lall Munjal.

An entrepreneur-par-excellence, an institution builder, a philanthropist, an innovator, a statesman, a spiritual soul, and above all, a proud Indian, he continues to be an inspiration to everyone in the Hero family and beyond. While we embark on this journey celebrating his legacy, this Annual Report also pays a heartfelt tribute to him.

Reflections on the year gone by

I feel proud of the way Hero MotoCorp has navigated through a volatile and challenging environment in FY 2022-23. Despite slackening demand in the two-wheeler industry, the Company has been focused and resilient, and delivered double-digit growth over the previous year, successfully retaining its coveted position of being the world's largest manufacturer of motorcycles and scooters for 22 consecutive years. This performance is a testament to the trust the consumer has reposed

on Brand Hero – a conviction built on the unwavering commitment to quality and value that our products and services offer.

Guided by our Vision – **'Be the Future of Mobility'**, we envisage Hero MotoCorp as a catalyst in bringing advanced mobility solutions that exceed the ever-evolving requirements of a diverse set of customers. Additionally, we are also launching new and innovative products, developing a worry-free ecosystem for green mobility, nurturing the market through better customer connect, and increasing the affordability of our products and services.

Hero – a partner in the 'journey of life'

So, what makes Hero an integral part in the lives of millions of our customers for generations? Since its inception in 1984, Hero has been instrumental in providing convenient fuel-efficient mobility solutions to its customers, empowering them to move ahead in life.

Brand Hero and the India story have grown together. Hero has played the role of a catalyst by making a significant contribution to India's rise from a 'developing' nation to a formidable global power. Beginning with a small plant, manufacturing bicycle parts in the early 1950s to mopeds in 1974, then moving on to motorcycles in 1984, and to the present day with a global footprint in 47 countries and counting, the **'Made in India'** Hero has been a key growth enabler in the automotive industry.

We have led defining moments in the industry. Our joint venture with Honda saw the Company take a giant leap in developing products, processes, and technologies on a global scale. We ushered in the industry's first four-stroke motorcycle and went on to achieve market leadership through a combination of factors, including continuous innovation and development of new models.

Today, we are on the cusp of developing new-age products for the future.

The next-gen two-wheelers will address an even broader market in which the electric vehicle segment, premium motorcycles, and scooters are likely to be the dominant categories.

Geopolitical turbulence keeps the world on edge

Socio-political and economic developments in any part of the world today have a ripple effect globally. Just when everyone was expecting a return to normalcy after the pandemic, the world continues to remain uncertain due to the volatile geopolitical situation created by the protracted Russia-Ukraine conflict.

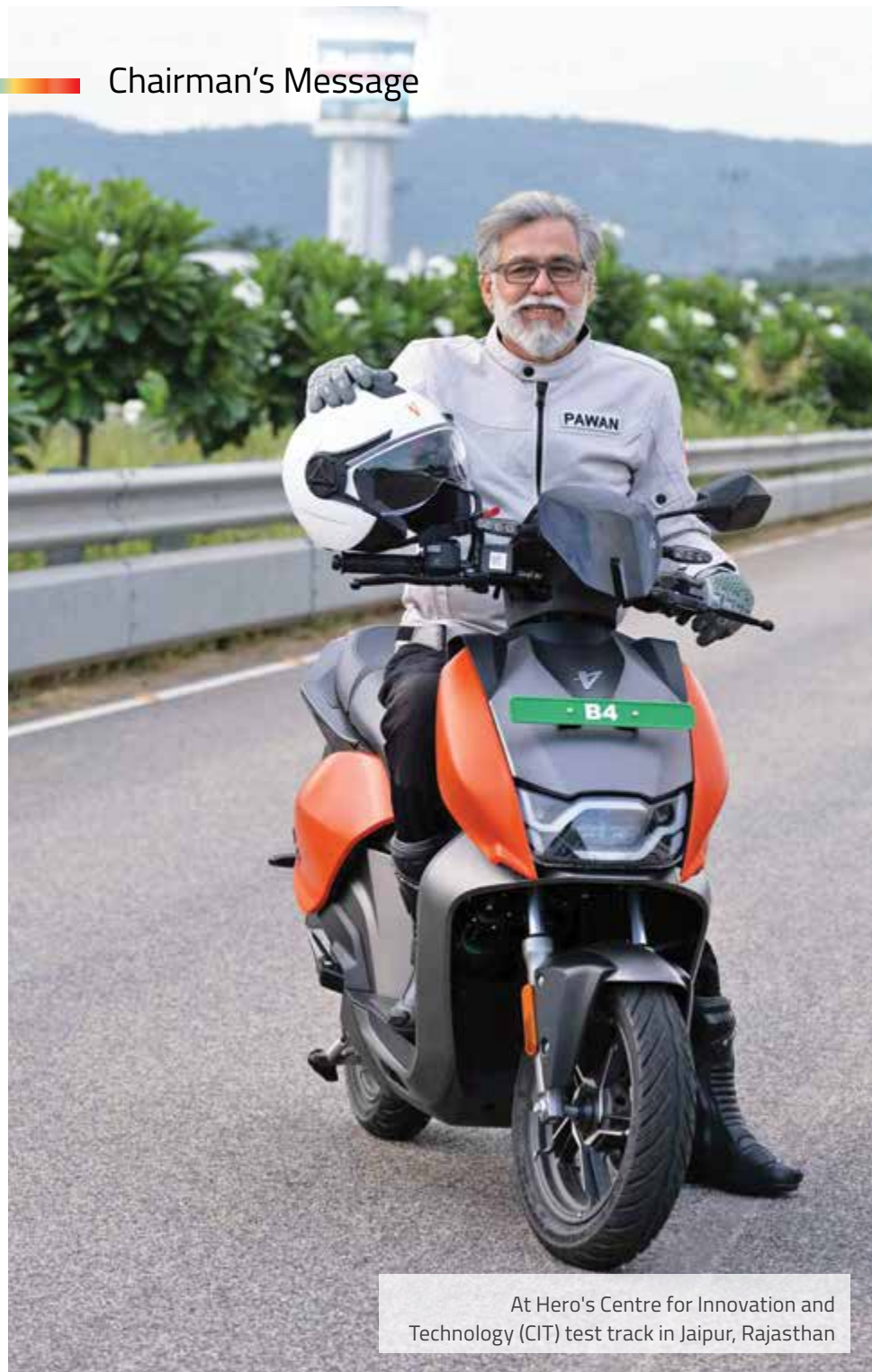
Central banks of major economies are continuing their efforts to control inflation that has originated from this long conflict and to navigate recessionary trends so that the economic slowdown can be controlled. They have succeeded to a certain extent with global headline inflation slackening on the back of lower commodity prices. However, the International Monetary Fund (IMF) predicts that underlying core inflation will likely decline slowly, remaining around 7% levels in FY 2022-23¹. Understandably, consumption demand remains subdued. With China alternating between Covid outbreaks, its economy has failed to provide succour and the US and European economies have limited hope to offer as they face a prolonged period of low GDP growth that can carry forward into FY 2023-24².

India holds out hope, epitomises resilience

Amid global headwinds, India has emerged as an oasis of economic resurgence. Well-timed core sector spending, targeted fiscal interventions

¹ <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

² <https://www.morganstanley.com/ideas/economic-outlook-mid-year-2023-global-gdp-slowing>



At Hero's Centre for Innovation and Technology (CIT) test track in Jaipur, Rajasthan

from the government, a burgeoning digital economy and favourable demographics have all led to a healthy revival in consumption demand. Although inflation remains high, it is gradually entering into the Reserve Bank of India's (RBI) comfort range.

India is currently passing through a golden phase - aptly called 'Amrit Kaal' - on the way to becoming a 'developed' economy when it celebrates its centenary year of independence in 2047.

Several transformational pillars of growth have been identified that will propel the country forward towards this goal. Measures designed to reduce income disparity, extend infrastructural reach, enhance prosperity across the length and breadth of the country, deepen reach and access of technology along with accelerated enterprise and self-reliance are all going to be the vehicles of this transformation. Much of this is already underway including massive public infrastructure creation and financial inclusion.

Currently, India has a 145,000 km long road network increasing at the rate of 40-50 km per day. This is the second longest road network in the world and is projected to grow to a length of 290,000 km by the end of 2047 and augers very well for the automotive industry and for our Company. The possibility of accessing every remote village now no longer seems far-fetched. Furthermore, India's stated target of achieving Net Zero emissions by 2070 is another defining factor towards building a sustainable future.

A commitment to address diverse mobility needs of the customer

Demand for motorcycles and scooters in India is led by rural and semi-urban markets - regions that experienced challenging circumstances during the year. However, the structural growth drivers continue to remain intact. Given the country's young skilled population, the strong economic growth potential of rural and semi-urban areas, easier access to consumer credit and a swelling demand for last-mile-connectivity, we remain confident that Hero MotoCorp will lead the way to a successful FY 2023-24.

During FY 2022-23, we sold 5.4 million units of motorcycles and scooters, an increase from ~4.9 million units sold in FY 2021-22. Although we recorded lower sales in the Entry and the Deluxe 125 cc segments, it was offset by the sales in Deluxe 100/110 cc, and the Premium segments, with an increase in market share in the below-200cc Premium segment. Furthermore, we kept the excitement levels high across our product categories with new launches. 'Premiumisation' of our product portfolio gained further pace, with the feature rich XTEC series doing well across segments and gaining market share.

FY 2022-23 also ushered in a new era of sustainable and clean mobility with the launch of our first electric vehicle (EV) VIDA V1. We commenced customer deliveries in three cities - Bengaluru, Jaipur, and Delhi with more than 300 VIDA public charging stations across 50 locations in these cities. We have already expanded to eight more cities - Pune, Ahmedabad, Nagpur, Nashik, Hyderabad, Chennai, Kozhikode, and Kochi. In keeping with our vision to democratise green mobility and accelerate the growth of the EV category, we will be expanding the presence of VIDA V1 to 100+ cities by the end of the calendar year 2023.

During the year, we also made significant progress in our partnership with the iconic American motorcycle brand Harley-Davidson, Inc. Our co-developed Harley-Davidson X440 motorcycle has been launched exemplifying the finest ideals of passion, creativity, innovation, and collaboration. This will mark a significant chapter in the Premium journey of Hero MotoCorp.

Our Research & Development (R&D) ecosystem - which includes the Centre for Innovation and Technology at Jaipur in India and the Hero Tech Centre, Germany - are developing contemporary, state-of-the-art, and technologically advanced mobility solutions for our customers. The launch of our first EV product, VIDA V1 and best-in-class featured scooter, the XOOM 110 are outcomes of this ingenuity.

Expanding choices, ensuring accessibility and affordability

Customer-centricity has always been the hallmark of our Company's vision and strategy. In keeping with this philosophy, our product development strategy maintains a sharp focus on the needs of the customer. We deploy

innovative outreach programmes and surveys, including conducting focus group sessions to gain in depth insights into evolving consumer aspirations.

During the year, we launched the 'Hero Sure - Powered by Wheels of Trust' platform to tap the replacement market effectively. The platform will enable buying, selling and exchange of pre-owned two-wheelers in a convenient, hassle-free way. The service will help the customer to get the best price for their vehicle through a transparent evaluation process, with the option of upgrading to a new Hero product.

Digital strategy

With massive digital transformation underway across functions within the organisation, digitalisation is playing a significant role in our customer outreach, thereby directly contributing to our growth. We have invested significantly in upgrading our Information Technology systems, adopting advanced analytics and Artificial Intelligence (AI) tools, and in implementing cutting-edge automation technologies. The wide array of digital platforms and solutions we offer enable our customers to effortlessly engage with our products and services from discovery to purchase and beyond.

We have set an ambitious goal of achieving 30% of our sales through digital channels by the year 2030. We have augmented the user interface of our digital channels, which have emerged as a preferred destination for our customers pre-and-post purchase needs. This has led to better customer engagement, resulting in a 10% increase in organic traffic via the corporate website and a 22% rise in product-related queries via digital channels.

To optimise our digital workflows, we have introduced Internet of Things (IoT) systems for real-time monitoring of our shop floors. These systems are instrumental in providing immediate insights and enabling prompt actions based on early warning signals. Our flagship project 'Digital Factory Lighthouse' installed in the manufacturing facility at Tirupati in Andhra Pradesh targets boosting productivity by 20% by the end of the current fiscal.

Building a sustainable world is a collective responsibility

Creating a sustainable world requires synchronised efforts at various levels. We have joined forces with India's drive towards decarbonisation through our green mobility solutions. Our project 'Hero NEXT' is an initiative to make our operations more sustainable. We have set a target of becoming 100% carbon neutral operation by 2030, 500% water positive facilities and 100% waste neutral facilities in India by 2025.

Our 'beyond-the-fence' initiatives accelerate our efforts on sustainability. Through the Sustainable Partner Development Programme (SPDP), we have been conducting sustainability assessments of all our supply chain partners. It is imperative that our suppliers and vendors adhere to our Manufacturing Codes of Conduct and they wish to continue to partner with us on this sustainable manufacturing journey. Our teams continuously engage with our suppliers to support them to make the shift.

We are also working towards transitioning our existing authorised dealer networks to 100% green dealerships by 2030.

The development of VIDA V1 is a step towards making sustainable product offerings. In addition, we have partnered with ZERO Motorcycles, the California-based manufacturer of premium electric motorcycles and powertrains. The collaboration combines the expertise of Zero with the scale of manufacturing, sourcing, and marketing of Hero MotoCorp.

Being a responsible corporate citizen has always been integral to our business strategy. Aligned with the UN Sustainable Development Goals, our initiatives under the Corporate Social Responsibility (CSR) umbrella 'Hero WeCare' strive to make a lasting impact on the communities around our operational areas and beyond.

Our people are our greatest asset. As an organisation, we make every effort to provide them with a conducive workplace to nurture their full potential. As a part of our Diversity, Equity, and Inclusion (DE&I) commitment, we have set a target of achieving 30% gender diversity by the year 2030. It gives us an immense sense of satisfaction that this initiative has been recognised by the Bloomberg Gender Equality Index for 2023.

Exciting future ahead with new possibilities

With its immense potential and possibilities, the future is exciting for Hero. As India moves closer to realising its ambition of becoming a US\$ 5 trillion³ economy by the year 2027, incredible opportunities have emerged, which will have significant growth

³ As per the Chief Economic Advisor to the Govt. of India, Dr. V Anantha Nageswaran

impact for businesses, both big and small. With India's transition to green energy gaining momentum, demand for sustainable solutions, including for mobility – will grow exponentially.

As we move forward, we remain committed to delighting our customers by delivering new and technologically advanced products; to our employees by providing them with growth opportunities and to our shareholders by delivering long-term value.

I thank our valued shareholders, dealers, distributors, supply chain partners, associates, our entire workforce, our customers in India and across the world, for their unstinted support and faith in our Company, our people and our products.

I wish everyone a healthy, safe, and prosperous FY 2023-24.

Dr. Pawan Munjal
Executive Chairman
Hero MotoCorp



Harley-Davidson X440

Changing the Gears



Our strong bonds bind us together – each of you, our shareholders, vendors, suppliers, dealers and partners – make us who we are.



Dear Stakeholders,

As I take to the wheel as Chief Executive Officer (CEO) of your Company, I want to thank each one of you for travelling alongside us on this growth journey for the past so many years. I am truly honoured to write to you and would like to express my gratitude for the trust and confidence that you have placed in our organisation and me.

Hero MotoCorp has now been the world's No. 1 producer of two-wheelers for 22 years in a row! We have a vast network of dealers reaching every nook and corner of the country, unmatched scale and size, multiple power brands, factories that imbibe sustainability, state-of-the-art Research and Development (R&D) centres, and a presence across 47 countries globally.

What a Company to work for! I am truly proud to be a part of this legacy and am committed to building on it in the years to come.

We will continue to preserve the core values that have made us successful even as we embrace innovation and keep pushing boundaries. By striking a balance between tradition and progress, we will build a future that respects our legacy while driving us towards new horizons. **By changing gears, we will navigate the exciting road ahead.**

We find ourselves at a pivotal moment, where technological advancements, shifting consumer demands and global sustainability concerns are reshaping the road ahead. The industry is transforming, and we must respond with agility, innovation, and a forward-thinking mindset. In fact, we must not only respond but also stay

ahead, and shape the industry, and the dynamic world of mobility.

Our market leadership has been pervasive across the Entry and Deluxe segments. We have very strong brands in these segments – HF Deluxe, Splendor, Glamour, and Passion. Some of these brands command more than 60% market share in their category. The opportunity remains exponential, as even today, the household penetration in India is less than half of the per household vehicle usage in comparable Southeast Asian countries. As the bottom of the pyramid income levels rise and demand for mobility increases, we are going to make this happen. Our role in this segment, therefore, is not only about growing market share anymore but also about growing the market size itself. Hence **'Grow the Core' is our new mantra.**

The premium segment too offers huge potential for growth. Last year, this segment grew at 30%, which is twice the growth rate for the Entry and Deluxe segments. So far, our presence in this segment has been small. We have been developing a full portfolio of premium products over the last three-to-four years and recently launched the Xtreme and Xpulse brands. This year, we have a packed calendar of our premium product launches, more than we have ever launched in a single year.

We tied up with Harley-Davidson, Inc. three years ago, and the fruits of our partnership are set to disrupt the market. We are excited about the prospects of our maiden offering, the Harley-Davidson X440, which launched recently. The bike has the potential to be an unbeatable product, combining the 'premiumness' and power of Harley with the scale of Hero. Moving forward, you will continue to see a very exciting range of products, as we focus on 'Winning in Premium'.

Our electric vehicle (EV) brand Vida V1 has received very positive response since its launch. Encouraged by this, we have decided to roll out the brand across 100+ cities/towns by March 2024. With the objective of **'Building Leadership in EV'**, we are working hard to make the product accessible to all, leveraging our vast distribution network. While our first electric vehicle offering was launched in the premium segment, we will soon be expanding our portfolio to cover the mid-market and affordable segments too.

As we move forward, we will also be diversifying and building new revenue streams. Our global business presents a big growth opportunity.

As per industry averages, global business often contributes nearly 25% of the revenues of our competitors. For us, it is only 5% of our revenues. With an established footprint across 47 markets, we will be focusing on rapidly accelerating scale in some of the key ones in the next phase, while continuing to build the remaining markets. Beyond this, we will continue to evaluate other adjacent areas too for their business potential.

At the heart of our strategy is a steadfast commitment to our stakeholders - investors, ecosystem partners, and the society that we live in. We get all our resources from Mother Earth and the environment around us. We have to give back, take care and do business in a sustainable way. As we drive sustainability goals, it is important to integrate them with our business and business models. Our goals for this front are already sharply defined, and we will be accelerating our quest to achieve these, some even ahead of their committed timelines.

We will also double down on our focus on customers and people. I am often asked, 'Should we focus on shareholder value or the customer?' Well, these are not contradictory goals. When customers love us, more of them will buy our products at a higher premium than the competition and remain loyal to us. This, along with the efficient running of our business, leads to shareholder value creation. As part of my first 100 days, I have travelled extensively across the country, meeting customers and gathering insights. Every interaction has convinced me even more about the potential that we have as a Company and how far we can go.

As we change gears on all fronts within the Company, the power will come from our people, as it is people who are the key differentiators between winning and losing.

Dedicated to relentlessly pursuing excellence, we will continue to empower our teams to make informed decisions quickly, and to foster a culture that embraces change and adaptation, so that we may accelerate the progress towards our goals. Diversity and inclusion will be a key focus area, not only gender diversity but also diversity in every sense of the term. By doing so, we will strengthen the fabric of our organisation, propelling it to even greater heights.

It is with great humility and a strong sense of purpose that I pledge to lead our Company with integrity, transparency, and a tireless dedication towards creating value for all. Thank you for your continued trust and support as we embark on this exciting journey of growth. I am confident that we will together navigate the industry with our clear focus and unwavering determination, ensuring that speed becomes our competitive advantage in shaping a successful and sustainable future.

Niranjan Gupta
Chief Executive Officer

Robust Momentum

Sales Volumes (In lakh)

53 lakh

FY 2022-23	53
FY 2021-22	49
FY 2020-21	58
FY 2019-20	64
FY 2018-19	78

Sales volume grew by 7.8% during FY 2022-23, deluxe segment increased by 15.9% and scooter segment increased by 16.3% while exports declined by 42.5%

Total Income (₹ in crore)

₹ 34,371 crore

FY 2022-23	34,371
FY 2021-22	29,802
FY 2020-21	31,380
FY 2019-20	29,614
FY 2018-19	34,342

Highest ever revenue, with 15.3% growth in Total income in comparison to the previous year

EBITDA (₹ in crore)

₹ 3,986 crore

FY 2022-23	3,986
FY 2021-22	3,369
FY 2020-21	4,019
FY 2019-20	3,958
FY 2018-19	4,930

EBITDA growth in comparison to the previous year was 18.3%

PAT (₹ in crore)

₹ 2,911 crore

FY 2022-23	2,911
FY 2021-22	2,473
FY 2020-21	2,964
FY 2019-20	3,633
FY 2018-19	3,385

PAT growth in comparison to the previous year was 17.7%

Earnings Per Share (₹)

₹ 146

FY 2022-23	146
FY 2021-22	124
FY 2020-21	148
FY 2019-20	182
FY 2018-19	169

EPS growth in comparison to the previous year was 17.7%

Return on Average Equity (%)

17.92%

FY 2022-23	17.92
FY 2021-22	15.96
FY 2020-21	20.21
FY 2019-20	26.92
FY 2018-19	27.49

RoAE growth in comparison to the previous year was 12.24%

Renewable Energy Intensity (kWh/Vehicle)

2.54 kWh/V

FY 2022-23	2.54
FY 2021-22	2.21
FY 2020-21	1.60
FY 2019-20	1.31

Beneficiaries of Project Shiksha (in lakh)

4.44 lakh

FY 2022-23	4.44
FY 2021-22	4.35
FY 2020-21	4.31
FY 2019-20	4.15

Specially-abled Workforce (Nos.)

105

FY 2022-23	105
FY 2021-22	98
FY 2020-21	66
FY 2019-20	60

Beneficiaries of Ride Safe Training (in lakh)

15.74 lakh

FY 2022-23	15.74
FY 2021-22	9.21
FY 2020-21	7.68
FY 2019-20	6.56



Crafting the Future Today

From agile city commuters to rugged off-road machines, our diversified portfolio of scooters and motorcycles is a testament to the passion and innovation that drives us as a brand. We offer an unparalleled selection of two-wheelers that have been expertly crafted to fulfil the needs and desires of our customers in terms of styles, features and price points. Our recent EV launch has further strengthened our portfolio.

PRACTICAL



 HF Deluxe



 HF 100



 Splendor+



 Splendor+ XTEC

EXECUTIVE



 Passion Pro



 Passion XTEC



 Super Splendor



 Super Splendor XTEC



 Glamour XTEC



 Glamour Canvas



 Glamour



PERFORMANCE



Xtreme 200S



Xtreme 160R Stealth 2.0



Xpulse 200 4V



Xpulse 200T 4V



Xpulse 200 4V Rally Edition



SCOOTERS



Destini 125 XTEC



Maestro Edge 125



ELECTRIC SCOOTER



Vida V1



Maestro Edge 110



Pleasure+ XTEC



XOOM



ECO 150



ECO Deluxe



Hunter 100



Hunter 125



Xpulse 200



Thriller 160R



Hunk 160R



Dash 110



Ignitor 125



Hunk 150



Dash 125

Product Portfolio – Harley Davidson



 Fatboy



 Fatbob



 Heritage Classic



 Pan America



 Street Glide



 Nightster



 Nightster Special



 Sportster S



 X440



 Road Glide

Venturing into Electric Mobility



Powered by Hero

'I envision VIDA empowering millions of people around the world to do the right thing and be a part of the change that they want to see, by creating a positive impact on our planet'

Dr. Pawan Munjal

During the year, we entered a new realm of electric mobility with the launch of Vida—our electric scooter. Designed with the aim of offering clean mobility solutions to our customers across the world, Vida packs industry-leading features, with the promise of a great driving experience, convenience and performance. It was first unveiled at our Experience Centre in Bengaluru followed by Jaipur and Delhi.

We have big ambitions for Vida, and are working towards its launch in Europe, Latin America, and across Asia. We are confident of its potential as a power-packed electric mobility option and hope to leverage its growth to consolidate our position in electric personal mobility. The product is homegrown at our Centre for Innovation & Technology (CIT), Jaipur with support from Hero Tech Centre Germany (HTCG) and offers an unbeatable customer experience.



Worry-Free EV Ecosystem

VIDA's strategy revolves around creating a worry-free EV ecosystem for its customers. To achieve this, we have introduced several customer-centric propositions and services.

- ▶ Green EMI financing platform offers seamless and efficient financing options with best-in-class interest rates.
- ▶ A unique buy-back scheme is being offered to encourage Vida trials, wherein customers are assured of a 70% buy-back value for their vehicle between the 16th to 18th month of ownership.

Additionally, customers have the opportunity to test-ride the VIDA V1 for up to three days, ensuring peace of mind and confidence before making a purchase.

- ▶ Another industry-first initiative, Repair On-Site, provides customers with on-demand service anywhere, anytime. All these offerings, combined with a complete buying journey from the comfort of the customer's home, helps to establish the reliability and safety of the new product and assures a truly worry-free usage experience.

Salient Features

Low running cost

Keyless smartphone entry

OTA enabled 7" TFT Touchscreen

Regenerative braking

Advanced cruise control and Boost Mode

Intelligent 2-way throttle

Reverse Mode

2-Removable batteries

Fast acceleration

Custom Mode with 100+ combinations

Ergonomic display and control

LED headlights

Omni Channel Customer Experience

VIDA has adopted an Omni Channel customer experience approach, aiming to provide a seamless and immersive interaction with the brand. This includes Experience Centres (ECs), pop-up stores, and dedicated service facilities. Currently, VIDA has ECs in Bengaluru and Jaipur, along with pop-up stores in Delhi. These physical touchpoints provide customers with an immersive and differentiated experience. They can explore the VIDA V1 scooters, charging stations, and engage with interactive walls illustrating the brand's vision. The ECs offer a comfortable and social space for customers to check out the product's features and unique benefits first-hand and to gain a deeper understanding of the transition, its change impact and the VIDA support ecosystem.



Customer Testimonials

“VIDA is eco-friendly, Proud to give something back to the World...”

Swathi V

“Dream to get hands on my first ever electric vehicle. Was waiting for a brand to remove my dependence on external charging and provide a solution. Vida is one such product that came out at the right time, Added my bit to a greener environment.”

Parikshith



Fortifying the EV Infrastructure

Range anxiety and limited fast charging infrastructure are key barriers to EV adoption in India. Hero MotoCorp has taken proactive steps to address this issue by partnering with Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL) to establish EV charging station network in India.

Expansion of Charging Ecosystem: VIDA has set up nearly 300 charging points at 50 locations across initial cities, ensuring convenient access for EV users. The charging network will be expanded to cover more cities, leading to widespread coverage and user convenience.

Fast Charging Capabilities: VIDA's charging network offers industry-leading fast charging capabilities, allowing users to charge their scooter's battery at a rate of 1.2 km/min. Each station is equipped with both DC and AC sockets for added convenience.

My VIDA Mobile App: The 'My VIDA' mobile app enables users to locate nearby charging stations, check slot availability, reserve charging slots, and find their way to the station. In this way it streamlines the charging process, enhancing convenience for EV owners.

- DC/AC fast chargers
- 100% cashless transaction model
- Charging station can be accessed through VIDA mobile app
- Available to all VIDA customers and other compatible brands

Expansion Plans

After the initial launch in Delhi, Jaipur, and Bengaluru, VIDA commenced its expansion plan of reaching eight more cities in FY 2022-23. By FY 2023-24, we plan to launch VIDA across more than 100 cities in India.

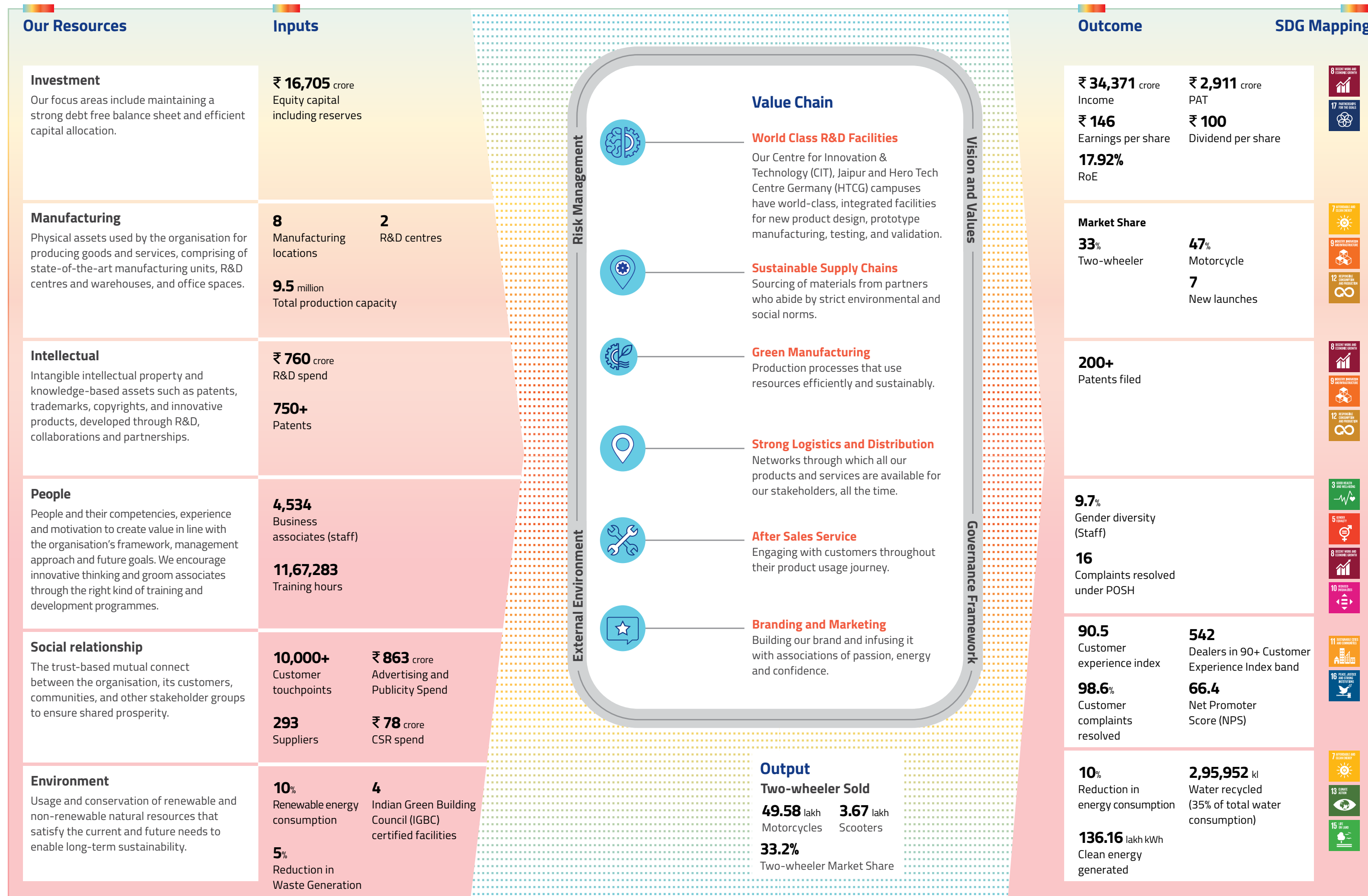
To achieve this, we are leveraging Hero MotoCorp's extensive reach in distribution and post-sales services. The brand's customer touchpoints include VIDA Experience Centres, EV dealerships, and Hero MotoCorp's existing dealer network.

International Ambitions

VIDA aspires to be an international success story. Our attempt is to gain customer attention and preference by providing unique offerings and tailor-made experiences through a customer-focused approach. By doing so, VIDA seeks to establish its presence and make a lasting impact on the electric mobility landscape at a global level.



VIDA VI



Reigniting the Passion, Forming New Bonds

2022 was a year that spelt a new kind of freedom for riders of all stripes, as social restrictions were gradually lifted, and the scare of the pandemic began to fade in the memory. With that freedom came a renewed passion for the long ride, as our Harley-Davidson community in India shook out their jackets, took their boots and helmets out of storage, and prepared to flex serious muscle out on the road. They turned out in numbers to answer the call of the far horizon, and we made sure there were plenty of occasions to re-ignite their passion for riding through the year. Participation swelled to all-time highs across the four zonal rallies and the all-India rally, and the sight and sound of hundreds of magnificent Harley-Davidson motorcycles riding out together across the length and breadth of the nation was nothing short of phenomenal. 2022 also marked the year that Harley-Davidson India surged ahead to lead the market for big bikes once again. And this was the year we welcomed a new and younger rider demographic into the fold

with innovative launches of the nimble, sporty Sportster S and the versatile, customisable Nightster. Our community was also invited to engage with each other virtually, as we ran innovative and inclusive events across our digital and social media channels.

The Quadathon encouraged rides across all four of the most common and scenic terrains of India: coastlines, mountains, highways and forests. The 75th urged our community to ride their Harley-Davidson bikes across all the states and territories mentioned in the national anthem, in honour of our 75th year of Independence. Both initiatives promised a prestigious patch to all who completed them. And finally, our presence and support at India Bike Week and the first-ever Outback Festival in Ladakh gave our community ample reasons to ride out together and forge the sort of deep friendships that can only be built by a shared love of the road.



Dr. Pawan Munjal
Executive Chairman, Hero MotoCorp

Jochen Zeitz
President, Chairman, & CEO,
Harley-Davidson



Harley-Davidson Pan America

Board of Directors



CORPORATE OVERVIEW
MANAGEMENT DISCUSSION AND ANALYSIS
STATUTORY REPORTS
FINANCIAL STATEMENTS

1 Dr. Pawan Munjal
Executive Chairman and Whole-time Director
C

2 Air Chief Marshal BS Dhanoa (Retd.)
Non-Executive and Independent Director
M M M

3 Mr. Vikram S. Kasbekar
Whole-time Director
M M

4 Ms. Camille Tang
Non-Executive and Independent Director

7 Ms. Tina Trikha
Non-Executive and Independent Director
C M

8 Prof. Jagmohan Singh Raju
Non-Executive and Independent Director
C M M

9 Mr. Rajnish Kumar
Non-Executive and Independent Director

10 Mr. Suman Kant Munjal
Non-Executive Director

5 Ms. Vasudha Dinodia
Non-Executive Director

6 Mr. Pradeep Dinodia
Non-Executive Director
M M C C M

● Audit Committee	● Nomination & Remuneration Committee	● Risk Management Committee
● Stakeholders' Relationship Committee	● Sustainability and Corporate Social Responsibility Committee	

C - Chairperson M - Member

100%
BOARD ATTENDANCE

8
NON-EXECUTIVE DIRECTORS

5
INDEPENDENT DIRECTORS

2
EXECUTIVE DIRECTORS

3
WOMEN DIRECTORS



Dr. Pawan Munjal
Executive Chairman and
Whole-time Director

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

With his leadership, Hero MotoCorp achieved the coveted title of the world's largest manufacturer of motorcycles in 2001 and has successfully retained this position to date – for 22 consecutive years. The Company has also surpassed the milestone of 112 million units in cumulative production and sales.

Dr Munjal has consistently demonstrated visionary leadership to guide Hero MotoCorp, to not just consolidate its leadership status, but also expand its global footprint across multiple continents. Hero MotoCorp currently sells its products in over 47 countries across Asia, Africa, Latin America and the Middle East. The company has eight world-class manufacturing facilities, of which six are located in India and one each in Colombia and Bangladesh; and two Research & Development Centres in Jaipur, Rajasthan and Munich, Germany.

Hero MotoCorp has rapidly transformed into a large multinational organisation, with people from nearly a dozen countries now working in the Company. The Company is also championing Diversity & Inclusion and Sustainability initiatives across its global offices. In keeping with the Company's Vision, "Be the Future of Mobility", Dr. Munjal has led Hero MotoCorp to embark on new partnerships with global brands like Harley-Davidson and Zero Motorcycles to develop future-ready and technology-driven mobility solutions. In March 2022, Dr. Munjal unveiled Vida, Powered by Hero, a brand-

new identity for emerging mobility solutions, including upcoming Electric Vehicles (EV).

Dr Munjal has held executive positions at key Indian industry bodies - Confederation of Indian Industry (CII) and Society of Indian Automobile Manufacturers (SIAM). In February 2022, Dr Munjal was conferred with the All India Management Association (AIMA) JRD Tata Corporate Leadership Award for the Year 2021-22.

A sporting Hero, Dr Munjal firmly believes in the transformational power of sports in society and its ability to transcend borders and connect people. Hero MotoCorp is one of the largest corporate promoters of multiple sporting disciplines and continues to be associated with golf, soccer, field hockey, cricket and motorsports across the globe. Dr. Munjal's impact on the growth and development of sports, especially golf, is indelible. For over two decades now, he has supported golf and golfers – both professionals and amateurs.

Dr. Munjal, who is a past President of the Professional Golfers Association of India (PGA), is the current Chairman of the Asian PGA Tour Board of Directors. He is also an Honorary Board member of the Emirates Golf Federation.

As a recognition of his unparalleled support and ongoing commitment to golf around the world, Dr. Munjal was inducted into the **Asia - Pacific Golf Hall of Fame** the highest honour in the Asia Pacific Golf industry, and conferred with the **Lifetime Contribution Award by Indian Golf Industry Association (IGIA)**. Through the promotion of several marquee global events, Dr. Munjal has put India and Indian golfers on the global map.



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

Air Chief Marshal B. S. Dhanoa (Retd.), is an alumnus of St. George's College, Mussoorie, where he studied from 1968 to 1969. Thereafter, he moved to Rashtriya Indian Military College, Dehradun in August 1969 and joined the National Defence Academy (NDA) in June 1974. He later graduated from the Jawaharlal Nehru University in 1977. Post his flying training, he was commissioned in the Fighter Stream of the Indian Air Force in June 1978. In 1985, he carried out the All Purpose Flying Instructors Course (APFIC) and then attained the highest-Flying Instructor's Category A2 in 1987. He then did his M. Sc. in Defence Studies from Madras University and attended a Defence Services Staff College Course in 1990-91. He has an illustrious career with Indian Air Force and has served at various ranks. He served as the Air Officer Commanding-in-Chief of South Western Air Command before taking over as the Vice Chief of Air Staff (VCAS) in May 2015. He served as the 25th Chief of the Indian Air Force (IAF) from January 1, 2017 to September 30, 2019 and led the IAF when it executed air strikes over Balakot in Pakistan in February 2019. He has been awarded with the Param Vishisht Seva Medal in 2016, Ati Vishisht Seva Medal in 2015, Yudh Seva Medal 1999 and Vayu Sena Medal in 1999. Amongst various other achievements, the Fighter Squadron he commanded was the most decorated Air Force unit during the Kargil conflict due to his excellent leadership. Post retirement he is also a Member in the Board of InterGlobe Aviation Ltd. as a Non-Executive Independent Director.



Mr. Vikram Sitaram Kasbekar
Whole-time Director

A Mechanical Engineer from IIT Madras, Mr. Kasbekar joined Hero when it achieved 'World No.1' status, having served the organisation in various roles Head of Operations, Supply Chain, Head of R&D and now Global Product Planning. He has been instrumental in formulating and driving the Company's sustainable manufacturing strategy to meet global standards in manufacturing quality and delivery, New Model Centre, Projects, Global Parts Centre, Green Initiatives and Compliances. He has established state-of-the-art plants from scratch at Haridwar, Neemrana, Halol, Jaipur (Centre for Innovation & technology), Tirupati, Colombia & Bangladesh. He has been an active member of the team driving strategic alliances for business growth. He is also on the Board of JV Companies HMCMM, HNBL Bangladesh & a member of various Hero MotoCorp Board committees viz. Risk management, Committee of Directors, stakeholder's relationship Committee. He is a part of management committees of new models, pricing, sourcing, statutory compliance & audit. Currently, he is also heading the Global Product Planning function of the organisation in addition to being a Board member.

He has over 47 years of rich work experience in the Auto industry, having worked in Commercial Vehicles, Auto Ancillary & Two-Wheelers Sectors. He is actively associated as a member of CII Northern Regional Council, Greenco Delhi Chapter Chairman and a member of the Manufacturing Council of CII.



Ms. Camille Tang
Non-Executive and
Independent Director

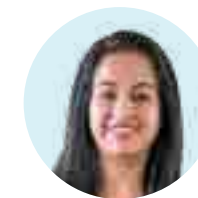
Ms. Camille Tang has deep experience in innovation, intellectual property and productisation across Asia-Pacific, Europe and USA.

As co-founder, C-level management and executive board member in start-up's, leading multinationals and non-profit's, Ms. Tang's industry experience includes mobility and electrification with Hero MotoCorp; wireless power technology with Convenient Power; international standardisation with Wireless Power Consortium; leadership and management education with Harvard Business School Asia-Pacific Research; financial derivatives and investment banking with Swiss Bank Corporation, SBC Warburg, HSBC Investment Bank; agribusiness and commodities with Bunge, Continental Grain; lifestyle and luxury design and retail with Blanc de Chine, Macy's California.

Milestones include 28 world firsts in wireless charging, 2 industry firsts in Chinese luxury design and additional company firsts. Her interests include battery recycling, hardware and software design optimisation in artificial intelligence.

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

Ms. Tang received Bachelor of Arts, Social Sciences, with Distinction, Stanford University, and Master in Business Administration, Harvard University.



Ms. Vasudha Dinodia
Non-Executive Director

Ms. Vasudha Dinodia is an immensely successful third generation entrepreneur from the eminent Munjal Family. She is credited with founding the boutique chocolate Company Choko La in the year 2005, of which she is the Managing Director. Ms. Vasudha Dinodia 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 13 international airports, including Singapore, Macau, Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Hyderabad, Ahmedabad, Goa, Jaipur, Raipur, and the new outlets would be coming up in other major international airports across the globe. The brand plans to expand their boutiques to London, Paris, New York, Dubai, Sydney and Tokyo in the coming years. A trendsetting chocolatier and an astute businesswoman, 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. Pradeep Dinodia is a Non-Executive Director of the Company. He is on the Board of the Company since March 31, 2001. He graduated in Economics with Honours from St. Stephen's College, Delhi University and obtained his Law Degree from the same University. He is a Fellow Member of The Institute of Chartered Accountants of India and Chairman and Managing Partner in the Delhi-based Chartered Accountancy firm M/s. S.R. Dinodia & Co. LLP. He is the Chairman of Shriram Pistons & Rings Limited and Non-Executive Independent Director in Hero FinCorp Limited and DCM Shriram Limited. He has co-authored a book, 'Transfer Pricing Demystified'.



Ms. Tina Trikha
Non-Executive and Independent Director

Ms. Tina Trikha was appointed as an Additional and Independent Director effective October 23, 2019. She has close to two decades of experience working with companies in India, the United States, and South-East Asia. A published author and an executive coach, she has served as the head of communications and talent development for SeaLink Capital Partners, an India-focused private equity firm. Previously, she was Vice-President of corporate planning and strategy at Godrej Industries Limited. Prior to that, Ms. Trikha was responsible for strategic planning and business development at Scholastic, a book publisher and distributor in New York. Her previous roles included providing financial and strategic advice to companies as a consultant with McKinsey & Company in New York and as an investment banker with Credit Suisse in New York and Hong Kong. Ms. Tina Trikha 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 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 is currently the Joseph J. Aresty Professor of Marketing at the Wharton School of the University of Pennsylvania. Professor Raju served as the Vice Dean for Wharton Executive Education and Wharton Online from July 2016 to March 2022. Before that, Professor Raju chaired Wharton's Marketing Department for six years and currently manages Wharton's relationship with the Indian School of Business. Prior to joining Wharton, he taught at the Anderson School at UCLA. He has received numerous teaching awards and research awards at Wharton and UCLA. 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

Mr. Rajnish Kumar is former chairman of State Bank of India. He completed his three-year term as chairman of SBI in October 2020. He is credited with steering the bank successfully through very challenging times and adopting key technology transformations. During his tenure, the Bank developed YONO, a digital platform, which established SBI as a global leader in the adoption of technology and innovation. Mr. Kumar is a career banker with nearly four decades of service with the State Bank of India. His expertise in corporate credit and project finance is well recognised. He currently serves as an Independent Director on the Boards of many other prestigious companies viz. HSBC, Asia Pacific, L&T Infotech and is also the Non-Executive Chairman of Resilient Innovations Pvt. Ltd. (BharatPe). Mr. Rajnish Kumar was also the Chairman of SBI's subsidiaries, some of the more important ones included, SBI Life Insurance Company Limited, SBI Foundation, SBI Capital Markets Limited and SBI Cards & Payments Services Limited. He also served as Director on the boards of various organisations, viz. Export-Import Bank of India, Institute of Banking Personnel Selection, National Institute of Bank Management, Pune, Indian Banks' Association, Khadi & Village Industries Commission, Indian Institute of Banking & Finance, among others. He has done M.Sc. in Physics from Meerut University and is also a Certified Associate of Indian Institute of Bankers (CAIIB).



Mr. Suman Kant Munjal
Non-Executive Director

Mr. Munjal was appointed as an Additional Director on the Board as on July 29, 2010. He is the Executive Chairman (Whole-time Director) of Rockman Industries Ltd., one of the leading suppliers of aluminium die casting, machined and painted assemblies to Hero MotoCorp Ltd. A graduate in Commerce, he possesses rich experience and expertise in business management. Over the years, he has been instrumental in elevating Rockman Industries Ltd. to its current status.

Years of experience and expertise have led Mr. Munjal to earn a place in the Boards of various companies.

Reflecting Accountability and Values



We continue to strengthen our leadership team to help deliver on our vision and mission. The team's expertise helps drive growth amid the emerging and rapidly changing dynamics.



Mr. Niranjn Gupta
Chief Executive Officer &
Chief Financial Officer



Mr. Sanjay Bhan
Head – Global Business



Mr. Mike Clarke
Chief Operating Officer and
Chief Human Resources Officer



Mr. Suresh Jagirdar
General Counsel



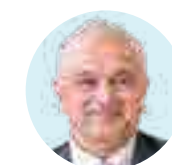
Ms. Reema Jain
Chief Information and
Digital Officer



Dr. Arun Jaura
Chief Technology Officer



Mr. Bharatendu Kabi
Head – Corporate
Communications & CSR



Mr. Vikram S. Kasbekar
Head – Global Product Planning



Mr. Ram Kuppuswamy
Chief Procurement Officer



Mr. Ranjivjit Singh
Chief Growth Officer



Mr. Swadesh Srivastava
Head – Emerging Mobility
Business Unit



Mr. Rakesh Vasisht
Executive Sponsor – Scooters
& Head – Corporate Services

Cruising through Headwinds

Moderate Economic Growth

The global two-wheeler market faced several challenges during FY 2022-23, which included slowing global growth, inflation, volatility in commodity prices and rising interest rates. However, India remained an island of hope and potential, with very positive macroeconomic conditions. The recent Union Budget has further solidified the case for capital expenditure-led growth, which is fuelling more broad-based income generation and distribution and higher disposable incomes. These conditions will positively impact two-wheeler demand. India's fast expanding road network, with 40-50 kms of new roads being added daily, has opened up new markets at a pace never seen before.

Our Response

Despite the challenging global market conditions, we continued to invest in brand building, new product launches, and in expanding our network reach. As the world's largest two-wheeler manufacturer, we have long-term plans for establishing our presence in new markets and growing our share in existing ones, and remain committed to our market development efforts. We intend making our ICE and EV products even more value-focused. We expect healthy growth and are targeting production of > 6.5 million two-wheelers in FY 2023-24 for domestic and export purposes.

Stringent Emission Norms

The second phase of BSVI norms called Real Driving Emission (RDE) norms, have become effective from 2023. They are at par with Euro 6 standards and mandate compliance with emission targets in real-world conditions vis-a-vis laboratory test conditions. Indian vehicles will have to meet these, which will mean upgrading engines, leading to additional costs.

Our Response

Since April 1, 2023, onwards, all our manufacturing with On-Board Diagnostic (OBD) II Phase 1 as per the mandate requirements.

Going Electric

The EV market is predicted to grow at 49% CAGR between 2022-2030. With the growth momentum resuming post-pandemic, scooters have seen a pronounced uptick with a clear preference for going electric in urban pockets. The value proposition for EVs has been growing stronger over time, more so within the prevailing inflationary scenario. Government subsidies have enabled manufacturers to match EV prices with ICE models. EV operating costs are lower than conventional two-wheelers, and with fuel prices continuously going northwards that advantage is a clear winner. As more customers shift to EV vehicles, manufacturers are spicing up the market with new EV launches at competitive price points.

Our Response

We launched our electric scooter, VIDA in December 2022, and are in the process of taking the brand to more than 100 cities across India, followed by entry into global markets.

Supply Constraints and Chip Shortages

Supply chains across global markets have remained disrupted throughout the year due to the Russia-Ukraine conflict and extended zero Covid lockdowns in China. India imports US\$ 17.5 billion worth of auto components from USA, China, and Europe. OEMs in India have faced an uneven supply of components throughout 2022 and this has made Indian automakers direly feel the need for developing alternate sourcing channels and reliable local manufacturers for critical components.

Our Response

We import significant volumes of electronic components like semiconductors and ICs from Japan, Germany, Singapore and China. During and immediately after the COVID-19 pandemic, the world has seen a huge surge in demand coupled with major supply constraints for electronics components. The reasons were diverse – supply disruptions in SE Asia, fire accidents and drought in Taiwan, and a cold snap in Texas that adversely disrupted semiconductor production and shipments. While some of these challenges have abated, passive electronics, power ICs and controllers still face considerable supply constraints. However, we have weathered the storm better than others through focused actions in favour of migration and de-risking. These include preferential volume allocation through direct relationships with chip manufacturers, developing open market sources and alternate pin-pin replacements. These mitigation efforts will aid in easing the constraints over the next 12-24 months.

Recovery in Rural Demand

Rural areas contribute to around 55% of total two-wheeler sales in India. During the year rural incomes have been dampened by inflationary pressures, unseasonal rains and higher commodity prices. Further, the new emission regulations have made entry-level and commuter vehicles more expensive. This has subdued rural sales. However, the last quarter of FY 2022-23 has seen demand reviving and these green shoots of change hold out hope and expectations of strong demand growth in the next fiscal.

Our Response

We have strengthened our rural market share by focusing on increasing the offtake of entry-level vehicles, as well as those in the 100 cc to 110 cc segment. We have kept the entry-level price increases to the minimum, and this has enabled us to offer very competitive prices to prospective buyers.

In Q4 FY 2022-23 rural demand saw strong revival. We are nurturing these green shoots by focusing on increasing the offtake of entry-level vehicles, as well as those in the 100 cc to 110 cc segment. Our entry-level prices offer very attractive options to the consumer.

Driving Sustainable Innovation

Hero MotoCorp is playing a leading role in shaping the future of the two-wheeler industry through industry-first innovations, premiumisation, superior customer experience, and by stewarding a conclusive shift to sustainable mobility. We are doing this through innovative partnerships and programmes that bring synergies across the value chain.

Premiumisation

Our premiumisation strategy revolves around the 125 cc segment and scooters and will also be driven through new product launches every quarter. We are strengthening our portfolio with the launch of new **XTEC editions of the iconic Splendor+, Passion, and Super Splendor motorcycles**. XTEC edition contributes to over 30% of our portfolio, helping us to consolidate and further strengthen our position in our core markets. In scooters, **Xoom** has been launched with industry-first features and youthful branding and has received very good initial response.

We are also flanking the premiumisation of our portfolio through improved channel efficiencies and seamless customer experience and popularising digital engagement with our brand through our single-app initiative. As multi-channel customer engagement gains traction, the brand will gain in terms of connect, recall and loyalty.

Partnership with Zero Motorcycles

We have recently partnered with Zero Motorcycles to develop premium electric motorcycles. This is a significant force multiplier on our sustainable mobility journey. This partnership will allow us to marry Zero's world-class expertise in developing powertrains and electric motorcycles with our manufacturing and distribution capabilities.

We will be bringing the Zero portfolio into India, increasing access for the Indian consumer to the best of international clean mobility options. California-headquartered Zero will be manufacturing its products in India too. With Zero as our partner, we look forward to accelerating the transition to electric mobility in India and across our global markets.

US\$ 60 million
INVESTMENT IN ZERO MOTORCYCLES



- Full Digital Meter
- Bluetooth with Call
- Mobile App Connectivity
- Real Time Mileage Indicator
- Programmed Fuel Injection

Hero Sure Powered by Wheels of Trust — Transforming the Replacement Market

We are deploying industry-leading tech interventions, to transform the used 2W exchange market and address replacement demand as this will foster opportunities for new two-wheeler sales. Our entry into the second-hand two-wheeler market under the brand '**Hero Sure powered by Wheels of Trust**' has achieved significant progress.

Our home-grown tech platform Wheels of Trust (WOT)[®] has launched an innovative OEM first 'DIY-Used 2W resale calculator' web app that enables customers to check the indicative resale value of any two-wheeler in just 30 seconds, raise an enquiry and later exchange it across our vast network of 900+ dealerships.

The WOT proprietary app also offers 'CertX' – a used 2W certification service. More than 1 million two-wheelers have been

certified through this service over the last fiscal. Customers who wish to exchange their two-wheelers can get an app-driven health check and the best resale valuation in a tech-driven digital way through the price discovery app 'Flash' which is available with exchangers in the market, making the process convenient and hassle-free.

The replacement demand thus generated is channelised towards pre-owned 2W. Our Hero Sure outlets offer certified pre-owned two-wheelers with assured quality and durability, along with value-added services like finance, extended warranty and service packages to customers. Owners of pre-owned 2W can later be upgraded to a new Hero 2W as they carry a favourable brand impression and usage experience having traversed the resale and pre-owned vehicle usage cycle.



Introducing India's new-age phygital 2-wheeler resale platform
Click for the best resale valuation in just 4 easy steps

- ENTER VEHICLE DETAILS
- INPUT VEHICLE CONDITION
- OTP VERIFICATION
- GET VALUATION RESULT

1 million+
2WS CERTIFIED USING THE CERTX APP



Hero Sure outlet

Racing Ahead

With strong performances and significant wins across some of the world's most prestigious rallies, Hero MotoSports is considered among the top teams in the international rally racing arena. We remain committed to creating a world-class off-road racing team and over the past seven years we have been consistently bringing in laurels, with a greater number of wins at some of the world's most competitive tracks.

At the 2023 edition of the Dakar Rally, we became the first Indian manufacturer to achieve multiple stage wins.

INTERNATIONAL RACING

The Hero MotoSports team participated in four major races in the FIM World Rally Raid Championship 2022 and earned the overall 5th rank among top manufacturer teams. To ensure peak rally performance, the Hero Rally 450—the team's trusted machine—underwent continuous testing and upgrades throughout the year, and crossed the finish line at all the races without any technical issues. This achievement underscores the quality of rigorous engineering and testing that goes into our products.

Highlights of International Racing 2022-23 Season

Event	Position
Dakar Rally 2023	2 Stage Wins
Abu Dhabi Desert Challenge (ADDC) 2023	1 Top-5 Position
Rallye Du Maroc 2022, Andalucia Rally 2022, Dakar Rally 2023, ADDC 2023	5 Top-10 Position
Rallye Du Maroc 2022	2 Stage Wins
Rallye Du Maroc 2022, Dakar Rally 2023, ADDC 2023	5 Stage Podiums



Dakar Rally 2023

Dakar 2023 was undoubtedly the toughest Dakar yet, with the world's top manufacturer teams and top athletes battling for the top spots over 15 days across 8,500 kms of extreme terrains. With its unexplored routes in the desert, the rally posed extreme challenges for the competitors right from day 1. Our team gave their best-ever performance at Dakar with a top-10 overall finish, two stage wins, and a stage podium.

For Ross Branch, this was his first Dakar outing with the Hero MotoSports team. Having suffered a crash and a fuel issue on consecutive stages, he lost over 4 hours. However, undeterred he pushed hard and claimed two stage wins in three days. Ross finished Dakar 2023 in the 16th overall position in the Rally GP class.

Franco Caimi showcased highly consistent performances finishing five

stages in the top 10. His hard work and perseverance paid off, as he finished with an excellent overall 10th position.

Sebastian Buhler delivered an excellent performance—claiming his first-ever Stage Podium, finishing second in Stage 2, and finishing the race in the 14th overall position in the Rally GP class.

Joaquim Rodrigues had a strong start but suffered an unfortunate crash leading to his early exit from the race.

Wins at Dakar 2023

Top-10 Overall Finish

Two Stage Wins

One Stage Podium

Team for Dakar

Joaquim Rodrigues

Ross Branch

Sebastian Buhler

Franco Caimi



INTERNATIONAL RACING

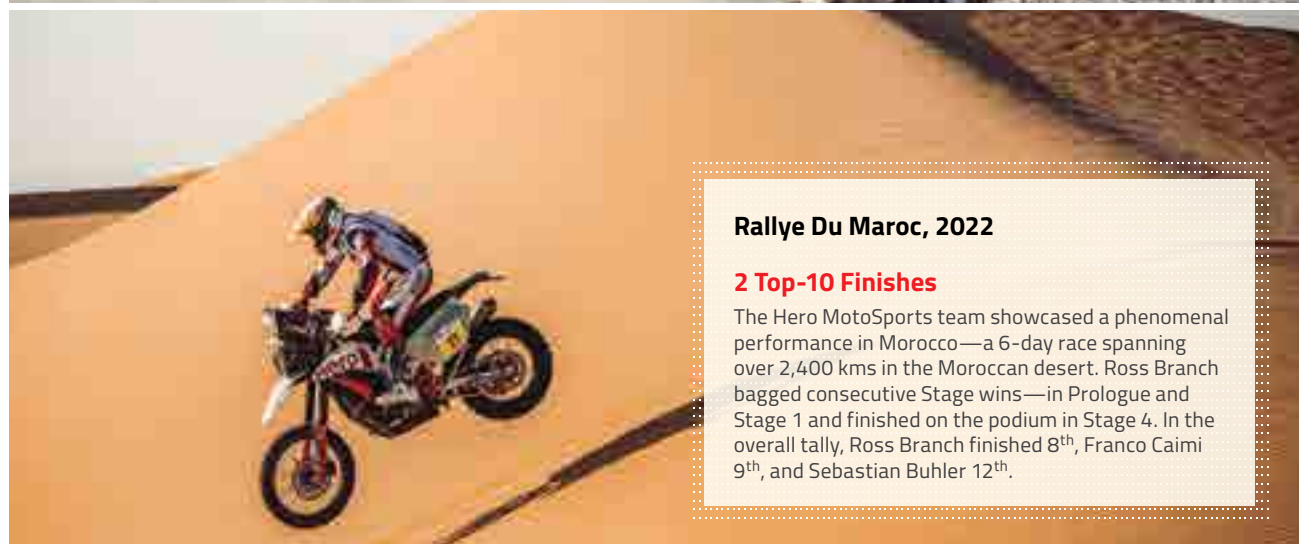
Highlights of International Racing 2022-23 Season



Rally Andalucia, 2022

2 Top-10 Finishes

Andalucia offered our riders a good opportunity to prepare in the Spanish countryside. The team performed consistently, finishing in the top 10 positions in most stages. Ross Branch led the overall rankings for the team with a 7th place finish, followed by Joaquim Rodrigues at the 9th, Sebastian Buhler at 12th, and Franco Caimi at the 13th position.



Rallye Du Maroc, 2022

2 Top-10 Finishes

The Hero MotoSports team showcased a phenomenal performance in Morocco—a 6-day race spanning over 2,400 kms in the Moroccan desert. Ross Branch bagged consecutive Stage wins—in Prologue and Stage 1 and finished on the podium in Stage 4. In the overall tally, Ross Branch finished 8th, Franco Caimi 9th, and Sebastian Buhler 12th.



Abu Dhabi Desert Challenge (ADDC) 2023

1 Top-5 Finish

ADDC lasted for 5 days in the deserts of Abu Dhabi. Ross Branch and Sebastian Buhler represented the team at the race, tightly contested by the top Rally GP class riders. Branch finished the race in the fifth place at the end of 5 stages and 17 hours of saddle time. Sebastian Buhler, however, had to exit the race on the grounds of technical disqualification.

NATIONAL RACING

Highlights of National Racing 2022-23 Season



Event SX Championship 2022

Winners

- Arun T - Novice Class

Event INRSC 2022 Championship

Winners

- Karan Kumar - Group D (Stock class)
- Tanika Shanbhag - Ladies Class
- Team, Overall Champions

Event Desert Storm 2022

Winners

- Yuva Kumar - Group B (up to 250 cc);
- Sathya Raj - Group C (165-210 cc);
- Team, Overall Champions

Event SJOBA Rally 2023

Winners

- Arun T – Group B (up to 210 cc)
- Karan Kumar – Group C (Stock class)
- Tanika Shanbhag – Ladies Class
- Yuva Kumar (Runner-up) – Group A (up to 550 cc)
- Team, Overall Winners

The Hero MotoSports National team recorded an equally stellar performance in the 2022-23 Indian season where they participated in two National Championships—Indian National Rally Championship (INRC), and the Indian National Rally Sprint Championship (INRSC); as well as two independent racing events—Desert Storm 2022 and SJOBA Rally 2023. Competing in the stock and modified classes, the team brought home the overall winners titles

from the INRSC and SJOBA Rallies, besides the multiple group wins at the Desert Storm and SX championship.

Riding on the XPulse 200 with Rally Kits and their purpose-built Hero MotoSports XPulse Rally 200, the team bagged the top positions at various races. Later in the year, the team also introduced the revolutionary new Hero MotoSports Xpulse prototype machine, entirely developed at Centre

for Innovation & Technology (CIT), which finished on the podium in its debut race at the Sprint Championship held in February 2023.

This season also saw an expansion in the team's national roster to become a five-member strong team. Factory riders Yuva Kumar and Sathyaraj were joined by three young guns—Arun T, Karan Kumar, and Tanika Shanbhag – the team's first female rider.

HERO MOTOCORP OFFICIAL MERCHANDISE



To meet the rising demand of its fan following, Hero MotoSports launched its own merchandise line in 2022 under the label—The Rally Life Collection. The launch collection features a variety of collectibles under three major design lines.

The Speedy Collection is a tribute to Paulo Goncalves, the team's erstwhile rider and a top Dakar athlete who passed away in an unfortunate crash at Dakar 2020.

The Man & Machine collection depicts in graphic detail the unique bond between man and machine.

The Team Wear collection includes a variety of designs replicating the team's official gear.

Amplifying the Hero Experience

Our customers associate Hero with quality and experience. It has always been our endeavour to deliver a complete riding experience to our customers – from best-in-class products that answer their expectations, to seamless service solutions that extend and enhance their product usage journey. Strengthening the brand experience through 360 degree communications is an extension of this relationship that we share with our customers.

- ▶ Launched the Hero Dirt Biking Challenge for biking enthusiasts and amateurs to showcase their talent on a national platform. The winner was awarded a sponsorship contract worth ₹ 10 lakh and an **Xpulse 200 4V Rally Edition**. The event was also aired on MTV and Voot as a five-part episode series.
- ▶ We sponsored two of the toughest and most competitive rallies in the country. **The world's highest cross-country motorsports rally of 2022**, The Rally of Chamba, with more than 100 motorcyclists negotiating the legendary Sach Pass, Kishtwar to Killar cliffhanger pass, surrounded by breathtaking landscape. Second was India's oldest running cross-country rally, the **Hero SJOBA Rally 2023**.

- In both rallies, we sponsored the entry of a few of our Xpulse customers and our colleagues, incubating the motorsports motorcycling culture within the organisation and outside.
- ▶ Hero conducted the **women's motorcycle club Xpulse** event in Chennai, which was organised and executed by an all-women team.
- ▶ **Women Biker League** was a one-of-a-kind motorcycle competition where **50 enthusiastic ladies** went through a series of riding and physical fitness obstacles on the Xpulse.
- ▶ **Hero Ride Fest:** This new format celebrates all facets of the man-machine relationship— from off-road to drag races, customisation to riding groups,

- seasoned with fashion, art and music. We are working towards our goal of showcasing our premium brands with strong associations of motorsports, motorcycling lifestyle, merchandise, and accessories. This year we kicked off this initiative.
- ▶ **Xpulse 200 4V** received two more prestigious awards, **Most Promising Dirt Bike and Bike of the Year** from Zee Digital, taking its total tally to seven awards.
- ▶ Hero's first-ever **all women riding expedition - 18 women riders** covering 353 Kms from Jaipur to Pushkar.
- ▶ **30 breakfast rides** with GoodLife Members and **16 all women rides** with our lady riders.

XClan

EXCLUSIVE COMMUNITY FOR XPULSE 200 LAUNCHED IN SELECT CITIES



Women Riding Expedition



A TVC campaign with brand ambassadors Anushka Sharma and Virat Kohli was launched to promote **Xpulse 200T 4V** with the tagline **'Where Next?'**

The campaign puts the female artist in the primary rider spot, thus, breaking stereotypes to feature women in empowering roles.



We launched the '**Khud Ki Sun Le**' campaign with Siddhant Chaturvedi as brand endorser to promote our new scooter, **Destini XTEC**. The campaign highlights the determination of youth to carve their paths to success and make their own destiny.



EMPOWERING DEALERS FOR DIGITAL SUCCESS: META'S DIGITAL LEARNING SESSION AT NDC ISTANBUL

Meta conducted a digital learning session at our National Dealer Conference in Istanbul, taking more than 700 dealers through the vast digital ecosystem and the role of social media platforms like Facebook and Instagram in connecting dealerships with customers. This session helped dealers realise how they can upskill themselves and their employees, ensuring readiness for the digital era. The effort shows how Hero is empowering its dealers to adapt to and thrive in the digital landscape, with greater customer engagement.



We are working on several fronts to make our products more appealing for customers and these include increasing affordability through more retail finance options; reenergising replacement demand through the innovative Wheels of Trust programme and opening more green dealerships. As always, we are keeping product excitement high through new launches. We have plans to launch 10 new products like the Xtreme 160R New edition,

Super Splendor Canvas Black, HF-Deluxe Golden Brown, Splendor+ Silver Nexus Blue, Pleasure+ XTEC Polestar Blue, Glamour XTEC Nexus Blue, Xtreme 160R Stealth 2.0. Our products under the XTEC umbrella offer a premium riding experience and also offer very attractive margin sales.

Ranjivjit Singh
Chief Growth Officer

3X

INCREASE IN DIGITAL ENQUIRY



Technology on Wheels

Data driven analytics is helping us predict product performance and accelerate product development. Smart and agile innovations are also getting integrated in our frontline products to provide innovative products. Intelligent ecosystems with integrated value chains and smart manufacturing techniques have become the norm today.

Digitalisation help us gain insights into our customer demand and to design and deliver products and solutions that match their needs and expectations.

Our Centre for Innovation & Technology (CIT), Jaipur, and Hero Tech Centre Germany (HTCG), Munich, are the nerve centres from where we drive our efforts towards continuous innovation, ensuring that we stay ahead

in our game. We employ high-calibre engineers, industry experts and tech professionals from across the globe to help us in developing mobility solutions that will shape the future.

Leveraging Digital Engineering for Product Excellence

We have a wide range of digital engineering product development and simulation skill sets and capabilities including best in class software and hardware. This enables us to carry out component to full vehicle simulations for varied usage applications. This is helping us make technical decisions faster and with higher accuracy. We have also established a good correlation between simulation and actual tests helping us be more efficient.

₹ 760 crore
R&D SPEND

57
HTCG TEAM SIZE

970 CIT TEAM SIZE

200+ PATENTS FILED

30+ PATENTS GRANTED



CORNER BENDING LIGHTS (CBL)

We successfully launched the CBL feature in the Indian market in our new offering, Xoom 110. These corner-bending lights provide additional visibility to the rider while turning. This technology will prove immensely helpful for non-urban roads with poor external lighting, and create significant product differentiation for the brand. CIT has filed multiple patents on this idea.



Other than manufacturing, several others aspects of our operations – from marketing to data monitoring and compliance – are now touched by the advancing wave of digitalisation. During the year, we have digitally launched a limited-edition bike, **the XPulse 200 4V Rally Edition**. This was the first-of-its-kind, only-digital launch, with the bike available only through pre-booking on our website.

We have also ensured timely implementation of OBDII Phase A norms, which advances the boundaries of next-gen 'smart' vehicles. Our incorporation of these norms into our vehicle features is in line with regulatory requirements across our portfolio.

We went live with the 'Smart Utility Cockpit' at Centre for Innovation & Technology (CIT) and this will help us gain real time insights, helping make operations more cost efficient and sustainable.



Hero NEXT

Hero NEXT is a unique initiative launched this year, and it aims to set new industry benchmarks for operations and performance. Its main goal is to foster sharing and cooperation between our manufacturing facilities and supply-chain partners to drive synergies and learning, leading to superior product development and service delivery. The first annual cycle ended this year and involved 61 plant teams and 27 supply-chain associates. Hero NEXT will streamline the process to drive operational excellence in all business areas in the coming year.

3 PROPOSALS SELECTED FOR DSEU HACKATHON

3 START UPS SELECTED FOR PLUG AND PLAY ACCELERATOR PROGRAMME

Hero Hatch

Hero Hatch is our internal incubation programme and functions like a startup. With innovation and new technology as the two pillars of our vision, Hero Hatch works to foster innovation from both within and outside the organisation, helping to generate new ideas and technology that can then be adapted to the Company's processes.



Idea Contest

Idea Contest is an internal programme where we encourage internal employees to submit their solutions for thematic real-time problems.



HCC Season 8

Hero Campus Challenge is a flagship programme which enables us to interact with academia. This programme involves engineering and business schools to solve real-world problems/use cases of the Company.

4x INCREASE IN RESEARCH PROJECTS

Certifications and Awards to Centre for Innovation & technology (CIT), Jaipur



Platinum rating in Indian Green Building Council (IGBC) certification



ISO 50001:2018 Energy management system certification



ISO 22000:2018 Food safety management systems certified



NABL ISO 17025 certificate of accreditation for testing and calibration

Mitigating Challenges Head-on

During the year, Hero MotoCorp was affected by several external and internal factors that had an impact on the automotive industry, like changes in policies by national and international governments, evolving business rules, volatile energy and commodity costs. We take a proactive route to managing these variables so as to ensure business continuity.

Risk Management Process

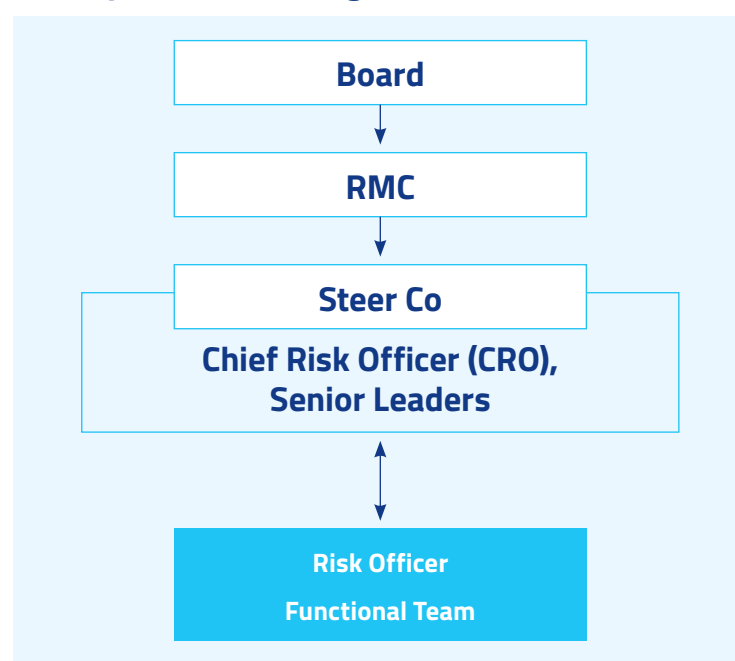
Managing risks is an integrated process that involves the Board, the Risk Management Committee (RMC), and the Enterprise Risk Management system. The RMC, with the support of ERM oversees the overall risk management process of our business units and corporate functions.

To facilitate this process, a Risk SteerCo consisting of senior leaders and the Chief Risk Officer (CRO) provides inputs to the RMC. The CRO-led Risk team

then collaborates with functional teams, where Risk Officers have been appointed as single points of contact (SPOCs) to conduct regular in-depth analysis of functional risks. An annual structural exercise is carried out to update risks, and the RMC oversees the Risk SteerCo management team, which is tasked with implementing the findings via the Risk team and functional risk management officers.

To enhance the risk management activities within the organisation, a Head of Risk position was created and filled in the first half of FY 2022-23. The Head of Risk's role responsibility includes overseeing all risk management activities in close association with the Risk SteerCo. The latter reports into the Board on the changes made and preparedness within the organisation regarding the emergent risks identified over the year.

Enterprise Risk Management (ERM) Framework



Risk	Impact	Mitigation Measures
Resurgence of Covid in export markets	Demand slowdown due to lockdowns.	Hero MotoCorp keeps exploring newer markets.
Semi-conductor shortage	Semiconductor shortage continues to affect OEMs, increasing lead times and leading to pending orders.	We identified alternative sources for critical components and tracked inventories at a child part level. As we venture deeper into the EV segment, the shortage of semiconductors could pose a significant threat, and we are developing plans to manage this risk.
Geopolitical tensions	Supply chain disruptions, semiconductor shortages leading to decline in sales, and impacting margins.	Building a strong local base of vendors and sourcing resources.
Depleting air quality and rising pollution levels	Increases health hazards as the amount of suspended particles in the air reaches toxic quantities.	Transitioning from BSIV to BSVI-compliant automobiles that would limit pollution.
Cyber-attacks and data security	Cyber attacks can lead to loss of valuable information, unauthorised access to data systems and other events of intrusion.	Deployed measures including Next Gen Security Operations Centre, Vulnerability Management Program, Data Governance, Cloud Access Security, and Enhanced Endpoint Security. We also renewed the Company's cyber insurance coverage.
Cost pressures in material sourcing	The cost pressures in material sourcing can have a significant impact on the Company's operations and profitability. Higher production costs due to increased material prices can erode profit margins and reduce overall profitability. The Company may face challenges in maintaining competitive pricing.	Diversifying sourcing options by exploring multiple suppliers and sourcing regions helps identify cost-effective alternatives and reduces dependency on a single source. Collaborating closely with suppliers and establishing long-term contracts or strategic partnerships can secure stable pricing or volume discounts. Value engineering can be employed to find material substitutions or design modifications that maintain quality while reducing costs. Advanced forecasting and demand planning, along with technology adoption like automation and data analytics, can improve efficiency and streamline the procurement process.

Establishing a robust organisational risk culture greatly strengthens our business' resilience and relative immunity to external shocks. Such a culture makes employees more attuned to taking decisions with the risk perspective in view. We undertake several measures to build strong risk awareness within our company so that we remain fortified for confident growth.

Being a Hero

★ PRODUCT ★

TopGear
Adventure, Motorcycle of the Year
Xpulse 200 4V

AUTOCAR
Bike Variant of the Year
Xpulse 200 4V

BIKE
EV scooter of the Year
Vida V1 Pro

DRIVEN
EV scooter of the Year
Vida V1 Pro

Zee Auto Awards
Bike of the decade
Splendor

Zee Auto Awards
Bike of the decade
Xpulse

Most promising
Dirt Bike
Xpulse 200 4V

★ OPERATIONS ★

JIPM
Special Award for TPM achievement to Dharuhera Plant, Gurugram Plant & Haridwar Plant

JIPM
Consistency Award for TPM achievement to Neemrana Plant & Global Parts Centre

JIPM
Excellence Award for TPM achievement to Halol Plant

★ ANNUAL REPORT ★

LACP
VISION AWARDS
PLATINUM WINNER
WORLDWIDE

LACP
VISION AWARDS
TOP 100 REPORTS
WORLDWIDE

LACP
VISION AWARDS
MOST ENGAGING REPORT
WORLDWIDE

★ SUSTAINABILITY ★

Outstanding Accomplishment by CII ITC Sustainability Award in Corporate Excellence Category

Single use plastic free certification to Gurugram plant by CII

Bureau Veritas certification of Water Positive to Gurugram Plant and Halol Plant

★ SAFETY ★

State safety award to Global Parts Centre from Government of Rajasthan

Excellence in Security Awareness & Physical Guarding Services at International Fire and Security Exhibition and Conference awards (IFSEC) to Haridwar Plant

Outstanding Security Performance Awards (OSPAs) 2023 by business world to Haridwar Plant

★ PEOPLE ★

CII National HR Excellence Award for 'Significant Achievement in HR Excellence'

Economic Times Best Organisation for Women Award 2023 for second time

Economic Times Healthcare Award 2022 in category of Best Medical & Wellness Centre

Note: All awards mentioned are for the year 2022-23.

Building a Shared Future

We aim to work with all our stakeholders to establish a sustainable enterprise and build a shared future. In pursuit of this goal, we prioritise initiatives in select areas while keeping sustainability at the forefront of our strategic decision-making process.

OUR TARGETS

	Target	Current Status
By 2025	500% WATER-POSITIVE FACILITIES	405%
	100% WASTE NEUTRAL FACILITIES	87.5% DIVERSION RATES CERTIFIED THROUGH THIRD PARTY AUDIT <small>*ZWL – Zero Waste to Landfill</small>
By 2030	100% CARBON NEUTRAL OPERATIONS	39%
	100% PRODUCT RECYCLABILITY	Targetting for 95%+ recyclability across product portfolio of ICE and EV
	100% GREEN DEALERSHIP	Pilot Completed
	30% GENDER DIVERSITY	9.7%

ESG RATINGS

Name of Ratings Index/framework	Rating Summary
Sustainalytics	Low ESG Risk
Morgan Stanley Capital International Index (MSCI)	'A' rated in MSCI on ESG
Bloomberg Gender Equality Index	Only Two-wheeler OEM included in Bloomberg GEI 2023
Carbon Disclosure Project (CDP)	Disclosing our progress on CDP Portal for Climate Change and Water Security
Dow Jones Sustainability Index (DJSI)	Recognised Two-wheeler Company
FTSE Russell	Member of emerging ESG Index
Refinitiv	Above Average degree of transparency for ESG

SDGs ADOPTED



Riding the Green Momentum

The race to protect the environment and arrest climate change has been gathering strong momentum. We are cognisant of the change that is expected of responsible businesses. Over several past years, we have been working hard at minimising our carbon footprint and resource use. We have integrated circular economy principles into our operations and adopted Extended Product Responsibility (EPR) to embed recyclability within our value chain.



Energy

High energy consumption usually characterises manufacturing processes. To lessen the impact, we are focussing on using clean-energy sources at our plant sites. We have installed solar panels at all our plants and have been increasing our consumption of solar-generated power every year, with more than 13 million units generated in the current fiscal.

13,615.7 MW units

ELECTRICITY GENERATED THROUGH SOLAR PANELS

18% Reduction in Energy Intensity

- Our Dharuhera plant has implemented several energy conservation projects like adiabatic cooling tower, VRV system for engine assembly expansion, lighting automation for engine plant expansion, etc. This is in addition to multiple other initiatives for reducing energy loss, power saving circuits, occupancy sensors, energy efficient lighting etc., leading to an overall savings of approximately 7 lakh units per year.
- The Gurugram plant installed Centralised Heat Pump System for weld shop washing machines by offsetting electrical heaters; sludge dryer heating system with hot water generator instead of electric heaters. It also achieved unity PF at ESS through the integration of APFC panels, replacement of conventional fans with energy efficient BLDC wall-mounted office fans etc.
- The Haridwar plant has achieved energy efficiency by adopting process optimisation and through the use of energy efficient equipment like automatic tube cleaning system in EA chiller, heat pump for washing machines in steel phase, etc.
- The Neemrana plant has undertaken process optimisation and improvements in sweeping

- fans, roll-up door and air curtain installations.
- The Halol plant has implemented a project for the reduction of fuel consumption by magnetic resonator and reduction of power by Elesol Plate installation and installed hybrid thermal solar panel in HVAC, electrical sanding instead of pneumatic sanding, resulting in savings of approximately 2 lakh units per year.
- The Tirupati plant has implemented various energy reduction, saving and optimisation initiatives.
- A team of energy managers and auditors steers the energy and climate change agenda across our plant operations, with constant support from cross-functional teams that implement these action plans.

FUTURE FOCUS AREA

We plan to further reduce our direct emissions through enhanced energy efficiency of our operations, increased usage of renewable energy and offset mechanisms.

Energy Intensity (kWh/Vehicle)

FY 2022-23	26.03
FY 2021-22	28.39
FY 2020-21	26.21



Water

Our approach to managing water has two principal objectives:

- Reducing our water usage
- Improving accessibility of water for our adjacent communities.

8% Reduction in Water Consumption Intensity

We have large-scale rainwater harvesting projects in place, which ensure water recovery, recycling and recharge of groundwater. We are also treating the wastewater that we produce in our effluent treatment plant, with substances like degreasing chemicals, plating waste, heavy metals and waste oil getting removed, making the water fit for further reuse. A significant portion of the wastewater is also recycled back into operations with the help of the reverse osmosis process and multi-effect evaporators, thereby dramatically reducing the need for fresh water.

FUTURE FOCUS AREA

We will be making continued investments in sewage/effluent treatment plants (STPs) and creating new rain water harvesting (RWH) structures at various locations to improve the groundwater table. We have also created various RWH structures beyond the fence, as part of our community initiatives.

Water Intensity (L/Vehicle)

FY 2022-23	157.84
FY 2021-22	170.78
FY 2020-21	159.09



Waste

Hero MotoCorp is increasingly moving from a linear system of waste management to a circular one. A large part of our manufacturing waste is recycled and used for allied industries. This helps in reducing waste going to landfills and adding to pollution. We are committed to improving our waste management practices through innovative approaches and have been regularly adopting new techniques that further reduce our impact.

5% Reduction in Waste Generation

Extended Producer Responsibility (EPR)

Taken responsibility for our value chain, we have taken the Extended Producer Responsibility (EPR) commitment for treatment or disposal of post-consumer plastics that goes with our products and parts. We are proactively working to take back an equivalent quantity of post-consumer plastic waste that gets released externally due to the sales of our products and parts. We have appointed a waste management company that is executing the EPR Action Plan across the country. The collection and disposal of plastic waste, across states, is done in a geographically neutral way, with the Central Pollution Control Board registered as a brand owner.

FUTURE FOCUS AREA

In line with our drive to divert wastes away from landfill and incineration, we are exploring a number of recycling/sustainable disposal options, that will be implemented across the organisation.

Waste Intensity (Hazardous and Non-Hazardous) (gm/Vehicle)

FY 2022-23	1.97
FY 2021-22	2.30
FY 2020-21	2.13

Empowering Our People

We believe that our greatest asset is our people. We recognise that the collective talents, skills, and dedication of our employees are the driving force behind our success. The People Section reflects our inclusive work environment that nurtures personal growth, fosters collaboration, and empowers every individual to reach their full potential.

DIVERSITY, EQUITY & INCLUSION

The Green Shoots

2X

GROWTH OF WOMEN IN SENIOR MANAGEMENT ROLES

51%

GROWTH IN WOMEN DEPLOYED ON THE SHOP FLOOR

74%

RETURNING MOTHERS CONTINUED TO WORK WITH US

41%

WOMEN WHO WERE TRAINED THROUGH WOMEN IN LEADERSHIP (WIL) PROGRAM TRANSITIONED INTO LEADERSHIP ROLES

7%

INCREASE IN EMPLOYEES WITH DISABILITY

Hero MotoCorp is committed to having 30% women in its workforce across roles and region by 2030. Diversity, Equity and Inclusion (DE&I) is a critical driver of our success, and helps us to build and foster an inclusive culture. Through our DEI efforts, we have successfully created an environment where everyone feels valued and empowered.

Dr. Pawan Munjal, Executive Chairman presents modified Harley-Davidson Road King to Chitra Zutshi, a paraplegic employee.



Strengthening our DE&I Culture

Attract

Focused hiring via campus programme in partnership with various women centric universities.

Equity first policies that focus on providing and enabling environment to women employees to grow in their career.

These include extended maternity break of 210 days, work from anywhere option for new mothers, provision to take a child and caretaker on a business trip, ensuring gender pay parity

across roles, safe and comfortable transportation, better infrastructure across our manufacturing locations and medical support to women employees.

Retain

Launched one of its kind initiative, **HERoes Network**, which aims to provide every women employee with the tools, resources and mentorship to build and flourish in their roles.

100% Women managing Assembly lines at our Tirupati and Neemrana manufacturing facilities.

Grow

In our journey to create a diverse leadership pipeline, we successfully completed the 6th batch of the **Women in Leadership (WIL)** programme with 15 budding women leaders and secured first position for the most Innovative training Practice by the ISTD.



Hero MotoCorp Won the **Economic Times Best Organisation for Women Award 2023** for second time in a row.

TRAINING & DEVELOPMENT

Highlights

11,67,283

HOURS OF TRAINING IMPARTED

29,938

EMPLOYEES TRAINED

107

NEXGEN LEADERS TRAINED

Learning Propeller

A campaign aimed at growing us as a learning organisation, the Learning Propeller aims to build awareness of the learning ecosystem.

Hero MotoCorp has been making concerted efforts towards embedding learning deep within the organisation, and several initiatives have been taken towards realising this goal. More than **3,000** employees have been covered under this.

Capability Development Programme

Building capabilities across different levels of the organisation, for different skillsets and role requirements, handling role transitioning needs are some examples of capability development and upskilling needs that our organisation regularly addresses. Given the spread and diversity of our organisation, we also run training programmes to enhance and empower the capabilities of our ecosystem partners in a timely manner.

NexGen Leaders

This programme is for budding leaders who have recently been handed the role of managing teams. It is a 60-day leadership journey created to equip first time managers with competencies to transition from Individual Contributor (IC) to Managing Other (MO).

Transcend Leaders Programme

This year we launched the Transcend Leaders Programme to build managerial competencies in those who have been promoted to mid- to senior management levels, and are transitioning from Managing Others (MO) to Managing Managers (MM). **44** Transcend Leaders have successfully completed this.

Hero MBA

Hero Lead MBA is an executive MBA programme specially designed for building capabilities of mid-level management. **20** Mid level employee accessed Hero MBA.





Women in Successful Entrepreneurship (WISE):

This programme is conducted for our women dealer entrepreneurs, in association with BML Munjal University. This is the industry's **first-ever** initiative to encourage and empower women dealers who are a part of our ecosystem and upholds the Company's commitment to diversity, equity and inclusion. This programme will enable our Women Dealer Entrepreneurs to further consolidate and expand their businesses.

Leadership and Transformation Programme – Imperial College

An exclusive five-day long Leadership & Transformation programme for our dealer entrepreneurs in prestigious Imperial College, London. Ranked 6th in the world by the QS World University Rankings- 2023, Imperial College is known for its excellence in education and research.

An impressive five-day long learning programme on 'Dealership during uncertain times' brought together 30 Hero MotoCorp dealer entrepreneurs at the prestigious Imperial College, London. The goal was to empower our channel partners to thrive in the face of business challenges and achieve Hero's business goals.

Hero Virtual Learning Centre (HVLC):

Our e-learning programmes engage to a larger audience and fulfil the need for continuous learning and larger outreach. Our latest learning wave #HeroLearningLeague saw the competition spread out across 8 teams on the HVLC. During the year, a total of **35,000 courses resulted in 26,000 learning hours**. More than **2,200** Heroes participated in trainings

conducted over the HVLC highlighting the scale of operations and the interest in learning among our employees.

Leadership Development

We take a structured approach to leadership development and have a clear vision to be the Future of Mobility. Our training vision makes us committed to becoming a learning organisation through a combination of educational modules, experiential learning and practical application, these programmes equip aspiring leaders with the essential attributes.

These programme fosters self-awareness, encourages personal growth and cultivates a mind-set of continuous learning. By providing a supportive and collaborative environment, these programmes enable individuals to unlock their full potential and become transformational leaders.

Digital Transformation to Enhance Employee Experience

We take a structured approach to leadership development and have a clear vision to be the Future of Mobility.

Our training vision that makes us committed to becoming a learning organisation through a combination of educational modules, experiential learning, and practical application, the programme equips aspiring leaders with the essential attributes of leadership.

The programme fosters self-awareness, encourages personal growth, and cultivates a mind-set of continuous learning.

By providing a supportive and collaborative environment, these programmes enables individuals to unlock their full potential and become transformational leaders.

Employee Engagement

Engaged employees lead to higher productivity and higher retention rates. At Hero MotoCorp we have always endeavoured to create a conducive environment for our employees where they feel valued, appreciated and enabled to realise their full potential.

Employee Voice Survey

An in-built engagement survey was launched to understand the employee

sentiments in various dimensions. Through this survey we have identified top performing areas for the organisation and areas where we need to improve.

The survey collected 3500+ responses (from 79% of the employee population). The survey measured employees' satisfaction and engagement scores on various parameters like employee commitment, work, leadership, employee wellness, relationship with reporting managers, workplace ecosystem and learning and growth opportunities.

Based on the survey results 19 action groups have been formed across functions and locations to work jointly with the HR COEs and implemented 150+ action plans around dimensions devised to improve satisfaction and engagement in the organisation.

Values Engagement

The '**Bringing Alive our Values through Colours**' enterprise-wide engagement entered another exciting phase this year. Under this engagement, each month focuses on a particular value that the organisation feels is of significance. Different initiatives are then planned around the values.

SMART Goals Off-sites

The purpose of SMART goal-setting offsites is to provide a dedicated and focused environment for individuals or teams to set clear and actionable goals that are **Specific, Measurable, Achievable, Relevant, and Time-bound (SMART)**. These offsite meetings are designed to facilitate effective goal-setting processes and enhance overall productivity and performance.

In such gamified off-sites employees get Big Picture clarity in connection to their accountability, create SMART collaborative goals, fosters growth mindset and encourage self-reflection.

Promoting Health and Wellness

Health, safety and wellbeing of employees have always been our topmost priority. We follow international best practices to develop our health and wellbeing policies for employees. We have also established a very good health and wellness management system that helps in the smooth implementation of our policies and supports overall wellbeing of our workforce. These policies and programmes cater to the preservation and nurture of good physical (including occupational), mental and psychosocial health, enable the tackling of issues pertaining to the same and seeks to improve the overall wellbeing of employees.

Rewards

Compensation Strategy

Our compensation philosophy is built on fairness, competitiveness and recognition, motivating our employees to achieve excellence. Our **Pay for Performance** reflects the commitment

towards rewarding performance, aligning with market trends and recognising employee's contributions.

Benefit Schemes

At Hero, we offer a comprehensive range of best-in-class benefits that cater to every stage of the employee lifecycle. Despite the gradual phasing out of COVID-19 challenges, we continue to retain critical benefits related to the following insurance coverage ensuring the well-being of our employees.

Life Cover

In case of unfortunate demise of an associate, contribution equivalent to the amount paid by insurance company.

Medical Cover:

Medical Cover is designed to take care of our employees during medical treatments and emergencies. We continued providing medical insurance coverage to apprentices. In instances of untimely demise of an employee, we extended medical insurance to the surviving family for the next 10 years.

And, one time payout of ₹ 20,000 to provide support for home care and treatment of COVID-19 for employees and family members.



Greener, Safer, Equitable

Hero MotoCorp views Corporate Social Responsibility (CSR) as a dedicated commitment to both the planet and its people, with the core values of this philosophy ingrained in our business practices. Through the 'Hero We Care' umbrella platform, we have launched and expanded targeted social and environmental programmes that align with our CSR vision of creating a greener, safer, and more equitable world.

Making a Green Difference

Hero MotoCorp has taken substantial strides towards greening the environment, under the banner of its initiative 'A Greener Planet for the Future.' Our agroforestry initiative at Jahota village near Jaipur has made

a real difference to the lives of the villagers in that area. To give shape to this programme, we collaborated with over 100 local farmers for the planting of more than 19,000 fruit trees. The resultant plantation has created sustainable livelihood opportunities for the villagers and also promoted organic

farming techniques and helped in soil and water conservation in that semi-arid region. Additionally, all through the fiscal year, we have planted more than 73,000 trees in various parts of the country, further contributing to greening of open areas.



Nurturing biodiversity at Aravalli Biodiversity Park, Gurgaon



Skilling and livelihood opportunities for young people

Through strategic measures implemented as part of Hero We Care, we have successfully conserved 503.18 lakh litres of water across Haryana, Rajasthan, and Gujarat. Our efforts include the construction and maintenance of rainwater harvesting systems in schools, ponds, and check dams in villages. By doing so, we are not only safeguarding this precious resource but also positively impacting the lives of over 50,000 villagers across these states.

Championing Conservation

Hero MotoCorp has taken on the stewardship of the Aravalli Biodiversity Park, at Gurugram, Haryana, with a steadfast objective of conservation, restoration, and protection. To gauge the park's environmental significance, The Energy and Resources Institute (TERI) has conducted a comprehensive baseline survey. The study encompasses crucial aspects such as groundwater recharge potential, carbon sequestration, oxygen generation, and air quality monitoring. In 2024, selected recommendations from the study will be implemented, thereby helping to preserve and protect this natural treasure.

Water Conservation

Several strategic measures have been implemented as a part of the 'Hero We Care' programme, and we have successfully conserved 503.18 lakh litres of water across Haryana, Rajasthan, and Gujarat. Our efforts include the construction and maintenance of rainwater harvesting systems in schools, ponds, and check dams in villages. By doing so, we are not

only safeguarding this precious resource but also positively impacting the lives of over 50,000 villagers across these states. Hero MotoCorp's relentless mission of water conservation envisions a water-secure future for our country and its people.

Ensuring Road Safety

Under #BeARoadHero Initiative, we are dedicated to making Indian roads safer for everyone. This national flagship campaign has garnered immense support, with over 300,000 individuals pledging to prioritise and adhere to traffic guidelines. In partnership with HT Media, we have effectively raised awareness and built momentum in our mission to create a responsible road culture. Moreover, our commitment extends beyond awareness campaigns. At our Traffic Training Parks in Lucknow, Hyderabad, Gurugram, Delhi, and Nagpur, we have imparted comprehensive training on safe riding techniques and responsible road behaviour to over 250,000 participants. To cover drivers in the national capital, we have also adopted another Traffic Training Park in partnership with Delhi Police.



Supporting the Uttar Pradesh government to protect biodiversity

Hero for Humanity

Initially conceived as a response to the COVID-19 pandemic, 'Hero for Humanity' has blossomed into a beacon of hope for countless families across Uttarakhand, Rajasthan, Haryana, Gujarat, Andhra Pradesh, Odisha, and Karnataka. Through this remarkable programme, a total of 731 Covid-affected families have received invaluable support. Nearly 250 women have turned entrepreneurs, with Hero MotoCorp providing expert guidance, training and seed money, helping the start their own small businesses.

Hero Salute Heroes of the Nation

Hero MotoCorp proudly collaborates with the Directorate of Indian Army Veterans (DIAV), the Central Reserve Police Force (CRPF), and the Border

Security Force (BSF) to honour the true heroes of our nation. Through this flagship programme, we extend vital support to those who have made immense sacrifices for the country. As part of our partnership with DIAV, we have contributed significantly to the Veerangana Sewa Kendra (VSK). This single-window facility serves as a crucial welfare and grievance redressal system for Indian army widows and next of kin. Over 150,000 impacted families have accessed the VSK, ensuring prompt resolution of their grievances.

Furthermore, Hero MotoCorp provides essential mobility support to soldiers who have lost limbs in service. We offer livelihood and training assistance to the affected families, recognising their commitment and sacrifice.

Hero MotoCorp proudly supports aspiring athletes through partnerships with esteemed organisations like the Paralympic Committee of India, the Mary Kom Regional Boxing Foundation, and the Indian Deaf Cricket Association. These collaborations aim to provide necessary resources and guidance to young athletes, enabling them to pursue their sporting dreams. As part of our unwavering commitment to nurturing sporting talent, Hero MotoCorp currently supports and empowers nearly 2,000 athletes and para-athletes.

Shaping Champions for a Sporting Legacy

Hero MotoCorp proudly supports high-potential, aspiring athletes through their journey of training and preparation with esteemed organisations like the Paralympic Committee of India, the Mary Kom Regional Boxing Foundation, and the Indian Deaf Cricket Association. These collaborations aim to provide necessary resources and guidance to young athletes, with Hero MotoCorp currently supporting nearly 2,000 athletes and para-athletes. The areas of assistance cover aspects of comprehensive assistance in training and holistic development. This support has proved crucial in drawing out champions from the hinterlands and economically disadvantaged sections of our society, who would otherwise not have access or the means to hone their talent and reach the national and international stage.

Transforming Lives through Skill-development

India's growth hinges on its young population. With 65% of Indians under 35, investing in education, skills, and employment is vital. Hero MotoCorp's 'Hamari Pari' initiative has trained 175 women as general duty assistants and food and beverage associates, securing placements in renowned organisations like Hyatt, Oberoi, Taj, Apollo Homecare, Paras hospitals, and Careish Personal Homecare. We have also partnered

with Automotive Skills Development Council (ASDC) to upskill and place 350 technicians in the manufacturing sector, bridging the skill gap. Additionally, 350 technicians completed our two-wheeler training course.

Fostering Academic Success and Inclusion

Hero MotoCorp is dedicated to enhancing education outcomes and reducing dropout rates at the primary and middle school stage. We have positively impacted 8,000 students, by providing essential support for academic success. Our remedial education programmes assist 6,250 students, bridging learning gaps caused by marginalisation, disabilities, and inadequate training. Additional learning support ensures equal opportunities. We've awarded scholarships to 559 deserving students, enabling them to pursue higher education degrees like BTech, LLB, BBA, and MBA programmes. Our assistance helps eager aspirants to overcome obstacles so that they can fulfil their career goals with focus and determination.

Improving Healthcare Reach

Mobile medical vans supported by Hero MotoCorp have reached many remote areas in the country, providing healthcare to 91,840 individuals. These vans offer medicines, consultations, and advice, ensuring timely support to

those in need, and also help in arresting disease progress, wherever possible. Additionally, we support 10 Community and Primary Health Care Centres, thereby strengthening maternal and child health services. These centres serve around 2,500 patients on average, enhancing access to crucial healthcare resources in areas where it makes a real difference.

India's growth hinges on its young population. With 65% of Indians under 35, investing in education, skills, and employment is vital. Hero MotoCorp's 'Hamari Pari' initiative trained 175 women as general duty assistants and food and beverage associates, securing placements in renowned organisations like Hyatt, Oberoi, Taj, Apollo Homecare, Paras hospitals, and Careish Personal Homecare. We also partnered with Automotive Skills Development Council (ASDC) to upskill and place 350 technicians in the manufacturing sector, bridging the skill gap.



Building the infrastructure of learning and education at GSSS school, Jaipur

Transparent, Fair and Ethical

Transparency, fairness, and integrity have been the foundational pillars of our business. Our governance practices reflect these values that are important for us, setting the tone for our company policies and work ethics. We strive to uphold stakeholder interests through ethical performance and responsible business behaviour.



Centre for Innovation & Technology (CIT), Jaipur

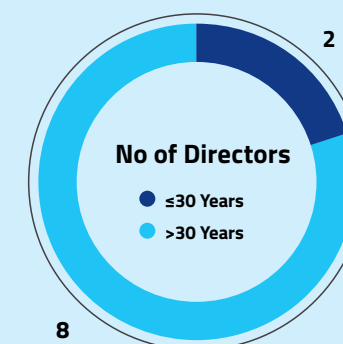
Governance Framework

Hero MotoCorp has established a robust foundation for incorporating corporate governance practices. Our accomplished and knowledgeable Board of Directors are supported by multiple committees for managing the Company's affairs. The Board comprises both Executive and Non-Executive Directors, which reflect an immensely rich combination of professional expertise, experience and acumen, along with a wide variety of skillsets. The Company places significant value on diversity within the Board and throughout the organisation. Additionally, the Company regularly reviews its policies, at least once in every three years, to ensure compliance with changing legal requirements.

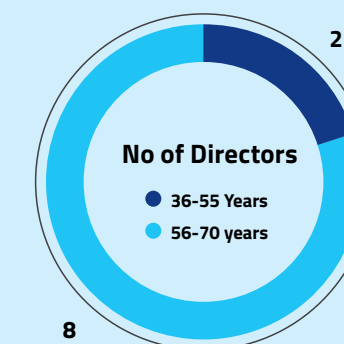
Board Committees

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Sustainability and CSR Committee

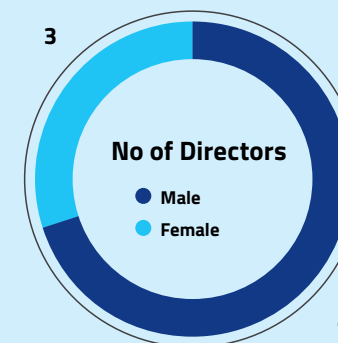
Experience of Directors



Age Profile



Diversity



- All the directors attended all the board meetings, thus the percentage of attendance of the directors is 100% in all the board meetings.
- Independent Directors are appointed for a period of upto 5 years at a time.



At Hero MotoCorp, we believe that India's automotive industry has a rare opportunity to set the global agenda – in terms of volume growth, technology, market share and innovation – by leveraging our domestic market which is one of the largest in the world.

Over the last decade, India, with significant investments made in her people, infrastructure creation and growth in consumption has gained centre stage. India has several factors in its favour with one of the highest GDP growth rates in the world, rising per capita incomes, the world's largest youth demographic, fast accelerating infrastructural connectivity, and growing technological, design and manufacturing prowess that it has built indigenously. It is indeed tempting to announce that the country will write the script for the global economy. But the reality is not that straightforward. India's persistent inequalities, sensitive geopolitical position and fragmented, domestic situation act as speed breakers for what might seem a once-in-a-millennium opportunity to turn the nation's fortunes.

We at Hero MotoCorp Limited (Hero) believe that the Country's domestic industry has a rare opportunity to set the global agenda – in terms of volume growth, technology, market share and innovation – by leveraging on her domestic market which is one of the largest in the world. Hero is already far down this road with our extensive portfolio of product launches targeted at every viable market segment, with an accent on value, efficiency and performance. Additionally, it is our belief in sustainable mobility for the future that has seen us draw up a host of options in the electric vehicles space. Considerable work is underway in forging synergistic partnerships and creating ecosystem infrastructure. The growth curve is for us to scale and to create strengths that will propel us forward.

Global Economy

With no end in sight for the Russia Ukraine conflict, energy and commodity markets continued to remain volatile, along with persisting disruptions in global supply chains. In 2022, global economic growth slowed to 3.2%, with rates not expected to improve substantially over 2023 and 2024¹. As inflationary tendencies lurch, all-round monetary policy tightening has led to prolonged cool off in demand. These conditions have affected investment growth. The world's three major engines of growth —the United States, the Eurozone and China—are undergoing a period of pronounced weakness, with adverse spill overs for emerging market and developing economies (EMDEs). However, the good news is that towards the latter part of FY 2022-23 and leaning into the next fiscal, energy and food prices have softened significantly, which augurs well for return of global demand and ebbing of the tight liquidity conditions seen in FY 2022-23.

Cost inflation, financial stress balanced by high growth

In the early part of the financial year, the United States witnessed high growth rates in continuation of its post-pandemic recovery. However, inflation pressures arose due to various factors, leading to sharp rate hikes by the US Federal Reserve. Subsequently, inflation fell which was accentuated by stresses in the financial system which led to some (smaller) bank runs. However, the Fed may reach the terminal rate earlier than anticipated. This, coupled with higher borrowing costs and economic uncertainty, is expected to slow down economic activity in the US in 2023.

Acute gas shortages continue to weigh down on the Eurozone economies. The energy crisis brought down GDP growth from 5.2% in 2021 to 3.1% in 2022. UK's growth declined by almost half due to the pervasive cost-of-living

crisis. Though the European Central Bank (ECB) and Bank of England (BoE) has stepped in to combat high inflation, leading to a decrease in the region's retail inflation, it remains higher than the US and way higher than their 2% target. Retail price caps and renewable energy efforts are being introduced, but coordinated action is needed.

China's economy is expected to rebound and contribute significantly to global growth, but challenges remain in the country's real estate sector and the possibility of other pandemic outbreaks persist. While the traditionally strong economies, suffered weakened growth rates, several other regions of the world turned in robust growth figures due to their differentiated management of the post-Covid demand cycle and/ or their energy security status.

In 2022, the MENA region experienced its fastest growth since 2016, at 5.4%. The increase in oil prices greatly

benefited the GCC countries, led by Saudi Arabia's growth of 8.7%. However, economic activity is expected to slow down in FY 2023-24 due to OPEC+ output cuts, declining oil prices and a drop in global oil demand. Sub-Saharan Africa's recovery has been inconsistent, with GDP growth slowing due to elevated inflation levels. In response,

central banks across major African economies increased their interest rates in 2022. Real GDP across Sub-Saharan Africa is expected to drop to an average of 3.3% in 2023.²

Latin America's economies fared well in 2022 despite the domino impact of the worldwide crisis caused by challenges in Ukraine and global interest rate hikes.

The region witnessed approximately 4% economic expansion, strong employment recovery and a rebound in the service sector. Inflationary pressures have eased in many countries, although core inflation remains high in Brazil, Mexico, Chile, and Colombia, and only slightly lower in Peru.

Global GDP Growth

GDP Growth	FY 2021-22	FY 2022-23	FY 2023-24
World Output	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
United States	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
UK	4.0	-0.3	1.0
Emerging markets	4.0	3.9	4.2
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Russia	-2.1	0.7	1.3
Middle East and Central Asia	5.3	2.9	3.5
Sub-Saharan Africa	3.9	3.6	4.2

Source: IMF, April 2023

Outlook

As per the IMF, the post-pandemic resurgent growth of 3.4% witnessed in FY 2021-22 is likely to fall to 2.8% in FY 2022-23, before settling at 3.0% in FY 2023-24. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in FY 2021-22 to 1.3 percent in FY 2022-23. Further, public debt as a ratio to GDP which soared globally during the COVID-19 pandemic years, is expected to remain elevated. Certain regions of the world are moving against this trend, with India at the forefront of the GDP growth tally. Domestic consumption and accelerated capital formation is likely to keep India growth engine moving forward.

GDP Growth Projections

▲ Upward revision, by 0.3pp or more ■ no change or smaller than 0.3pp or more ▼ downward revision, by 0.3pp or more

	FY 2021-22	FY 2022-23	FY 2023-24		FY 2021-22	FY 2022-23	FY 2023-24
World	3.4	2.8	3.0	G20	3.1	2.6	2.9
Australia	3.7	1.6	1.7	Australia	3.7	1.6	1.7
Canada	3.4	1.5	1.5	Brazil	2.9	0.9	1.5
Euro Area	3.5	0.8	1.4	China	3.0	5.2	4.5
Germany	1.8	-0.1	1.1	India	6.8	5.9	6.3
France	2.6	0.7	1.3	Indonesia	5.3	5.0	5.1
Italy	3.7	0.7	0.8	Mexico	3.1	1.8	1.6
Spain	5.5	1.5	2.0	Russia	-2.1	0.7	1.3
Japan	1.1	1.3	1.0	Saudi Arabia	8.7	3.1	3.1
Korea	2.6	1.5	2.4	South Africa	2.0	0.1	1.8
United Kingdom	4.0	-0.3	1.0	Turkiye	5.6	2.7	2.6
United States	2.1	1.6	1.1				

Source: IMF, April 2023

¹ <https://www.oecd.org/economic-outlook/march-2023/>

² <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/gdp-growth-in-sub-Saharan-africa-likely-to-slow-in-2023-.html>



Indian Economy

In 2022, India became the fifth largest economy in the world with a nominal GDP of US\$ 3.53 trillion.

The country's climb to higher levels of economic prosperity is just a beginning. As per the investment bank, Morgan Stanley, India will be one of only three economies in the world that can generate more than US\$ 400 billion annual economic output growth from 2023 onward, and this will rise to more than US\$ 500 billion after 2028. With one of the largest domestic markets in the world, selling successfully at home is half the distance travelled for most companies operating in India.

In 2022, overall consumption totalled US\$ 2 trillion in the country, emerging as the primary growth driver. The agricultural sector also performed well,

with a record-high rabi crop. However, persistent core inflation dampened spending, as the CPI (consumer price inflation) remained high, though the wholesale inflation was less prominent. With the Reserve Bank of India (RBI) taking periodic measures to control money supply, the core, secondary and tertiary sectors responded positively. The Indian economy's fundamentals remain strong, with public sector spending on infrastructure and economic drivers yielding results. Robust GST (Goods and Services Tax) and direct tax collections have supported government spending, while corporate deleveraging has improved banks' balance sheets and overall asset quality. The occurrence of El Nino in FY 2023-24 may adversely impact the economy, with an impact on the agriculture sector.

Transformational change is being driven through by digitisation and energy transition, as they replace older systems and open mammoth possibilities for new frameworks, delivery systems, networks, products and services. Tapping into these opportunities astutely carries promise of income generation and wealth redistribution. Hero has made significant investments in the electric mobility space for a long time. As a market mover, we have taken strategic steps to put the building blocks of clean mobility in place. Our collaborations and investments in Ather Energy, partnership with HPCL and BPCL reflect the ways in which we are investing to build the ecosystem.

Outlook

India's robust recovery stems from factors like strong domestic consumption, energy transition, improved trade policies, infrastructure investment, and widespread digitisation. Projections indicate that by 2030, India's GDP will surpass that of Japan and Germany, to become the world's third-largest economy. The 'Atmanirbhar Bharat' initiative aims to bolster Indian manufacturing and enhance self-reliance. The Product Linked Incentive (PLI) scheme, part of this initiative, is expected to boost exports, strengthen India's technological capabilities, and reduce import dependencies.

Industry wise GVA (y-o-y%)	FY 2021-22	FY 2022-23
Agriculture, Forestry & Fishing	3.0	3.5
Mining & Quarrying	11.5	2.4
Manufacturing	9.9	1.6
Electricity, Gas, Water Supply & Other Utility Services	7.5	9.0
Construction	11.5	9.1
Trade, Hotels, Transport, Communication	11.1	13.7
Financial, Real Estate & Professional Services	4.2	6.4
Public Administration, Defence & Other Services	12.6	7.9
Gross Value Added (GVA)	8.1	6.7

Source: Ministry of Statistics & Programme Implementation (MOSPI)



Halol Manufacturing Facility

Industry Overview

Global two-wheeler market size reached US\$ 121.5 billion in 2022 and is expected to grow at a CAGR of 7% during 2023-2028 period. One of the major factors favouring the market is the demand for fast and affordable in-city commuting options along with the need for last-mile connectivity for a host of businesses that depend on regular B2C (Business to Consumer) connectivity. The expanding e-commerce sector, growth of direct-to-customer businesses (D2C), 3PL (3rd Party Logistics) is fuelling this demand.

However, a critical component in today's vehicles – semiconductor chips – continued some sort of in scarcity in FY 2022-23. Lack of new capacity, supply shift to other sectors during the pandemic and stock piling were some of the key reasons for this disruption. Sectoral growth was impacted and is likely to be carried forward.

The industry is exploring newer sourcing models, stronger bonds with not just OEMs and Tier 1 suppliers but down the line as well to safeguard its supplies.

Indian two-wheeler industry

India is the largest two-wheeler market in the world with annual sales of 15.5 million units in FY 2022-23. With a growing middle-class population and increasingly congested cities, two-wheelers provide an easy, accessible and affordable personal transport option. It is a reliable mobility solution even for the sub-par road infrastructure in the hinterlands. As more people in India move out of very low-income groups, and purchasing power extends, the demand for motorised two-wheelers is likely to remain strong among lower- and middle-income

groups. Demographically, a large part of two-wheeler sales in India is also driven by rural demand which makes it dependent on volatilities such as poor harvest, high cost of ownership and the variable income prospects of small businesses. In urban areas, which accounts for a larger proportion of total volumes, the demand is more broad-based – from college students to professionals, salaried professionals to delivery personnel – the user is varied and the trend is towards premiumisation.

Top Indian two-wheeler manufacturers also cater to international demand for India-made two-wheelers. However, rising inflation has stagnated this demand from low- to middle-income countries in Africa and Latin America, which are important export markets and most Indian manufacturers



have found it difficult to meet their export targets.

Supply-side disruptions did hurt the industry in FY22-23 as well. Price increases due to emission norms and other factors, affected domestic production. The higher costs led the manufacturers to work with having to take price increases on the one hand and absorbing the impact of passing on higher costs on to customers on the other. Hero has attempted to cushion the impact at the bottom of the pyramid.

Changing dynamics

As India's economic growth garners global attention, domestic industry must align with national priorities to ensure we reach where evert Indian wants to be. Over the last few years, the auto industry has been called in to support India's decarbonisation and sustainable mobility targets. Transitioning towards green mobility will reduce India's import bill, help curb vehicular emissions and climate change.

Developing vehicles that can run on different kinds of fuel or on hybrid variants is underway and converges with national priorities. The government supports the production of Ethanol Blended Petrol (EBP), with the target of blending 20% ethanol with petrol by 2030. Ethanol, a plant-based fuel, can be used as a fuel for ICE singly or in combination, and it not only reduces the use of fossil fuels, but also curbs pollution. The increasing use of ethanol will benefit farmers, sugar mills and grain-based distilleries too in addition to helping the environment and reducing our import bill.

Road safety is another key concern for the country given that India has the third highest number of road accidents in the world. With India adding 40-50 kms of new roads daily, reducing vehicles accident is important. The combination braking system (CBS) has been a big boost in this context and augurs well for the auto industry as it expects to see demand grow with the expanding road network.

Outlook

The increase in consumer spending across categories during the holiday season of 2022 is an indication of a resurgence in consumer confidence and bodes well for future industry growth. With two-wheeler penetration still low, combined with the growing road network, the future holds great promise. Other factors driving growth are the availability of unique underwriting tools that enable new age digital lenders to cater to a large section of credit worthy customers who were traditionally outside the formal lending ecosystem. Financial penetration will further shape the demand for two-wheeler purchases going forward. Rising incomes in urban pockets are expected to drive demand for premium bikes with higher cubic capacity (CC), while the growing tribe of lifestyle riders is likely to push up the aspirational value of the super-premium segment occupied by Harley Davidson. Rural demand has also started to accelerate, with entry level or commute friendly bikes under 110 cc gaining favour.

There is an increasing emphasis by the government to switch from ICE engines to electric mobility, and there is no doubt that that is the future of the industry. However, it is also true that EVs are still at a nascent stage and are expected to reach 40% ownership by 2030. Concerns of safety, range anxiety, battery stability are common and have held back fast growth. With the likelihood of reaching scale economies still a distant possibility, cost of EVs remain well above conventional two-wheelers. We, at Hero, are well aware of these concerns and have been working at making an equally extensive portfolio of EVs available for the consumer.



Strategic Progress

In step with evolving market dynamics and customer needs, we have constantly reimagined our product portfolio. We have products across the commuter, premium and super premium segments.

Regulatory Transition

We continue to use evolving regulatory norms as a way of staying ahead and bringing high-technology products. We launched OBD2 Phase A models, and also those that are E-20 (Ethanol) compliant, just as we offered BSIV and BSVI models ahead of their respective timelines.

Our differentiated product offerings

- Enhanced visual identity
- Rich customer experience
- Tech enabled
- Universal appeal
- Youthful energy

Our two new premium models, Xtreme 200 4V and Xoom, come with industry-first features, representing our focus on making our products high-tech and feature-rich.

At Hero MotoCorp are working with a target of premiumisation of our portfolio by FY 2024-25. To achieve this, we are driving technology-led premiumisation for our core models under the XTEC brand umbrella. This year we extended it with the launch of Passion Pro XTEC, Splendor XTEC and Super Splendor XTEC, which have gained significant traction and exceeded the demand for the parent models. We launched Xpulse 200 rally edition in LATAM and Passion XPro XTEC in Bangladesh, making advanced tech features available even for our commuter segment riders.

To grow the core and also expand into more categories, the following strategies are being implemented:

- **Deeper penetration and attracting first-time buyers:** Campaigns like Mileage ka Hero and Dumdaar Power have been run to attract new customers and increase market share.
- **Retail finance initiatives:** With the intent of making our products financially accessible, we had set the target of improving finance penetration from 47% in FY 2019-

20 to 57% in FY 2022-23, against which we were able to achieve 60%. By improving financial access, we were able to rope in a larger customer base.

- **Leverage widest reach:** The Company has utilised its extensive distribution network to reach a larger customer base.
- **Focus on younger customers:** India has one of the youngest populations in the world. To leverage this advantage, we have introduced the XTEC models. These models are designed to cater to the preferences and needs of the younger demographic, offering features and designs that appeal to them.
- **Support core products:** Strong brands like Glamour, Super, and Passion have been developed to support the core product, Splendor. Passion+, an iconic model, has been used to attract aspirational first-time buyers and expand the customer base.
- **Special focus on 125 cc and premiumisation:** XTEC models with several industry-first features like best-in-class acceleration and handling have been launched in the 125 cc category. Providing a premium riding experience to customers, the Company aims to recover market share in this segment and to realise its premiumisation strategy.



Columbia Manufacturing Facility

Up/down trade opportunity:
In addition to the core products, the XTEC models offer customers the opportunity to upgrade or downgrade their models, based on their preferences, further increasing the appeal of this range.

Increasing scooter sales is of high priority for us as we keep extending our reach into newer markets. The newly launched Xoom has been well-received by consumers and we see fantastic potential for similar products that offer a combination of great looks, superior mileage and unbeatable features. We are introducing exciting features like corner bending lights, bigger and wider tires, aerodynamic

design to our lineup of scooters so that they are differentiated and carry an enhanced appeal.

25%

XTEC CONTRIBUTION TO TOTAL VOLUMES

Presence in Electric Mobility Picks Up Speed

With the launch of our first electric scooter – Vida V1 in FY 2022-23, Hero MotoCorp has begun the exciting journey of transforming personal mobility. With Vida we are creating

a whole new experiential space for the customer and also building the ecosystem that will see such products thrive. Vida comes with best-in-class features like cruise control, keyless entry and geo-fencing.

Vida marketing is unique with extensive leverage of the social media and use of experiential formats like Vida Experience Centre, Vida pod and Vida hub that help interested buyers get a chance to assess the complete riding experience prior to buying. In FY 2023-24, the Vida will be available through our networks in more than 100 cities, helping bring this superior product range within close reach of a large cross section of buyers.

VIDA V1 PRO

Unrivalled performance

- Reaching a top speed of 80 km/h, defying limits.
- Blazing acceleration from 0 to 40 km/h in a mere 3.2 seconds.
- Over 100 riding modes
- Tackling steep inclines upto 20 degrees.

Unleashing a remarkable 110-kilometer real-world range.



Revolutionising charging convenience

- Equipped with 2 removable batteries, empowering you to charge anytime, anywhere.
- Seamlessly integrating with the expanding charging infrastructure and offering interoperability with Ather, ensuring effortless replenishment of power

Entering the Guinness Book of World Records with the amazing endurance feat for any EV scooter by travelling the greatest distance in a remarkable 24-hour marathon.



VIDA V1

Partnerships and Collaborations

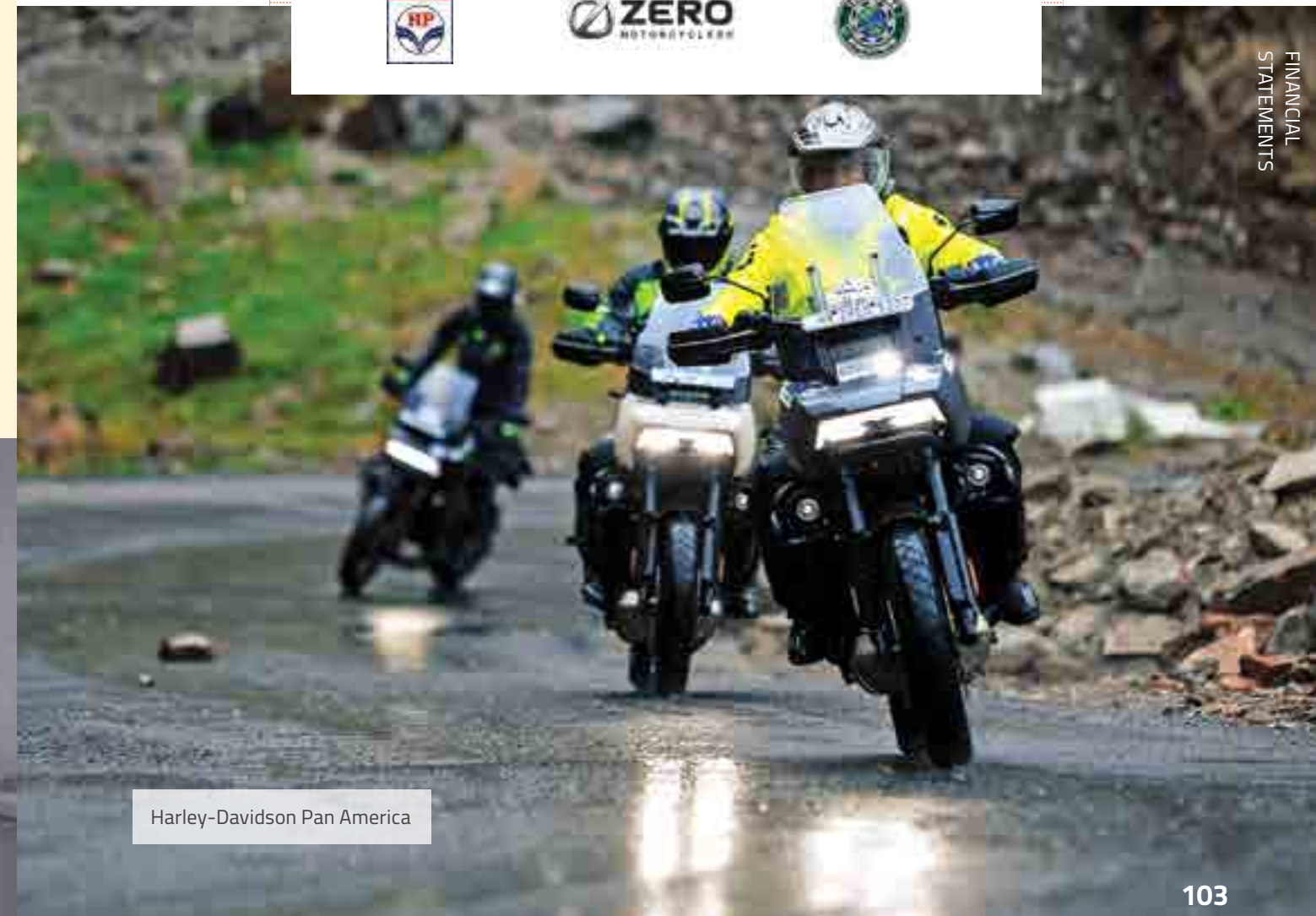
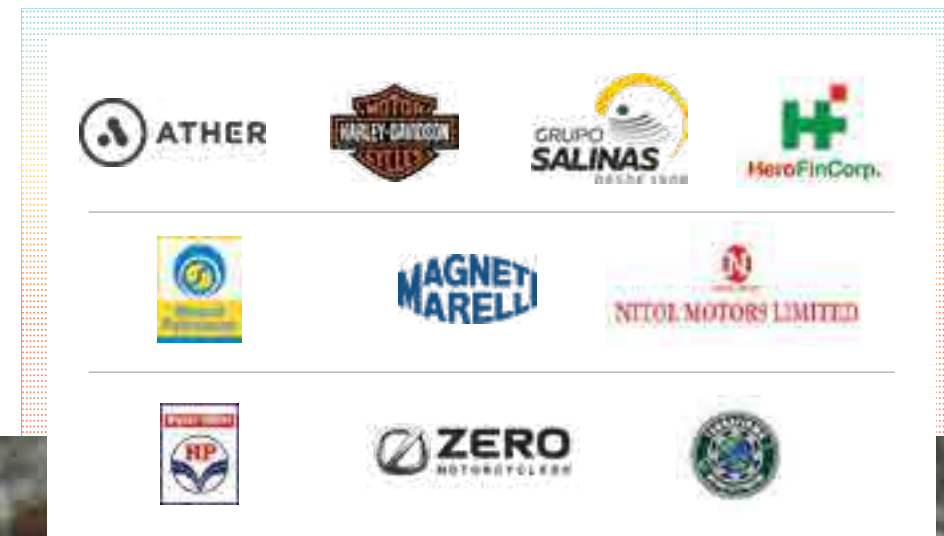
Hero MotoCorp has entered into a strategic partnership with Zero Motorcycles, USA, to develop premium electric motorcycles. This collaboration marries the expertise of Zero in developing power trains and electric motorcycles, with the scale of manufacturing, sourcing and

marketing prowess of Hero MotoCorp to reach the large Indian and other international markets.

The collaboration with Harley-Davidson has progressed well. Our effort is to develop a platform that will offer models embedded with the Harley

premium DNA of the brand, establish our presence in the upper premium standard category.

We are driving the change towards green mobility through our investment in Ather Energy, and HPCL and BPCL India for a charging network expansion.



Harley-Davidson Pan America

Xpulse BRO 75 years of Azadi ka Amrut Mahotsav Rally (October '21)

OBJECTIVE

Celebrate 75 Years of Azadi ka Amrut Mahotsav, spread road safety, promote nation building, and pay homage to war martyrs.

EXECUTION

A 75-day rally covering 20,000 km across Indian borders and the peninsula with 10 Xpulse 200 2V bikes, helmets, riding gears, and a photo crew.

OUTPUT

Generated extensive media coverage and mentions, highly engaging content, conducted 28 road safety seminars at schools, and paid homage to war heroes.



Rides and Communities Team

Artillery Centre of Hyderabad Dakshin Bharat Motorcycle Xpulse 200 4V Expedition (November '22)

OBJECTIVE

Promote national integration, pay homage to war heroes, highlight technological superiority at ISRO, and create a time capsule at the Artillery Centre of Hyderabad Museum.

EXECUTION

Conducted a motorcycle expedition using 10 Xpulse 200 4V bikes, riding gears, helmets, and a media crew. The route covered the Indian peninsula.

OUTPUT

Xpulse became the only motorcycle to reach the iconic ISRO Launch Site at Sriharikota, and secured a permanent place for Xpulse at the Artillery Centre of India museum.



Rides and Communities Team

Coast Guard of India Rally (February '22)

OBJECTIVE

Raise awareness about the Coast Guard and promote national integrity, commemorating Coast Guard of India Day.

EXECUTION

A two-day rally along coastal roads of Maharashtra with 10 vehicles comprising a Passions, Glamour, Xtreme, and Scooter models. Riding gears, helmets, and a photo crew were provided.

OUTPUT

Commemorated Cost Guard Day.



Xpulse 200T 4V BRO Ekta Evam Shradhanjali Abhiyan (April '23)

OBJECTIVE

Promote national unity, pay homage to war heroes, and showcase the infrastructure projects and technological similarities between BRO and Xpulse 200T 4V.

EXECUTION

A 5,000 km, 112-day ride from Northeast India to Maharashtra, utilising 15 Xpulse 200T bikes equipped with riding gear and a camera crew.

OUTPUT

Produced National unity with the newly launched 200 cc bikes.



Where Next?

Operational Highlights

During the year, key focus areas were strengthening operational excellence through digitised manufacturing cells, safe and sustainable operations, a future-ready workforce, building an innovation culture, and diversity and inclusion.

51.56 lakh

DOMESTIC SALES

33.2%

INDIAN TWO-WHEELER MARKET SHARE

47%

INDIAN MOTORCYCLE MARKET SHARE

Segment Wise Volumes

10.52 lakh

ENTRY SEGMENT VOLUMES

36.75 lakh

DELUXE SEGMENT VOLUMES

0.69 lakh

PREMIUM SEGMENT VOLUMES

3.59 lakh

SCOOTER SEGMENT VOLUMES

Parts Accessories and Merchandise (PAM) Business

Hero MotoCorp is strategically expanding its revenue streams by focusing on parts, accessories, and merchandise (PAM) offerings. By pioneering parts micro distribution and doubling the retailer base in just three years, the Company has enhanced accessibility and convenience for customers. With its partnership with the influential 'Asli Heroes' (retail mechanics) and leveraging efficient logistics supported by a best-in-class Global Parts Centre, the Company has been able to effectively reach a wider audience and ensure timely delivery of products.

Further, our portfolio now includes oil, bike care products, and accessories, aligning merchandise offerings with business growth to provide added value to customers. The PAM business grew at a healthy pace with a 23% growth to touch nearly ₹ 5,000 crore worth of revenues in FY 2022-23.

We are strengthening our strategy of 'Increasing Breadth and Depth of the Business' through the effective implementation.

Increasing Breadth

To enhance the availability of Parts and Oil through direct distribution, we undertook white space analysis to identify pockets where distribution penetration could be enhanced. A time-bound action plan was developed to increase the number of super stockists, Hero Genuine Parts Distributors (HGPD), Retailers and Asli Hero.

- Five new Super Stockists were onboarded in FY 2022-23, taking the total to over 90.
- 10%+ new HGPDs were onboarded in FY 2022-23, taking the total to over 330.
- Increased our retailer base to 42,000+ from 39,000 in the previous year.

Increasing Depth

We are focusing on enhancing the bin size per retailer. Over the past two years, we have added almost 15,000 new retailers in the C&D category retailers and there is an opportunity to consolidate and extract more business from select C&D retailers.

Foster Programme – Our program for extracting more business from select 3,000 C&D category retailers through enhanced engagement level and market development activities.

SKU per retailer – A higher range penetration to retailers helps gain retailer counter share. We have increased the SKU per retailer to 60 and doubled the bin size per retailer in the last three years.

70%

GROWTH SINCE 2019

Hero Genuine Oil (HGO) business

Establishing HGO as a preferred brand among hero two-wheelers, the business grew by 32% to ₹ 638 crore FY 2022-23. We did BTL activities to create a market pull and brand recall for HGO. Long-term tie-ups were also formed with existing Asli Hero technicians to drive growth.

Enhancing manpower competency – In the last three years, 325+ channel partners have been onboarded in the parts business. We have created a framework for enhancing competency by digitalising training.

Engaging the influencer community – Technicians are the key influencers for the Parts & Oil business to generate demand. To enhance the engagement level digitally through Asli Hero App, various gamification activities like Diwali Dhamaka, Golden Ticket, and Spin on the Wheel were conducted. The unique activity of birthday celebration once a month at each HGPD was done to develop our relationships.



Automated Storage and Retrieval System (ASRS) at Neemrana Manufacturing Facility

COST SAVING INITIATIVES

Dharuhera Plant:

- Implementation of adiabatic cooling tower.
- VRV system for Engine Assembly Expansion.
- Lighting automation for Engine Plant Expansion.
- Multiple initiatives for reducing energy loss, including power-saving circuits, occupancy sensors, and energy-efficient lighting.
- Overall savings of approximately 7 lakh units per year.

Gurugram Plant:

- Installation of a Centralised Heat Pump System for Weld Shop Washing Machines.
- Sludge Dryer Heating System with Hot Water Generator instead of Electric Heaters.
- Achieving Unity PF at ESS through the integration of APFC panels.
- Replacement of conventional fans with Energy Efficient BLDC wall-mounted Office fans.

Haridwar Plant:

- Adoption of process optimisation and energy-efficient equipment.
- Automatic Tube Cleaning System in EA chiller.
- Heat Pump for washing machines in Steel Phase.

Neemrana Plant:

- Process optimisation and improvements in sweeping fans, roll-up door, and air curtain installations.

Halol Plant:

- Reduction of fuel consumption by magnetic resonator.
- Reduction of power by Elesol Plate Installation at Air Compressor.
- Installation of a hybrid thermal solar panel in HVAC.
- Electrical sanding instead of pneumatic sanding.
- Savings of approximately 2 lakh units per year.

Tirupati Plant:

- Implementation of various energy reduction, saving, and optimisation initiatives.

Quality initiatives

Read more: [about our performance on page 36](#)

Branding and Marketing

Hero has a strong connection with today's youth. It represents energy, enthusiasm and determination. We have been working on campaigns that align with our premiumisation strategy. During the year, we continued to explore varied set of activities to find a connect with our target audiences. Activities included promotion through advertisement campaigns, launch of experience centres and sponsorship of events that revolve around adventure and zest. We believe biking is not just limited to a particular gender, and hence we conducted women-specific biking events such as the women biker league. The broadened appeal of the reach out was further amplified through rallies and women specific events.

Some important branding initiatives during the year:

- Launched XClan – the exclusive community for Xpulse 200 customers in multiple parts of the country including Bengaluru, Mumbai and in the Northeast.
- Launched the Xpulse Xperience Centre in Bengaluru, where off-road enthusiasts can book a riding session with experts across three levels.
- Launched the Hero Dirt Biking Challenge for biking enthusiasts and amateurs to showcase their talent on a national platform. The winner was awarded a sponsorship contract worth ₹ 10 lakh and an Xpulse 200 4V Rally Edition. The event was also aired on MTV and Voot as a 5-part series.
- Women Biker League was a one-of-a-kind motorcycle competition where 50 enthusiastic women riders went through a series of riding and physical fitness obstacles on the Xpulse.

More on the marketing and events

Read more: [Page 70 of the narrative section](#)

Mega Service Carnival – These were executed in August 2022, October 2022 and March 2023 and reached 17.19 lakh customers across 6,000+ service points.

Roadside Assistance Scale up – A program aimed at creating peace of mind and to ensure all the support related to two-wheeler for our customers, the Roadside Assistance program of Hero through Europ Assistance (NZ, WZ, EZ) and AWP (SZ, CZ) has 5.74 lakh enrolled in FY 2022-23.

JoyRide Programme – The annual maintenance programme extends vast savings for customers on the periodic service maintenance costs. 77.41 lakh customers have taken benefits of this programme and currently 24.38 lakh customers are availing the benefits.

JoyRide Programme packages are customised as per customer's requirement and riding pattern with combinations of 1, 2, 3, 4 or 6 service packages.

This programme entitles the members to enjoy vast savings, while maintaining their Hero two-wheelers at authorised service centers.

Customer Experience Index and Net Promoter Score – Hero Happiness Score is now termed as Customer Experience Index, which measures the satisfaction level of customers in service. Continued actions on the In-Store Customer Satisfaction findings through Customer Experience Index have led to improvement in service delivery, matching customer expectations, which is monitored monthly.

90.5

CUSTOMER EXPERIENCE INDEX

66.4

NET PROMOTOR SCORE IN MAR'23

Micro Dealer Extension Counters and Express Service Centres – The initiative planned to provide Extended Service Reach for the benefit of customers, especially in metro and urban towns, extended to 34 towns pan India. Currently, 109 outlets are active for customer service.

Asli Hero Technicians – Market Capability Enhancement Programme

Training for 15,000+ private garage owners to ensure their service support readiness for vehicles reporting to their outlets.

Initiatives at the Dealer End

Hero eXpert Learning App: A complete digital learning solution providing technical standard operating procedure (SOP) documents for our dealers' technical staff's reference and self-learning.

Vehicle Communication Interface (VCI) Scanner: Diagnostic tools were distributed to 4,800+ Asli Hero technicians at a competitive price.



Commitment to Affordability and Customised Financing Solutions

Hero has been a pioneer in providing mobility solutions to customers across all segments of the customer pyramid. One of the major roadblocks in ensuring easy acquisition of a new two-wheeler is the issue of affordability. Recognising this concern, Hero has consistently made efforts to address affordability while providing ease of ownership through customised finance schemes.

- **Suvidha (DCC) Scheme:** This scheme specifically caters to unbanked or underbanked customers, ensuring they have access to financing options.
- **Aadhaar-Based Funding:** Customers who do not have traditional income proofs can still avail financing through this scheme, which leverages Aadhaar identification.
- **Low Down Payment Schemes:** Hero offers schemes with low down payment options, enabling customers who may not have substantial funds to upgrade to a motorcycle or scooter.
- **Kisan Kisht Scheme:** This scheme is designed to support farmers, providing them with tailored financing solutions to meet their specific requirements.
- **Honor First Scheme:** Exclusive finance options are available for armed forces personnel through this scheme, which is applicable in Canteen Stores Departments (CSDs).
- **No Hypothecation Finance:** Hero offers financing options that eliminate the need for customers to hypothecate their vehicles, ensuring convenience and ease of ownership.
- **Card Offers:** Hero collaborates with various card issuers to offer special finance offers to cardholders.

- **The Digital Retail Finance Platform:** In line with this commitment, Hero has developed a Digital Retail Finance Platform that will enhance transparency, availability, and ease for customers seeking financing options. The platform not only benefits customers by making finance more accessible and convenient, but it also supports Hero's channel partners in providing suitable finance schemes tailored to the customers' specific requirements. The launch of the Digital Retail Finance Platform is scheduled for the FY 2023-24, demonstrating Hero's dedication to embracing digital solutions to better serve its customers.

Through these customised finance schemes, Hero has been able to increase the contribution of retail finance to more than 60% of its sales, which is one of the highest in the industry. However, the Company aims to take this achievement to the next level by introducing digital financing solutions for customers.

Riding the Digital Revolution with multi-functional impact

In order to align with the organisation's objective of increasing digital contribution to the two-wheeler business, several actions have been initiated during FY 2022-23. These actions have proven successful, resulting a 50% increase in digital contribution from 4.4% in FY 2021-22 to 6.4% in FY 2022-23. Extensive digitalisation across several functional areas is now converging to drive synergies and large-scale impact. We continue to work to leverage the power of technology to help increase business contribution.

Impact on Manufacturing

Digitisation supports transforming legacy machines at plants into

high-tech digital machines to improve efficiency and increase customer value. It helped increase the speed of response, save process time, and empower decision-making through data analysis. Centralised Real-Time Monitoring Systems (Cockpits) for monitoring the critical parameters of manufacturing lines, IIOTs on the shop floor, and optimal management of the parts inventory through Pull Based Ordering are some of the initiatives towards digitisation that are transforming our manufacturing function. With real-time monitoring and precise control over manufacturing processes, Hero MotoCorp is able to maintain high standards of productivity and quality while maximising efficiency throughout the production cycle.

Driving a Premium Customer Experience

We have always believed in providing a superlative customer experience, one that differentiates us from the competition. Leveraging technology and the power of extensive digitalisation of our processes we are now able to deliver the next level of customer experience that is intuitive, seamless and clutter-breaking.

With more than 100+ exclusive stores coming up over the next four quarters, we will be offering:

- Premium portfolio selection
- Phygital (physical + digital) customer journey blending physical and digital interactions
- Immersive sensorial experiences
- Thoughtfully designed store layouts, pre-defined planograms, prime locations for easy accessibility
- Staff trained in soft skills

As we get to know our customers more intimately, we are better able to deliver a superlative experience by leveraging:

- Data analytics to drive customer insights. Our marketing strategies are targeted to drive traffic and engagement through the use of personalised and contextualised customer journeys.
- Introduction of intuitive and interactive 3D configuration to create engaged buying experiences.
- Pre- and post-booking digital engagement using life-size AR Try-on
- Differentiated service experience through a unified app

Other digital platforms where we are actively engaging with the customer:

- **Centralised eShop Portal:** To enhance customer engagement, there has been a greater focus on the centralised eShop portal. This platform allows for the exclusive online launch of products, online

sales booking and their digital purchase. In the next financial year, eShop will undergo a revamp to provide customers with a seamless purchase experience, so that the process of buying a Hero MotoCorp two-wheeler online becomes more user-friendly.

- **Digital Enquiry Generation:** Efforts have been made to generate digital enquiries through centralised platforms, leveraging digital lead generation strategies. This approach helps capture potential customers' interest and convert it into sales opportunities.
- **Hero MotoCorp Products on Flipkart:** Hero MotoCorp products have been launched on the popular e-commerce platform, Flipkart, for internal combustion engine (ICE) vehicles. This initiative has generated approximately 5,500 orders during the fiscal year, albeit limited to specific cities. Building on this success, there are plans to expand the partnership to a national level.
- **Hyperlocal Platform Expansion:** A hyperlocal platform has been introduced in five states to generate leads. This localised approach allows for targeted marketing and engagement, increasing the chances of conversion. In the coming fiscal, this platform will be

scaled nationally so that localised marketing strategies may be leveraged and leads can come in from across the country.

- **Partnerships to Increase Digital Presence:** The Company aims to establish partnerships with more digital platforms and channels to further enhance its digital presence and brand visibility and tap into a wider customer base.

With the revamp of the Hero One app and website, our subscription-based GoodLife members can now enrol, renew, access their points and transaction history, and leverage redemptions all in one place.

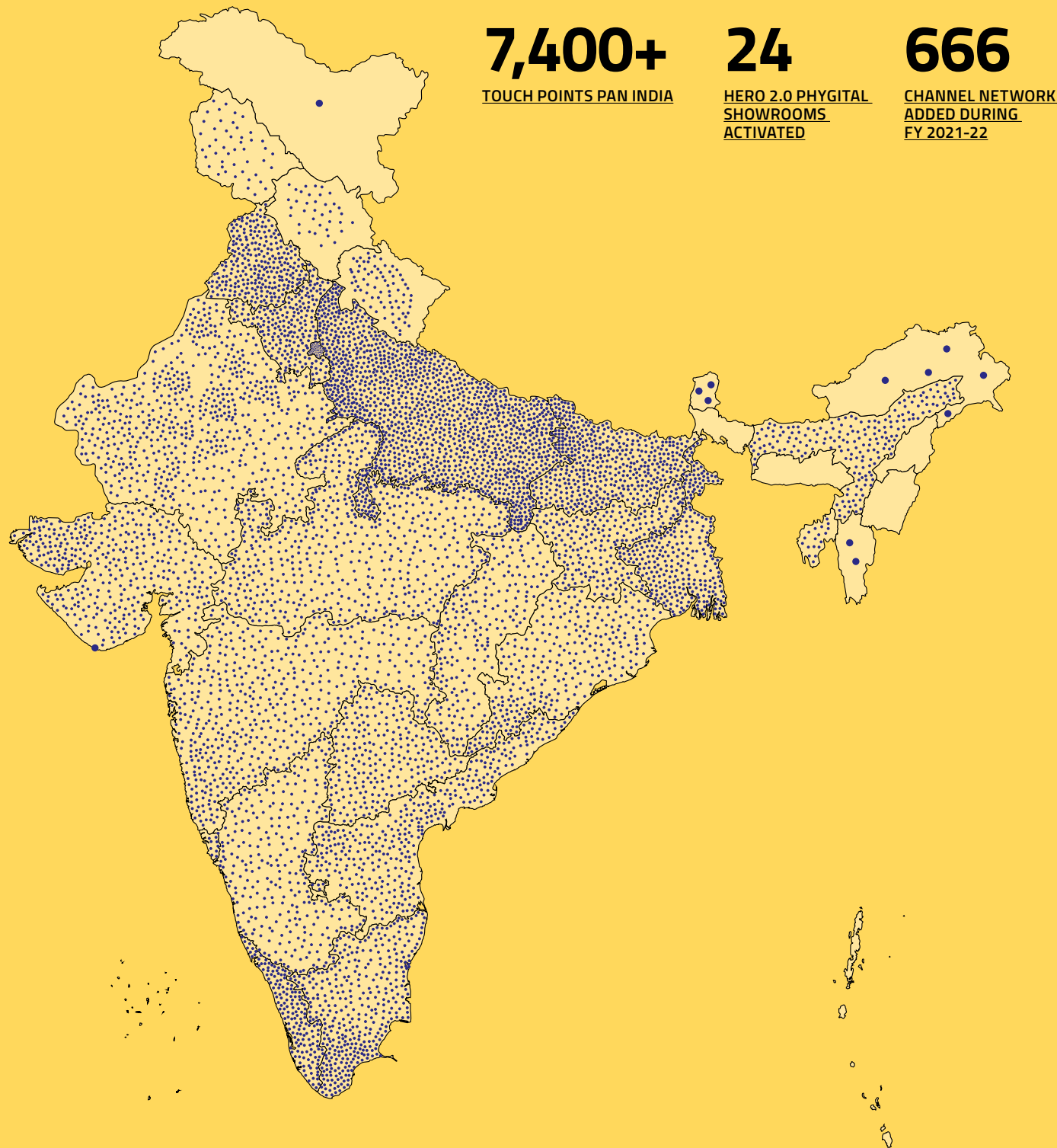
The limited edition version of Xpulse 200 4V Rally Edition was a first-ever, digital only launch. Pre-booking and purchase of the bike could only be done through our e-SHOP portal, on Hero MotoCorp's website.

Read more: [about our digitisation journey on Page 74 of the narrative section](#)



CHANNEL DEVELOPMENT

With the objective of creating a future-ready channel, we strive to optimise the channel presence and innovate the channel format. We worked towards standardising the channels to bring seamless experience in all formats across geographies.



Our key project Hero 2.0 has taken the next leap, with **24 phygital dealerships** activated with the new VI. Now customer journey is more experiential and enabler driven in its new phygital avatar. Secondary network transformation assuring a uniform customer experience across channels.

While working towards a robust and structured review mechanism, new frameworks are being implemented where channels are monitored and regularly contribute towards business goals.

In line with our commitment towards sustainability, we refocused on the **Green Partner Development Programme (GPDP)**, which will essentially work on three fronts to make a Green Dealership. Green Products (biodegradable), Green Energy (Cool roofs, Solar Energy) and Green Processes (Dry Wash, Water recycling) are some of the key initiatives.

To keep the channel updated and future-ready, multiple learning programmes have been initiated in association with premium business institutes. Structured '**Succession planning**' and '**Channel Onboarding Programme**' are initiatives we have initiated this year. In association with BML Munjal University, the '**Women in Successful Entrepreneurship (WISE) Programme**' for our women dealer entrepreneurs was launched.

Strengthening Reach: Addressing Rural Demand

Expanding Secondary Network and Rural Sales

Hero MotoCorp commands a strong coverage in the hinterland of India with more than **5,200 secondary networks** with **35 facilities**. This extensive network enables the Company to reach customers in every corner of the country, ensuring seamless offerings and services. Notably, the secondary network channel is a key differentiator, highlighting its importance in catering to the rural demand.

Catering to Rural Customers' Preferences

The secondary network channel provides rural customers with a wide range of options to choose from. Hero MotoCorp has successfully sold **28,000 premium range motorcycles** and **1,36,000 scooters** through this channel in the past year. This demonstrates the popularity and demand for Hero MotoCorp's products in rural areas, where customers have the opportunity to purchase their favorite two-wheelers from the Company's offerings.

Strengthening Partnerships and Support

FY 2022-23 was a milestone year for network partners at Hero MotoCorp. The Company launched several

initiatives to strengthen communication and engagement with its partners. Hero MotoCorp significantly increased its field team to provide dedicated support to network businesses and assist them in achieving operational excellence. Furthermore, the infusion of **350+ crore working capital** at the network partners' disposal enabled them to increase their stocks and effectively meet the surge in demand post-Covid.

Investing in People and Skills

The Company plans to upskill over **25,000 employees** working at these network points, equipping them with new and upcoming technologies. The training initiatives will also provide knowledge about digital platforms, enabling employees to serve customers effectively in the digital age.

Driving Rural Growth and Customer Satisfaction

By focusing on empowering its network partners and enhancing their capabilities, Hero MotoCorp aims to solidify its presence in rural areas and cater to the growing demand for its products. With investments in people and technology, the Company strives to provide exceptional service and support to customers across its extensive secondary network. This approach ensures customer satisfaction and contributes to the overall growth of the rural market for Hero MotoCorp.



SUPPLY CHAIN MANAGEMENT

Today's supply chains are incredibly complex, involving diverse partners across multiple geographies in an intertwined global trade ecosystem. The current market volatility with respect to raw material prices, energy costs and the availability of semiconductor chips highlights the importance of a strong supply chain management process for organisational success.

Electronic component shortages

Hero MotoCorp proactively manages its supply chain through vigilant monitoring and by establishing long-term agreements to ensure stability of supply sources. By developing multiple sources and cultivating direct relationships with tier 3/4 chip suppliers, we have been able to remain agile and resilient.

Product maturity

The design maturity of EV parts and premium components necessitates meticulous attention and multiple iterations. Hero MotoCorp follows a rigorous development process to ensure the production of high-quality components and subsystems that guarantee optimal performance and reliability.

Cells

Successfully validated and secured a reliable supply of cylindrical cells from renowned manufacturers such as LGES, Samsung SDI, and Panasonic. In addition to this, the Company is actively exploring alternative form factors and new chemistries to further enhance its product offerings. Hero MotoCorp is committed to testing new sources, including BAK and sVolt, to ensure a diversified and resilient supply chain.

Technology Integration

Hero MotoCorp partners with non-automotive giants like Google and Airtel, and global leaders such as Bosch and Aptiv, to drive innovation. The Company also prioritises on localising technologies and parts, and employs advanced manufacturing techniques like hydroforming for premium handle quality.

Read more: [about our channel partners on page 112 of the MDA.](#)

Financial Performance

Particulars	FY 2021-22	FY2022-23
Number of Motorcycles and Scooters Sold (in lakh)	49	53
INCOME		
a) Revenue from Operations (in crore)	29,245	33,806
b) Other Income	557	565
Total Income	29,802	34,371
EXPENSES		
a) Cost of Materials Consumed & Changes in Inventories	20,827	23,858
b) Employee Benefits Expense	1,935	2,190
c) Other Expenses	3,790	4,448
Total Expenses	26,552	30,496
Profit Before Tax (in crore)	3,250	3,875
Tax Expense	777	964
Profit After Tax (in crore)	2,473	2,911
Other comprehensive income	(5)	(9)
Total comprehensive income	2,468	2,901
Earning per equity share on profit after tax	124	146

Major Movements in Balance Sheet Figures

Key Financial Ratios

Particulars	FY 2021-22	FY2022-23	% Change
Trade receivables turnover ratio	15.51	16.75	7.98
Inventory turnover ratio	16.07	18.66	16.14
Interest coverage ratio	140.19	212.02	51.24
Current ratio	1.99	1.61	-19.42
Debt equity ratio	0.01	0.01	-12.13
Operating Profit margin (%)	9.30%	9.85%	5.91
Net Profit ratio /margin (%)	8.30%	8.47%	2.05
Return on Equity (%)	15.96%	17.92%	12.23



Commentary

Trade receivables turnover ratio – The debtor turnover ratio increased from 15.51 times in FY 2021-22 to 16.75 times in FY 2022-23 primarily due to higher revenues signifying improved efficiency in collecting outstanding debts and maintaining a healthy cash flow.

Inventory turnover ratio – The inventory turnover ratio has witnessed a rise from 16.07 times in FY 2021-22 to 18.66 times in FY 2022-23. This increase can be attributed to two key factors: an increase in material costs and a decrease in the average inventory level. The higher turnover ratio indicates improved inventory management efficiency.

Interest coverage ratio – The interest coverage ratio has increased by 51.24% primarily due to higher profits during the year. A higher interest coverage ratio indicates better financial health and the ability to meet interest obligations comfortably.

Current ratio – The current ratio has experienced a decrease from 1.99 to 1.61, primarily due to a proportionally larger decline in current assets. The current ratio is a measure of a Company's ability to meet its short-term obligations using its current assets.

Debt Equity Ratio

Operating Profit margin (%) – Operating profit margin for the year has increase from 9.30% to 9.85% on account of effective pricing strategy, increased parts contribution, and prudent control on the overheads.

Net Profit ratio /margin (%) – The net profit margin has experienced a slight increase from 8.30% to 8.47%, primarily attributed to the softening of commodity prices and improved overhead management.

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 by 1.96% y-o-y. The enhanced Return on Net Worth indicates improved financial performance and efficiency in utilising the Company's resources to generate profits. It demonstrates the Company's ability to generate a higher return on the capital invested by shareholders, reflecting positively on its overall financial strength and profitability.

Human Resources

In the relentless pursuit of our vision - 'Be the Future of Mobility'- we have embraced new technologies to bring greater agility into our working practices. Our goal is to use automation and digital, data-led processes for

employee engagement throughout the five stages of the employee lifecycle - from assessing a prospective candidate to recruitment, onboarding, development, grooming, reskilling, and retention to offboarding.

COVID-19 and Digital HR

COVID-19 blurred the difference between the workplace and home. Digital platforms were our only way to connect. At Hero, this was when we realised technology's transforming potential. After the pandemic, our focus on digitisation remained. We were looking at innovative ways of enhancing an employer's experience at Hero MotoCorp. We focus on interventions to promote innovation and allow employees to develop ideas for our products, services and business models.

Health and Well-being

The Organisation has established a health and wellness management system to support and ensure the overall wellbeing of our workforce. We have created and implemented programmes and policies by incorporating world-class best practices for ensuring a healthy and safe workplace and related compliance management systems. These policies and programmes have been

designed to prevent physical (including occupational), mental and psychosocial health issues. Our occupational health and safety (OHS) policy ensures that health and wellness are incorporated into our business strategy.

The Company's Employee Relation (ER) practice ensures fair and reasonable processes compliant with regulatory and governance requirements. We have developed a productive and progressive employee relations framework that focuses on the holistic growth of employees and aids them with tools that help in continuously learn and acquire new skills.

Read more: **employee engagement on page 87 of the narrative section**

CSR

Working with communities is an ideal way to imbibe sustainable growth. As a part of this approach, we consistently undertake multiple projects in water, health, education and employment generation. Our interventions ensure that community members get a better quality of life. Giving back to society goes beyond compliance and aligns with our philosophy of inclusive growth.

Read more: **about our initiative on page 88 of the narrative section.**

Risk Management

Both internal and external vulnerabilities must be considered while developing an effective risk mitigation approach. Effective risk management helps to prevent accidents, minimise product recalls, achieve business continuity, and ultimately protect our brand reputation. We do this regularly, and the risk management committee oversees all operations. Our robust risk assessment has helped us deal with COVID-19 related disruptions effectively. It has re-emphasised the significance of mitigation measures in managing crises.

Read more: **about risk management on page 76 of the narrative section.**

Internal Controls

We have a solid and well-ingrained internal controls framework. The Audit and Assurance function reassures the Board about the adequacy and efficacy of internal controls, advises management on the dynamic risk landscape, and helps anticipate and mitigate emerging and evolving risks. The internal audit plan is developed in consultation with Statutory Auditors, focuses on critical risks that matter, and is aligned with the Company's business objectives. Key internal audit findings are reviewed by the Audit Committee each quarter. The Audit Committee also monitors the status of management actions emanating from internal audit reviews. Our focus continues to be on automating internal audit procedures and using technologies such as data analytics, artificial intelligence, and machine learning by implementing a continuous monitoring tool.



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Board's Report

Dear Members,

Your Directors are pleased to present the fortieth annual report, together with the Company's audited financial statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS – STANDALONE & CONSOLIDATED

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

Particulars	(₹ in crore)			
	Standalone		Consolidated	
	Year ended		Year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Total Income	34,370.81	29,802.38	34,727.39	30,106.29
Profit before Finance cost and Depreciation	4,551.39	3,925.68	4,662.78	3,999.78
Expenses				
Finance cost	19.87	25.80	104.88	53.10
Depreciation and amortisation expenses	656.96	649.75	697.39	689.52
Profit from ordinary activities before share of Profit / (Loss) of associates	3,874.56	3,250.13	3,860.51	3,257.16
Profit/ (Loss) of associates				
Share in net profit / (loss) of associates	-	-	3.11	(199.05)
Exceptional items – NCCD income				
Exceptional items – VRS expenses				
Profit from ordinary activities before tax	3,874.56	3,250.13	3,863.62	3,058.11
Tax expense				
Current tax	941.90	797.91	947.69	805.44
Deferred tax	22.08	(20.80)	116.03	(76.38)
	963.98	777.11	1,063.72	729.06
Net Profit from ordinary activities after tax	2,910.58	2,473.02	2,799.90	2,329.05
Other comprehensive income /(expense) (net of tax)	(9.37)	(5.44)	(34.87)	(0.60)
Total comprehensive income for the year	2,901.21	2,467.58	2,765.03	2,328.45
Net Profit / (loss) attributable to				
a) Owners of the Company	2,910.58	2,473.02	2,809.96	2,316.88
b) Non-controlling interest	-	-	(10.06)	12.17
Other comprehensive income attributable to				
a) Owners of the Company	(9.37)	(5.44)	(21.95)	(2.44)
b) Non-controlling interest	-	-	(12.92)	1.84
Total comprehensive income attributable to				
a) Owners of the Company	2,901.21	2,467.58	2,788.01	2,314.44
b) Non-controlling interest	-	-	(22.98)	14.01
Balance of profit brought forward	13,031.60	12,462.15	13,060.05	12,648.70
Dividend				
- Interim – 2022-23	1,298.96	1,198.87	1,298.96	1,198.87
- Final – 2022-23	699.37	699.26	699.37	699.26
Corporate Dividend Tax	-	-	-	1.12
Other comprehensive income arising from re-measurement of defined benefit obligation (net of income tax)	-	-	(8.89)	(6.28)
Balance carried to Balance Sheet	13,934.48	13,031.60	13,862.79	13,060.05
Earnings per equity share on Net Profit from ordinary activities after tax (face value ₹ 2/- each) (In Rupees)				
- Basic	145.66	123.78	140.62	115.96
- Diluted	145.52	123.74	140.49	115.93

FINANCIAL HIGHLIGHTS

During FY 2022-23, your Company clocked sales of 53.29 lakh units over 49.44 lakh units in the previous FY. Revenue from operations was ₹ 33,805.65 crore as compared to ₹ 29,245.47 crore in FY 2021-22, registering an increase of 15.59%.

Profit before tax (PBT) in FY 2022-23 was ₹ 3,874.56 crore as compared to ₹ 3,250.13 crore in FY 2021-22, reflecting an increase of 19.21%. Profit after tax (PAT) was ₹ 2,910.58 crore as against ₹ 2,473.02 crore in FY 2021-22, an increase of 17.69% from the previous year.

Earnings before Interest, Depreciation and Taxes (EBIDTA) stood at 11.79% in FY 2022-23, as compared to 11.52% in FY 2021-22.

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 year ended March 31, 2023 along with Auditor's Report are provided in this annual report.

UPDATE ON SIGNIFICANT MATTERS

Vida – Launch of VIDA V1- India's first fully-integrated electric scooter

During the year, the Company commenced customer deliveries of the VIDA V1 scooter, under the brand VIDA, in Delhi, Jaipur and Bengaluru. Each of the three cities have witnessed encouraging customer response. The Company plans to expand its electric two-wheeler range and the charging network to establish the brand wider into the market and to cater across multiple customer segments. The aim is to propagate clean mobility through a seamless and hassle-free customer experience through an omni-channel approach that is built on our custom tech-stack and create a "Worry-Free EV Ecosystem" of VIDA.

Income Tax matter

The Income Tax Department ("the Department") had conducted a Search activity ("the Search") under Section 132 of the Income Tax Act on the Company in March 2022. Subsequently, the Company has provided necessary support, cooperation and documents as requested by the Department. Currently, assessment / reassessment proceedings of earlier years by the Department are in progress and appropriate actions will be taken based on the outcome.

While the uncertainty exists regarding the outcome of the proceedings by the Department, the Company after considering all available information and facts as of date, has

not identified the need for any adjustments to the current or prior period financial results.

The above matter has been disclosed as an 'Emphasis of Matter' in the Audit Report and has also been mentioned in note no. 34(c) of the standalone financial statements. The Audit Report on the audited financial results of the Company (standalone & consolidated) remains unmodified.

CHANGES IN CAPITAL STRUCTURE

During the year under review, 27,777 equity shares of ₹ 2/- each were allotted on exercise of Employee stock options and Restricted Stock Units by the employees of the Company. Consequently, the issued and paid-up share capital of the Company as on March 31, 2023 was ₹ 39,96,79,436 divided into 19,98,39,718 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 ₹ 35/- per equity share (1,750%) of face value of ₹ 2/- each in addition to an interim dividend of ₹ 65/- per equity share (3,250%) declared in the month of February 2023, aggregating a total dividend payout of ₹ 100/- per equity share (5,000%) for FY 2022-23. In the previous year, total dividend payout of ₹ 95/- per equity share (4,750%) of face value of ₹ 2/- each was made. Final dividend, if approved at the ensuing annual general meeting, shall be paid to the eligible members within the stipulated time period.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CHANGE IN NATURE OF BUSINESS

During FY 2022-23, there was no change in the nature of Company's business.

CAPACITY EXPANSION, NEW PROJECTS & STRATEGIC ALLIANCES

The FY23 was a fascinating year during which, your Company directed its resources on capitalising opportunities, strategic investments and working towards business resilience with focus on growth and further strengthening the product portfolio.

Due diligence on economic factors, commodity headwinds facilitated us to further evaluate our manufacturing capacity, and to view cross plant resource optimisation with a broader lens to optimise capacity utilisation.

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

Hero MotoCorp and Bharat Petroleum Corporation Limited (BPCL) have collaborated to set up charging infrastructure for two-wheeled electric vehicles (EVs) across the country, which makes Hero MotoCorp the first automotive OEM to tie up with the leading Public Sector Undertaking (PSU).

In the first phase, charging stations will be set up across nine cities starting with Delhi and Bengaluru. The Company will soon commence the infrastructure development in the two cities. Each charging station will feature multiple charging points including DC and AC chargers and will be available for use to all two-wheeled EVs.

In keeping with its vision "Be the Future of Mobility", your Company entered into a collaboration agreement with Zero Motorcycles, California (USA) - based manufacturer of electric motorcycles and powertrains, to collaborate on Premium Electric Motorcycles. Further, the Company also approved an equity investment of up to US\$60 million in Zero Motorcycles. The collaboration combines the expertise of Zero in developing power trains and electric motorcycles with the scale of manufacturing, sourcing and marketing of Hero MotoCorp.

GLOBAL FORAYS

In the past year, your Company has made significant strides in expanding its global reach. We have successfully expanded our presence from 43 countries in FY22 to 47 countries in FY23, including signing an agreement to enter the Philippine market through a partnership with Terrafirma Motors Corporation (TMC) and relaunching key markets such as the Democratic Republic of the Congo and Liberia.

Despite the challenging market conditions and economic instability across major markets, we have been able to maintain our market share in several countries such as Mexico, Turkey, Tanzania, Argentina, South Africa, and Kenya. The focus has been on increasing our presence in the premium segment through the launch of new products in key markets

such as Bangladesh, Nepal, and Latin America. We believe that these efforts will help HMCL to grow and succeed in the global marketplace.

INNOVATION

As part of our unwavering commitment to achieving excellence and maintaining a customer-centric approach, our organisation has placed a significant emphasis on cultivating a culture of innovation. This has resulted in a notable shift in our organisational culture, permeating across various functions and contributing to the overall success of Hero MotoCorp. Our collaborative and co-creative efforts have culminated in the global launch of the 9th Hero Idea Contest, providing our employees with a platform to share innovative ideas and inspiring solutions. This has led to overwhelming responses, with several of these ideas transformed into marketable products, including the Additional Lamp unit feature in Xoom and the Hero Dirt Biking challenge.

To further emphasise our commitment to excellence, we recently concluded the first-ever Hero Next Global Conference, where we recognised top-performing manufacturing teams and supply chain partners, aiming to deploy best practices across our manufacturing plants. Furthermore, our Hero Campus Challenge (HCC), now in its 8th edition, has received tremendous participation from academic institutions, demonstrating maximum outreach year after year.

While we continue to pursue standalone projects, our internal incubator program, Hero Hatch, has emerged as a formidable pillar in the development of new technologies and solutions that will shape the future of mobility. Projects launched under Hero Hatch, including Quark Motors, Wheels of Trust, and Freedo, have been driven by the goal of pushing boundaries and creating solutions that have a positive impact on society.

As we look to tap into global enablers to co-create and collaborate with ecosystem partners, we are expanding our focus from internal innovation to strategic innovation. Our vision for strategic innovation is to continue to leverage external networks and partnerships to drive sustainable innovation, further strengthening our global positioning. To this end, we are working with accelerators, incubators, academia, consortiums, and communities to drive innovation. Our collaboration with Plug and Play (P&P) has proven to be a valuable asset in our pursuit of strategic innovation by delivering promising results in its first year. Through this global partnership, we have leveraged the startup ecosystem to address immediate challenges in a cross-functional manner. We are confident that our continued collaboration with the ecosystem will further enhance our competitive edge in the global marketplace.

CYBER SECURITY

The new age technologies have ushered a boom in the fast pace business environment but are also coupled with exposure of risks to the integrity and privacy of data, both in storage and in transit. Your Company is agile to undertake requisite

steps in this direction and has secured its data by building well designed, secured and robust processes. The Company, being perceptive of the danger associated with these technologies, is educating the employees on cyber threats, awareness related to passwords, protection of data and widely used practices in cyber security field. Your Company has thoughtfully designed security awareness emails that emphasise the avoidance of clicking on links and attachments in email and these are regularly sent to the employees which also acts as an essential pillar of defense. We are also keeping a thorough watch on the cyber security breach incidents occurring in the industry and are adding new learnings from such events to maintain vigorous processes and enhance security controls in-line with the threat scenarios. All the relevant advisories issued by CERT-In/ CSIRT-Fin are followed by the organisation. Your Company has a dedicated Chief Information Security Officer to ensure information and network security, disaster recovery and business continuity.

ETHICAL PRACTICES

Pledged to its ethical and responsible conduct, Hero MotoCorp believes in acting in the best interest of the customers, public, employees, business partners and all other stakeholders. Successful business and reputation are built on prioritising the interest of stakeholders and establishing a strong foundation of trust. Your Company follows rigorous product safety and quality standards to fulfil 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 behavior. Duty to the Company requires its employees, to avoid and disclose actual and apparent conflicts of interest. No employee shall appropriate corporate business opportunities for themselves and use the Company information or position for personal gains. Your Company is committed to transparency in disclosures and public communications except where the need of business security dictates otherwise. Hero MotoCorp is committed to making 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

In line with our commitment to "set global benchmarks, achieve and sustain leadership in quality while creating a sustainable future", Hero has continued its journey towards Enterprise-wide Quality in FY23. Having set up an independent Quality function in 2020, the Company adopted a multi-pronged approach to strengthen its Quality ecosystem starting with the roll out of the new Quality Policy. The 3-pronged approach of "Structured Restoration, Holistic Improvements and Cultural Excellence" covers multiple initiatives.

We have established an end-to-end integrated quality organisation structure to proactively manage the critical aspects of an OEMs entire value chain such as design, development, manufacturing of products at our supply chain partners and HMCL facilities, as well as field quality. This is to ensure higher quality of existing product line but also set the base for world-class quality in next-generation premium and EV products.

In our ardent pursuit of excellence and making Quality a strategic advantage for Hero, we have adopted a diverse yet pragmatic approach to sensitise every stakeholder and promote development of a culture of Quality across our entire value chain. Quality Champions, Strategic deployment through Hoshin Kanri, Quality 4.0, People development through Internal Training mechanism/Quality Colloquium, and Hero QUEST are few of the initiatives taken up by the Quality team, at the forefront of spreading awareness and sensitising their counterparts across the value chain of the importance and value of "Quality as a way of life" not only for Hero, but for the larger society as well.

While we continue to strive towards excellence and relentlessly pursue our vision "Be the Future of Mobility", we will keep coming up with much more innovative initiatives to fuel our journey towards Enterprise-wide Quality to delight all our stakeholders across the globe.

SAFETY AND WELL BEING OF EMPLOYEES

Hero MotoCorp is committed to provide safe and healthy working conditions to its employees and other persons who may be affected by its operations. We believe that safe work practices lead to better performance, motivated work force and higher productivity. The Company has an Occupational Health & Safety Policy to prevent any work related injury and ill health of employees, workmen, contractors, community and all interested parties by eliminating hazards and reducing risks. Company ensures compliance with all applicable legal and other requirements and promotes health and safety awareness and training amongst employees, workmen, suppliers and contractors. The cross-functional Total Productive Maintenance committee safeguards the pillars of safe work, a healthy workforce and increased productivity. The Company provide employees' personal health resources, good physical, mental and psychosocial work environment and opportunity for involvement in community services. Your Company has mapped HIRA (Hazard identification & Risk Assessment) & CIRA (Context, Issues identification, risk & opportunity analysis) of hazardous job processes and the employees involved. Periodic occupational health check-ups are planned & implemented as per the HIRA & CIRA as part of statutory health check-up.

All the manufacturing units of the Company are certified with ISO -45001 (International Occupational health & safety management system and standards) and it is endeavored to implement best practices in occupational health and safety management.

The Company's Employees Well-Being Policy aims to establish positive health and well-being culture that includes awareness and understanding, effective processes, and positive behavior by staff at all levels. Your Company recognises that mental and physical health are equally important and acknowledges the potential impact that work can have on both. Specialist doctor consultation for employees and their dependents are organised covering multiple medical specialties. Further, EAP-Employee assistance program facilitates confidential mental health support and counselling services for all permanent employees and family members. Regular fitness contests are organised for employees at all locations and well-structured mediclaim facility provides employees and dependents with cashless hospitalisation facility at empaneled hospitals on pan India network. Policy, guidelines & SOPs have also been laid down for non-occupational medical services.

To ensure smooth flow of inbound and outbound vehicles, each location of the Company has developed a traffic plan defining the movement route maps, speed of movement, visual control, etc. Further, the employees are regularly advised on traffic rules and the safe ways of driving.

To prevent accidental fires, each plant and other locations undergo a Fire Safety Risk Assessment. Employees are trained to use fire extinguishers and live mock drills are conducted periodically which provides a real time experience and hands on practice extinguishing a fire.

At Hero MotoCorp, talent development ranks as one of the top-most priorities. Keeping with the strive towards providing learning opportunities to all its employees, the Company is conducting programmes like Master in Business Administration (MBA) and Bachelor of Technology (B.Tech) in collaboration with BITS Pilani and BML Munjal University for the employees to ensure their personal development in conjunction with the growth of the organisation. Your Company launched a learning campaign called as Learning Propeller which concentrates on building awareness of the learning ecosystem, importance of taking charge of professional acumen & learning and creating advocates for learning. In addition, the Company has various capability development programs like NexGen leaders, Transcend Leaders Program, Hero Virtual Learning Centre, etc.

To boost confidence of women employees and encourage more women in leadership roles, your Company conducts a 'Women in Leadership' course in collaboration with BML Munjal University. The course is designed to implement unique leadership styles that propel success of women in their roles and imbibe a visionary thinking that energises problem solving skills and inspires to take ownership of their potential. The outcomes of the course have been incredible, resulting in more women employees pursuing it every year.

One of the core values of Hero is being 'Responsible' which essentially means caring for everyone especially the employees who are the most important pillar of the Company.

DIVERSITY & INCLUSION

At Hero, we firmly believe that diversity is not just a buzzword but an integral part of our identity. We recognise that our success is driven by the collective power of our diverse workforce, encompassing individuals from various backgrounds, cultures, perspectives, and experiences. We have focused on fostering an inclusive workplace where every individual feels valued and empowered to contribute their best.

This year our focus has been on gender diversity which is a fundamental pillar of our inclusive company culture, and we firmly believe that a balanced workforce drives innovation and success. We have taken deliberate actions to attract, retain, and promote talented individuals of all genders; we also have inclusive policies which reflect our dedication to creating an environment where every individual feels valued, respected, and empowered to contribute their unique perspectives and talents. We are committed to remove barriers, promote equal opportunities, and ensure that diversity and inclusion are embedded in every aspect of our organisation.

We have also focused on providing mentorship and professional development opportunities for women, equipping them with the tools and support necessary to excel in their careers. Our leadership team is actively engaged in sponsoring and advocating for the advancement of talented women within our Company.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

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

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

Subsidiary Companies

Hero Tech Center Germany GmbH ('HTCG')

HTCG is a wholly owned subsidiary of your Company, incorporated in Germany to undertake research and development and such other ancillary activities for the manufacture, testing, validating etc. of two-wheelers and components / parts thereof. It also undertakes, coordinates and facilitates two-wheeler rally participation and development activities. During FY 2022-23, HTCG has reported unadjusted revenue of ₹ 106.18 crore and a net profit of ₹ 6.1 crore.

HMCL Netherlands B.V. ('HNBV')

HNBV is a wholly owned subsidiary of your Company, incorporated in Amsterdam as a private company with limited liability under the laws of The Netherlands with the primary objective of promoting overseas investments. During FY 2022-23, it has reported net loss of ₹ 0.9 crore.

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

HMCLC was incorporated in Colombia as a joint venture between HNBV and Woven Holdings LLC as a simplified stock corporation company. HNBV currently holds 68% equity in HMCLC and 32% equity is held by Woven Holdings LLC. The main business of HMCLC is to manufacture and sell two-wheelers in Colombia. It has a manufacturing facility with a production capacity of 80,000 units per annum. During the year ended March 31, 2023, the Company has reported unadjusted revenue of ₹ 394.5 crore and a net loss of ₹ 35.5 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. The main business of HNBL is to manufacture and sell two wheelers. It has a manufacturing facility with a production capacity of 1,50,000 per annum. During FY 2022-23, HNBL reported unadjusted revenue of ₹ 569.2 crore and a net profit of ₹ 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 the year ended March 31, 2023, HMCLA has reported unadjusted revenue of ₹ 0.07 crore and a net loss of ₹ 0.01 crore.

HMC MM Auto Limited ('HMCMMMA')

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 HMCMMMA. During FY 2022-23, HMCMMMA has reported unadjusted revenue of ₹ 267.8 crore and a net loss of ₹ 10.2 crore.

Associate Companies

Hero FinCorp Limited ('HFCL')

HFCL is an associate of your Company, incorporated in the year 1991. Your Company holds 41.19% in the equity share capital of HFCL. HFCL is a non-banking finance company engaged in providing financial services, including two-wheeler financing

and providing credit to Company's vendors and suppliers. Over the years, it has added several new products and customers in its portfolio, like SME and commercial loans, loan against property etc.

During FY 2022-23, HFCL's profit attributable to the Company is ₹ 150.9 crore.

Ather Energy Private Limited ('AEL')

AEL is a private limited company, focused on developing, designing and selling premium electric two-wheelers. The shareholding of your Company in AEL is 36.54% which is equivalent to 33.11% on a fully diluted basis. During FY 2022-23, AEL's loss attributable to the Company is ₹ 192.5 crore.

A statement containing salient features of financial statements of subsidiaries and associate companies is provided in Form AOC-1 and forms part of the financials.

Material Subsidiaries

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

DIRECTORS AND KEY MANAGERIAL PERSONNELS

During the year under review, Mr. Vikram Sitaram Kasbekar was re-appointed as a Whole-time Director, designated as Executive Director-Operations (Plants) w.e.f August 8, 2022 for a term of two years. His term will end on August 7, 2024.

In terms of applicable provisions of the Act and the Articles of Association of the Company, Mr. Suman Kant Munjal, Director of the Company, retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment. Brief resume and other details of Mr. Suman Kant Munjal have been furnished in the Annexure of the notice of the annual general meeting.

Prof. Jagmohan Singh Raju was appointed as an Independent Director w.e.f November 15, 2018 for a period of five (5) years. His term is due to expire on November 14, 2023. Being eligible in terms of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board on recommendation of the Nomination and Remuneration Committee has approved re-appointment of Prof. Raju for a period of five (5) years, subject to passing of special resolution by the shareholders. Brief resume and other details of Prof. Jagmohan Singh Raju have been furnished in the Annexure of the notice of annual general meeting.

The appointment of new directors is recommended by the Nomination and Remuneration Committee ('NRC') on the basis of requisite skills, proficiency, experience and competencies as identified and finalised by the Board considering the industry and sector in which the Company operates. For appointment of an independent director, the NRC evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, determine the role and capabilities required of an independent director. The Board, on the recommendation of the NRC, evaluates and if found suitable, confirms an appointment to the Board. The appointments are based on the merits of the candidate and due regard is given to diversity including factors like gender, age, cultural, educational & geographical background, ethnicity, etc.

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed in the Act and the Listing Regulations.

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

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

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

Mr. M. Damodaran ceased to be a Director of the Company with effect from end of day of May 3, 2022, due to completion of his term of three (3) years as an Independent Director.

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

Key Managerial Personnels

During the year, the Board elevated Mr. Niranjn Gupta, Chief Financial Officer, as the Chief Executive Officer of the Company with effect from May 1, 2023.

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

(Appointment and Remuneration of Managerial Personnel) Rules, 2014.

BOARD MEETINGS

During FY 2022-23, seven 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 2022-23, various committee meetings were conducted by the Company. For details of these Committee meetings, please refer to the section on Corporate Governance of this annual report.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2022-23. Led by the Nomination and Remuneration Committee, the evaluation was carried out using structured questionnaires covering, amongst others, composition of the Board, conduct as per Company values & beliefs, contribution towards development of the strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership, etc.

Further, the Committees were evaluated in terms of receipt of appropriate material for agenda topics in advance with right information and insights to enable them to perform their duties effectively, review of committee charter, 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.

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

The actions emerging from the Board evaluation process were collated and presented before the Nomination and Remuneration Committee as well as the Board. The Directors were satisfied with the Board's engagement, experience, diversity and expertise. The Board committees have also been functioning well and contributing effectively. The performance of individual directors was found satisfactory. Suggestions/feedback concerning strategic, governance and operational matters were actioned upon by the team.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards were followed, along with proper explanation relating to material departures;
2. that appropriate accounting policies were selected and applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs as at March 31, 2023 and of the profit and loss of your Company for the financial year ended March 31, 2023;
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, 2023 have been prepared on a going concern basis;
5. that the Directors have laid down Internal Financial Controls which were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
6. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

REMUNERATION AND BOARD DIVERSITY POLICY

Pursuant to provisions of the Act, the Nomination and Remuneration Committee 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 employee stock options, restricted stock units, 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 Personnels, senior management and other employees is as per the Remuneration Policy of your Company.

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

The Remuneration and Board Diversity Policy of the Company was amended during the year to include the changes introduced by the SEBI and other minor changes to enhance uniformity and cohesion. The Remuneration and Board Diversity Policy of your Company can be viewed at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105210-code-policy-421.pdf

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

1. To determine remuneration of Directors, KMPs, other senior management personnel and other employees, keeping in view all relevant factors including industry trends and practices.
2. At the Board meeting, only the Non-Executive and Independent Directors shall participate in approving the remuneration paid to the Executive Directors.
3. The remuneration structure for the Executive Directors would include basic salary, commission, perquisites & allowances, contribution to Provident Fund and other funds. If the Company has no profits or its profits are inadequate, they shall be entitled to minimum remuneration as prescribed under the Act.
4. The Non-Executive and/or Independent Directors will also be entitled to remuneration by way of commission aggregating upto 1% of net profits of the Company pursuant to the provisions of Sections 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/Performance shares or such other means as may be decided by the NRC.
6. Performance goals of senior management personnel shall be quantifiable and assessment of individual performance to be done accordingly. A significant part of senior management compensation will be variable and based upon Company performance.

7. To ensure adequate diversity at Board level, all appointments to be made on the basis of merit and due regard shall be given to other diversity attributes also. The NRC shall recommend the appointment or continuation of members to achieve optimum combination at the Board and periodically assess the specific requirements in relation to Board diversity.

EMPLOYEES' INCENTIVE SCHEME

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

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

Your Company has received a certificate from M/s Sanjay Grover & Associates, Secretarial Auditors (Firm Registration No. P2001DE052900) that the Employees' Incentive Scheme, 2014 for grant of stock options has been implemented in accordance with the SEBI Regulations and the resolution passed by the members in their general meeting. The certificate would be placed/available at the ensuing annual general meeting for inspection by the members.

Voluntary Retirement Scheme

In keeping with the objective of building a robust organisation in a rapidly evolving dynamic environment while retaining employee welfare at its core, your Company launched a voluntary retirement scheme (VRS) for its staff in April 2023. The VRS offered a generous package that included – among other benefits – a one-time lump-sum amount, variable pay, medical coverage, retention of company car, relocation assistance, career support etc. The VRS was designed in line with the vision to make the organisation agile and 'future-ready'. As the VRS was announced post completion of financial year 2022-23, there is no financial impact for the year ended March 31, 2023.

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/en-in/uploads/code-policy/20191224114146-code-policy-495.pdf>

In terms of Listing Regulations, a report on Corporate Governance along with the certificate from M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration No. P2001DE052900) confirming compliance of the conditions of Corporate Governance is annexed hereto and forms part of this annual report as **Annexure - II** and **Annexure - III** respectively.

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 ₹ 3.38 crore for FY 2014-15 (Final Dividend) and 12,135 shares to the Investor Education and Protection Fund (IEPF) Authority of the Central Government of India. Further, dividend pertaining to the shares transferred to demat account of the IEPF Authority amounting to ₹ 7.85 crore (after deduction of tax) was also transferred to the IEPF Authority.

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 2022-23, 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	2,365.53	1,157.93	3,523.46
Addition	1,568.91	528.82	2,097.73
Reduction	-	109.60	109.60
Closing Balance	3,934.44	1,577.15	5,511.59

DEPOSITS

Your Company has neither accepted nor renewed any deposits during FY 2022-23 in terms of Chapter V of the Act.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During FY 2022-23, all contracts/arrangements/transactions entered into by your Company were in compliance with the applicable provisions of the Act and the SEBI LODR. During FY 2022-23, your Company has not entered into any contract/ arrangement/transaction with related parties which could be considered 'material' in accordance with its Policy on Materiality of Related Party Transactions. Thus, there are no transactions required to be reported in Form AOC-2.

Further, during FY 2022-23, there were no materially significant related party transactions entered into by your Company with the Promoters/Promoter Group, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and are approved only by independent non-conflicted members. The approval of the Board for related party transactions has also been taken in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI LODR, wherever required. During FY under review, the Audit Committee has approved transactions through the omnibus mode in accordance with the provisions of the Act and Listing Regulations. Related party transactions were disclosed to the Board on regular basis as per the Act & 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/investor-assets/disclosure-documents/20191126104550-code-policy-434.pdf>

RISK MANAGEMENT FRAMEWORK

The Risk Management Committee of the Board continues to guide the Management Team in operating a comprehensive risk management framework.

The Company's risk management procedures take into consideration external as well as internal threats to devise strategies to mitigate a diverse set of strategic, operational, regulatory and technology related risks. Risk identification, analysis, mitigation and monitoring is undertaken periodically by the Management Team and is overseen by the Risk Management Committee (RMC). Several management and leadership team members are actively involved to ensure consistency in the overall process. Post assessment, a calendar to detail the mitigation plans is prepared and the RMC is updated accordingly. On a quarterly/ periodic basis the RMC is updated per plan and with regards new developments.

The Head of Risk works with the Risk Steering Committee who are responsible to update the board on the status of the risks and also update the organisational risk register as per internal and external environment.

In addition, your Company focused on developing a robust Business Continuity Plan to manage any unforeseen and anticipated scenarios. Your Company focused on some of the other key risk areas as well and developed mitigation plans. Some of those risks were –

Semiconductor shortage – Semiconductor shortage affected almost every automobile OEM. There was an increase in lead-time and many orders remained pending. However, your Company made sure that the shortage did not significantly impact the supply chain and manufacturing. Your Company reached out to identify alternate sources for critical components and started tracking inventories at a child part level. As we expand our operations in the electric vehicle segment, a continued shortage of semiconductors could pose a credible threat and your Company is already developing plans to manage the risk well.

Shifting consumer preferences towards electric mobility – The 2W industry has continued to grow in EV adoption. Your Company has plans to gain from this segmental shift as scooters are expected to be the first in EV adoption for 2W. The first in house 2W EV product was launched in H2 of FY23. The Company also has investments in other EV brands such as Ather Energy.

Geopolitical uncertainties in key global markets – The business sentiment continued to remain challenging with many global economies losing steam. The logistics and supply chain industry too was hit hard. However, your Company was able to manage these risks by realising volumes from countries that soon returned to pre pandemic growth and output levels. Also, on the supply chain, your Company has built a strong local base and that made sure that your Company's operations were not impacted.

Cost pressures in material sourcing – As cost pressures continued to affect margins, your Company evaluated options to develop alternate and innovative strategies for part manufacturing. A significant amount of cost increase could be offset because of the savings from the LEAP and LEAD programs.

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

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY/ CODE OF CONDUCT

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated the Vigil Mechanism/Whistle

Blower Policy which provides a robust framework for dealing with genuine concerns and grievances. Your Company has an ethics hotline managed by a third party which can be used by employees, Directors, vendors, suppliers, dealers etc. to report any violations to the Code of Conduct. Specifically, employees 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, 13 complaints were received through various reporting channels and 1 complaint was carried forward from the previous year. Out of these, 13 complaints have been investigated and remaining 1 complaint is under investigation.

During FY 2022-23, no individual was denied access to the Audit Committee for reporting concerns, if any.

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/investor-assets/disclosure-documents/VigilMechanismPolicy.pdf>

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

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

We understand that adopting and implementing sustainable business practices is the Company's responsibility, and equally importantly, that sustainability strategy and CSR activities are intertwined and complement as well as supplement each

other. Therefore, at Hero MotoCorp, both these aspects are governed together by a common decision-making team that focuses on initiatives with the shared vision of a larger, long-term and sustainable impact.

Sustainability and Corporate Social Responsibility Committee

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

Policy

The CSR Policy of the Company can be viewed at the following link: <https://www.heromotocorp.com/en-in/uploads/code-policy/20191126104858-code-policy-35.pdf>

The salient features of the CSR Policy are as under:

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

review by the Committee for the projects undertaken. The Committee may suggest modifications in the planned activities considering the existing scenario/circumstances.

6. The Committee will place for the Board's approval an annual action plan delineating the CSR Programmes to be carried out during the financial year and the succeeding years in the case of Ongoing Projects, along with the specified budgets thereof.

FY 2022-23 update

During the year under review, your Company spent ₹ 77.83 crore on its CSR activities. The CSR initiatives undertaken by your Company, along with other details, form part of the annual report on CSR activities for FY 2022-23, which is annexed as **Annexure - VI**. The overview of CSR activities carried out in FY 2022-23 is provided in a separate section in this annual report.

AUDIT COMMITTEE

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

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

The details on the Audit Committee and its terms of reference etc. have been furnished in Corporate Governance Report which forms part of this report as **Annexure - II**.

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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

Cost Auditors

The Board had appointed M/s R J Goel & Co., Cost Accountants (Firm Registration No. 000026), as Cost Auditors for conducting the audit of cost records of the Company for the Financial Year

2022-23. The Cost Auditors will submit their report for the FY 2022-23 on or before the due date. Further, there were no frauds reported by the Cost Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

The Board, on the recommendation of Audit Committee, has approved the appointment of M/s R J Goel & Co., Cost Accountants, as Cost Auditors for the financial year ending March 31, 2024.

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

Secretarial Auditors

M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration No. P2001DE052900) were appointed to conduct Secretarial Audit of your Company during FY 2022-23.

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

The Board, on the recommendation of Audit Committee, has approved the appointment of M/s SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DL011600) as Secretarial Auditor of your Company for the financial year ending March 31, 2024.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Company has a robust and well embedded system of internal controls. Comprehensive policies, guidelines and procedures are laid down for all business processes. The internal control system has been designed to ensure that financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

An extensive risk based programme of internal audits and management reviews provides assurance to the Board regarding the adequacy and efficacy of internal controls. The internal audit plan is dynamic and aligned to the business objectives of the Company and is reviewed by the Audit Committee each quarter. Further, the Audit Committee also monitors the status of management actions emanating from internal audit reviews. Such actions are tracked through an automated tool.

During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed.

PREVENTION OF INSIDER TRADING CODE

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), your Company has revised its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons to align it with the industry practices and regulatory changes. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company and while sharing Unpublished Price Sensitive Information. The Code includes the Company's obligation to maintain the structured digital database ('SDD'), obligation of designated persons, mechanism for prevention of insider trading and handling of UPSI. Further, the Company has complied with the standardised reporting of violations related to code of conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also revised its Code of practices and procedures of fair disclosure of unpublished price sensitive information alongwith policy for determination of legitimate purposes, institutional mechanism for prevention of insider trading and policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. The Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the Designated persons and their immediate relatives having access to unpublished price sensitive information. A report covering trading by DPs under the PIT Regulations is placed before the Audit Committee on quarterly basis.

The Company periodically circulates the informative e-mails along with the code and policies on Insider Trading, Do's and Don'ts etc. to the employees to familiarise them with the provisions of the Code. The officials of the secretarial department conducts an induction programme for all the employees joining the organisation and various other workshops/ training sessions to educate and sensitise the employees/ designated persons.

As part of the awareness programme, an extensive campaign was run across the organisation, in the form of desktop wallpapers and posters on the Company's employee application providing important information on the provisions of the Code. Also, standees and danglers were also placed at all conspicuous places across locations highlighting the important aspects of the Code of Prevention of Insider Trading and SEBI Regulations.

Quarterly certificate on compliance with the requirement and maintenance of SDD pursuant to provisions of Regulation 3(5) and 3(6) of PIT Regulations were duly filed with the stock exchanges within the stipulated time.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Keeping up the commitment to sustainability, your Company has prepared the Business Responsibility & Sustainability Report ('BRSR') which forms part of the annual report as **Annexure - VIII**. The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

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, 2023, total number of employees on the records of your Company were 9,215 as against 9,173 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.

PARTICULARS OF EMPLOYEES

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

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/investors/shareholder-resources/downloads.html?year=2021-22#annualreturn>

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under Section 134(3)(m) of the Act read with Rules made thereunder is annexed to this report as **Annexure - IX**.

STATUTORY DISCLOSURES

Your Directors state that there being no transactions with respect to following items during the year under review, no disclosure or reporting is required in respect of the same:

1. Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of your Company under any scheme, save and except ESOS referred to in this report.
4. The Whole-time Directors of your Company have not received any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. Buy-back of shares or under Section 67(3).
7. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
8. No settlements have been done with banks or financial institutions.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Hero MotoCorp has in place a Policy towards Prevention of Sexual Harassment at Workplace for Women. This policy is in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013'.

All employees, whether permanent, contractual, temporary and trainees or belonging to any other category as per the definition of POSH are covered under this Policy. An Internal Complaints Committee (ICC) had been constituted to redress complaints received regarding Sexual Harassment and the Company has complied with the provisions relating to the constitution of ICC under POSH Act.

Our Company aims at providing a safe workplace free from sexual harassment to its employees. It also has a 'Zero Tolerance' Policy towards POSH. To achieve this objective, effective communication is the key and thus the Company regularly organises awareness sessions at all locations to sensitise its employees and conducts frequent sessions in a professional manner.

During FY 2022-23, over 394 POSH Workshops, Webinar Sessions were organised and in addition POSH Sessions were planned through the e-module mode. These POSH sessions were well attended by the employees from across the organisation. All new workmen and women associates joining undergo a mandatory session on POSH.

As per the said Policy, an Internal Committee (IC) is also in place towards redressal of complaints received towards Sexual Harassment. Following is the summary of complaints received and disposed off during the year under review:

No. of complaints received: 17

No. of complaints disposed off: 16

No. of complaints withdrawn: 0

No. of complaints pending: 1

DISCLOSURE UNDER THE HUMAN IMMUNODEFICIENCY VIRUS AND ACQUIRED IMMUNE DEFICIENCY SYNDROME (PREVENTION AND CONTROL) ACT, 2017

During the year under review, no complaints were received by the Complaints Officer under the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017.

FACILITATION TO SHAREHOLDERS

Your Company has always endeavored to keep its shareholders informed of all relevant, sufficient and reliable information on a timely and regular basis pertaining to the business, its processes and regulatory affairs to enable them to take informed decision. As a voluntary initiative, the Company emails the quarterly and annual financial results to all the shareholders whose email addresses are registered with the Company / RTA to keep them updated with the financial position and performance of the Company. Further, the Company has issued a Shareholders' Referencer covering rights of shareholders, grievance redressal framework, timelines for various procedures, processes followed by the Company, etc. to empower them through facts and information. The website of the Company has a dedicated section which serves as a knowledge bank for shareholders to keep them sufficiently informed of the statutory changes as well as other pertinent information. All the queries of the shareholders are responded

within the prescribed timelines and the Company ensures timely and accurate disclosure on all material matters. Your Company has always encouraged effective shareholder participation in key corporate governance decisions and exercise of voting rights by the shareholders.

CENTRALISED COMPLIANCE MANAGEMENT

The Company has an automated Compliance Framework that monitors and updates all applicable laws and compliance obligations on a regular basis. Automated alerts are sent to compliance owners to ensure that they are complying with regulations within the set timeframe. This proactive measure helps keep everyone on track and avoid any penalties or other legal issues that could arise from non-compliance. The compliance owners certify the compliance status which is reviewed by compliance approvers. A certificate of compliance of all applicable laws and regulations along with exceptions report and mitigation plan, if any, is placed before the Board of Directors on a quarterly basis.

AWARDS AND RECOGNITION

During the year, the Company received multiple awards and recognition. Some of them are listed below:

1. VIDA V1 won the following awards:
 - a) Best Design Award at the 2023 Acko Drive Awards
 - b) Best EV Award at the 2023 Acko Drive Awards
 - c) Best Scooter Award at the 2023 Acko Drive Awards
 - d) Best Overall Bike of the Year Award at the 2023 Acko Drive Awards
 - e) EV Scooter of the Year Award at the 2023 Bike India Awards
 - f) Green Two-wheeler of the Year Award at the 2023 Turbocharged Magazine Awards
2. XPulse 200 4V won the following awards:
 - a) BBC TopGear India Awards 2022 for the Best ADV of the Year (300cc)

- b) Bike Variant of the Year at the 2022 Autocar Awards
- c) Adventure Motorcycle of the Year at the CnB Awards 2022
- d) Bike of the Year at the Zee Auto Awards 2022
3. Splendor won 'Bike of the Decade' at the Zee Auto Awards 2022
4. Significant Achievement in HR Excellence by the 13th CII National HR Excellence Award Confluence
5. Hero MotoCorp won Best Medical & Wellness Centre category at the ET Health Award
6. Campaign #LadkiChalaRahiHai bagged Gold at the IMPACT Digital Influencers Awards 2022 in two categories: Best Automobile Category & Best Cause-Led Campaign
7. One of the "Best Organisations for Women" by The Economic Times.

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 & Whole-time Director

DIN: 00004223

Date: May 4, 2023

Place: Tirupati

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) Rules, 2014:

1. The remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the Financial Year:

Name of Directors/ KMP and Designation	Remuneration of Director/KMP for Financial Year 2022-23 (₹ in crore)	% increase in Remuneration in Financial year 2022-23	Ration of the remuneration to the median remuneration of employees
REMUNERATION			
Executive Directors			
Dr. Pawan Munjal <i>Executive Chairman & Whole-time Director</i>	99.55	18.02	813
Mr. Vikram S. Kasbekar	8.13	0.62	66
Non-Executive Directors*			
Mr. Pradeep Dinodia	1.39	-2.80	11
Mr. Suman Kant Munjal	0.32	-11.11	3
Ms. Vasudha Dinodia	0.32	77.78	3
Non-Executive and Independent Directors*			
Mr. M. Damodaran**	0.38	-70.31	3
Prof. Jagmohan Singh Raju	0.90	-3.23	7
Ms. Tina Trikha	0.98	4.26	8
ACM B.S Dhanoa (Retd.)	1.04	19.54	8
Ms. Camille Tang	0.38	65.22	3
Mr. Rajnish Kumar	0.38	111.11	3
KMP			
Mr. Niranjana Kumar Gupta <i>Chief Executive Officer & Chief Financial Officer***</i>	7.89	17.59	64
Mr. Dhiraj Kapoor <i>Company Secretary & Compliance Officer****</i>	1.35	50	11

* Includes sitting fees and commission

** Ceased to be Director w.e.f end of day of May 3, 2022

***Elevated to the role of CEO w.e.f May 1, 2023

****Appointed as Company Secretary & Compliance Officer w.e.f February 1, 2022, the % increase in remuneration has therefore been prorated for 12 months period.

2. The median remuneration of employees of the Company during the financial year was ₹ 12.25 lakhs.
3. Median salary of employees in current year has increased by 3.38% in comparison to the previous year.
4. The number of permanent employees on the rolls of Company as on March 31, 2023 was 9,215 (previous year 9,173) including workers defined under the Factories Act, 1948.
5. Average percentage increase made in the salary of employees other than the managerial personnel in the financial year 2022-23 was 9.89% whereas the increase in the managerial remuneration for the Financial Year 2022-23 was 16.50%
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 of Directors, Key Managerial Personnel and Employees of the Company is in line with the Remuneration Policy of the Company.

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 & reporting systems and

ensures that a good corporate culture and strong ethical environment is followed across the organisation, which consequently leads to long term success of the Company.

Committees of Directors – The Committees of the Board such as Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Sustainability & Corporate Social Responsibility Committee (SCSR), etc. are focused on financial reporting, audit and internal controls, legal & compliance issues, appointment and remuneration of Directors & senior management employees, implementation & monitoring of SCSR activities and the risk management framework.

Executive Management – The entire business including the support functions are managed with clearly demarcated responsibilities and authorities at different levels. The 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.

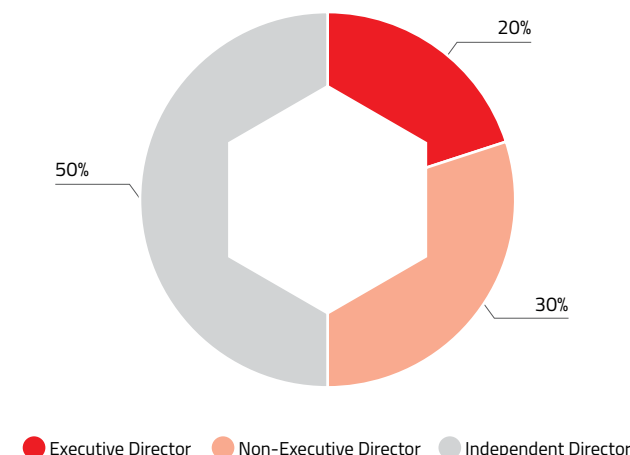
BOARD OF DIRECTORS

At Hero, we believe that a diversified, active and well-informed Board is necessary to ensure highest standards of corporate governance. The statutory and other significant and material information is placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy. In the context of Company's business and the industry in which the Company operates, the Board members have the appropriate skills/ area of expertise/ competencies.

Composition of Board

The Board of Directors ('Board') has an optimum combination of Executive and Non- Executive Directors, representing a blend of professionalism, knowledge and experience. The Company profess the importance of diversity at Board and at all levels within the organisation. The size and composition of the Board meet the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on March 31, 2023, the Company's Board comprised of ten Directors, with two Executive Directors, one of them being the Executive Chairman, three Non-Executive Directors, five Non-Executive and Independent Directors, including three woman Directors, i.e. 80% of total strength of Board comprises Non-Executive Directors.

Categorywise - % of Total No. of Directors



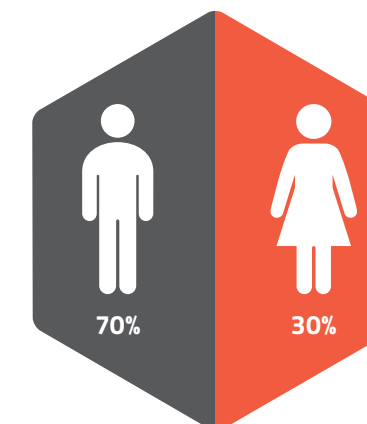
● Executive Director ● Non-Executive Director ● Independent Director

During the year, Mr. M. Damodaran ceased to be the Director of the Company effective from the end of the day of May 3, 2022, due to completion of his tenure as per the provisions of the Companies Act, 2013 & relevant provisions of the Listing Regulations. The Board appreciates the guidance and support provided by him during his tenure. Further, Mr. Vikram Sitaram Kasbekar was reappointed as a Whole-time Director designated as Executive Director – Operations (Plants), for a term of two (2) years effective from August 8, 2022.

Dr. Pawan Munjal and Mr. Suman Kant Munjal are promoter Directors and are brothers. Ms. Vasudha Dinodia is the daughter of Dr. Pawan Munjal, 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 Directors on the Board of the Company are Independent Directors. None of the Directors of the Company is serving as an Independent Director or as a Director in more than 7 listed companies. Further, no Independent Director of the Company is a Whole-time Director in another listed company.

Board Diversity



None of the Directors on the Board is a Director in more than 10 public companies or is a member in more than 10 Committees or Chairperson of more than 5 Committees.

All Independent Directors have confirmed in accordance with applicable Listing Regulations and Section 149(6) of the Companies Act, 2013 and the rules framed thereunder that they meet the independence criteria. The Independent Directors have further stated that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgement and without any external influence. Based on the disclosure received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions of Independence as specified in the Companies Act, 2013 and Listing Regulations.

The name and categories of Directors, DIN, the number of Directorships, Committee positions held by them in the companies and the list of Listed Entities where he/she is a Director alongwith the category of their Directorships and other details like area of expertise etc., are given hereafter.



Dr. Pawan Munjal

Executive Chairman & Whole-time Director
(DIN: 00004223)

Nationality	Indian
Age	68
Initial date of Appointment	1 st October, 1986

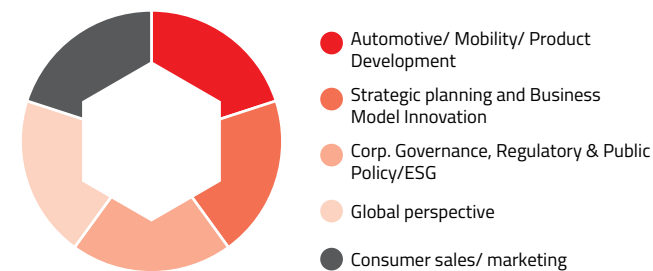
Shareholding	95,85,986 shares
♦ Self	43,364
♦ As Karta of HUF	32,500
♦ On behalf of Brijmohan Lall Om Prakash (BMOP) partnership firm	93,09,022
♦ On behalf of Dr. Pawan Munjal Family trust	2,01,100

Board Memberships - Indian Listed Companies		
♦ Hero MotoCorp Limited	Executive Chairman &	Whole-time Director

Other Directorships	
♦ Unlisted Public Companies	2
♦ Other Companies*	6

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: NIL
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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, including that of your Company.



Mr. Suman Kant Munjal

Non-Executive Non Independent Director
(DIN: 00002803)

Nationality	Indian
Age	70
Initial date of Appointment	29 th July, 2010

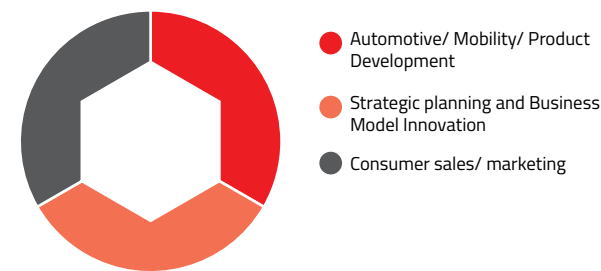
Shareholding	94,11,101 shares
♦ Self	91,250
♦ As Karta of HUF	10,833
♦ On behalf of Brijmohan Lall Om Prakash (BMOP) partnership firm	93,09,018

Board Memberships - Indian Listed Companies	
♦ Hero MotoCorp Limited	Non-Executive Non Independent Director

Other Directorships	
♦ Unlisted Public Companies	2
♦ Other Companies*	13

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 1
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Skills/ Area of Expertise/ Competencies



Mr. Pradeep Dinodia

Non-Executive Non Independent Director
(DIN: 00027995)

Nationality	Indian
Age	69
Initial date of Appointment	31 st March, 2001

Shareholding	160 shares <i>(Shares are held either by himself or jointly with relative(s))</i>
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Board Memberships - Indian Listed Companies	
♦ Hero MotoCorp Limited	Non-Executive Non Independent Director
♦ DCM Shriram Limited	Non-Executive Independent Director
♦ Shriram Pistons and Rings Limited	Chairman & Non-Executive Director

Other Directorships	
♦ Unlisted Public Companies	1
♦ Other Companies*	NIL

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 5 Member: 8
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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, including that of your Company.



Ms. Vasudha Dinodia

Non-Executive Non Independent Director
(DIN: 00327151)

Nationality	Indian
Age	41
Initial date of Appointment	25 th November, 2021

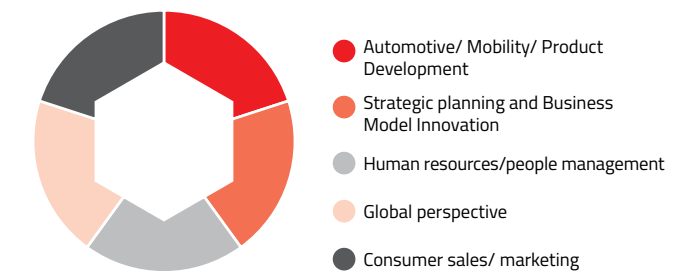
Shareholding	32,500 shares
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Board Memberships - Indian Listed Companies	
♦ Hero MotoCorp Limited	Non-Executive Non Independent Director

Other Directorships	
♦ Unlisted Public Companies	NIL
♦ Other Companies*	2

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: NIL
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Skills/ Area of Expertise/ Competencies





Prof. Jagmohan Singh Raju
Non-Executive Independent Director
(DIN: 08273039)

Nationality	USA
Age	68
Initial date of Appointment	15 th November, 2018

Shareholding	NIL
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Board Memberships - Indian Listed Companies

♦ Hero MotoCorp Limited	Non-Executive Independent Director
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Other Directorships

♦ Unlisted Public Companies	NIL
♦ Other Companies*	NIL

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 1
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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, including that of your Company.



Ms. Tina Trikha
Non-Executive Independent Director
(DIN: 02778940)

Nationality	Indian
Age	47
Initial date of Appointment	23 rd October, 2019

Shareholding	NIL
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Board Memberships - Indian Listed Companies

♦ Hero MotoCorp Limited	Non-Executive Independent Director
♦ Oberoi Realty Limited	Non-Executive Independent Director
♦ C.E. Info Systems Limited	Non-Executive Independent Director

Other Directorships

♦ Unlisted Public Companies	NIL
♦ Other Companies*	NIL

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 2
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Skills/ Area of Expertise/ Competencies



Air Chief Marshal B S Dhanoa (Retd.)
Non-Executive Independent Director
(DIN: 08851613)

Nationality	Indian
Age	65
Initial date of Appointment	1 st October, 2020

Shareholding	NIL
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Board Memberships - Indian Listed Companies

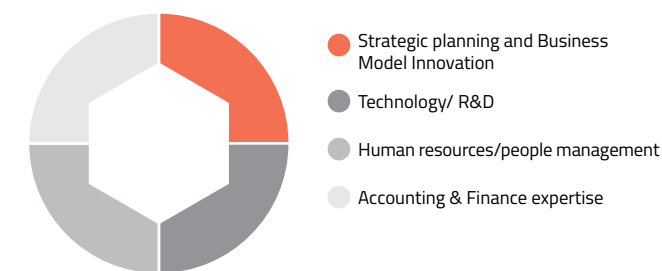
♦ Hero MotoCorp Limited	Non-Executive Independent Director
♦ InterGlobe Aviation Limited	Non-Executive Independent Director

Other Directorships

♦ Unlisted Public Companies	NIL
♦ Other Companies*	NIL

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 2
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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, including that of your Company.



Mr. Rajnish Kumar
Non-Executive Independent Director
(DIN: 05328267)

Nationality	Indian
Age	65
Initial date of Appointment	25 th November, 2021

Shareholding	NIL
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Board Memberships - Indian Listed Companies

♦ Hero MotoCorp Limited	Non-Executive Independent Director
♦ LTIMindtree Limited	Non-Executive Independent Director
♦ Ambuja Cements Limited	Non-Executive Independent Director

Other Directorships

♦ Unlisted Public Companies	NIL
♦ Other Companies*	4

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 2 Member: 2
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Skills/ Area of Expertise/ Competencies





Ms. Camille Tang
Non-Executive Independent Director
(DIN: 09404649)

Nationality	USA
Age	67
Initial date of Appointment	19 th November, 2021

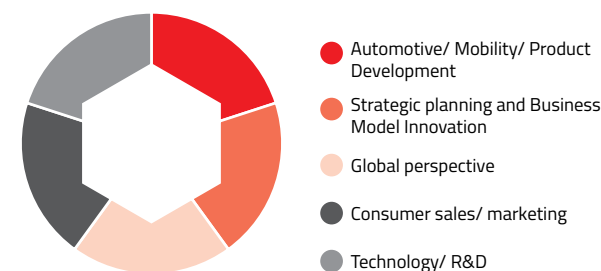
Shareholding	NIL
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Board Memberships - Indian Listed Companies	
♦ Hero MotoCorp Limited	Non-Executive Independent Director

Other Directorships	
♦ Unlisted Public Companies	NIL
♦ Other Companies*	NIL

Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: NIL
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Skills/ Area of Expertise/ Competencies



Mr. Vikram Sitaram Kasbekar
Executive Director - Operations (Plant)
(DIN: 00985182)

Nationality	Indian
Age	68
Initial date of Appointment	8 th August, 2016

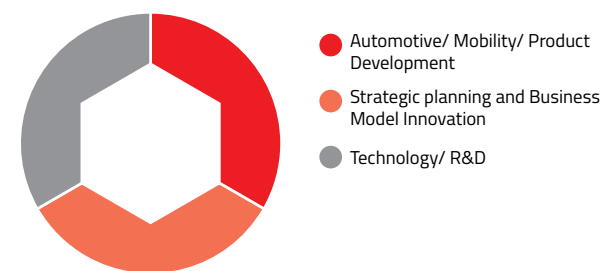
Shareholding	15,025 shares
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Board Memberships - Indian Listed Companies	
♦ Hero MotoCorp Limited	Executive Director

Other Directorships	
♦ Unlisted Public Companies	1
♦ Other Companies*	1

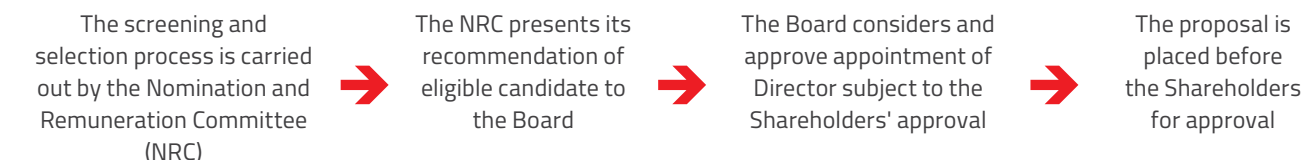
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: NIL Member: 1
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Skills/ Area of Expertise/ Competencies



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, including that of your Company.

SELECTION AND APPOINTMENT OF NEW DIRECTORS



INDEPENDENT DIRECTORS

Eminent people having an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions are considered for appointment as Independent Directors. They are expected to be Independent from management and to act as trustees of shareholders, this implies that they should actively participate in Board/ Committee meetings, seek answers to questions, evaluate proposals from the perspective of small shareholders, review current information flow and suggest necessary changes wherever required. The Nomination and Remuneration Committee ('NRC'), inter alia, considers various metrics and adheres to defined processes for selection of Independent Directors. The Board considers the NRC's recommendation and takes appropriate decisions in appointment of the Independent Directors. None of the Independent Directors holds more directorships than the permissible limits under the Companies Act, 2013 and Listing Regulations.

During FY 2022-23, none of the Independent Director resigned from the Company before the expiry of his/ her tenure. Mr. M. Damodaran ceased to be the Director of the Company effective from the end of the day of May 3, 2022, due to completion of his tenure as per the provisions of the Companies Act, 2013 & relevant provisions of the Listing Regulations. The tenure of Prof. Jagmohan Singh Raju on the Board of Hero MotoCorp Ltd. is until the end of day of November 14, 2023.

ROLE OF THE BOARD OF DIRECTORS

The Board has a fiduciary responsibility to protect and enhance shareholder value through providing strategic direction to the Company. The Board exercises its responsibility with care, skill and diligence. The Directors are committed to the highest standards of corporate governance and ensured that sufficient time was spent on matters involving governance and of strategic importance. The Board critically evaluates Company's strategic direction, management policies and their effectiveness. Agenda for the Board includes strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

The Board meets periodically to review financial reports from the Chief Financial Officer, compliance reports from the Company Secretary and business reports from other executive management teams, besides possible risks and

risk mitigation measures. These detailed meetings and one-to-one interactions set the agenda and provide the strategic roadmap for the Company. The Board has also established various Committees to discharge its responsibilities in an efficient and effective manner. The CEO provides overall direction and guidance to the Company and is assisted by the leadership team.

BOARD SUPPORT AND ROLE OF COMPANY SECRETARY IN GOVERNANCE PROCESS

The role of Company Secretary broadly encompasses around ensuring compliance, acting as an advisor to the Board of Directors and sustaining the high standards of Corporate Governance.

The Company Secretary plays a pivotal role in ensuring that the Board procedures are followed and regularly reviewed, investors' queries are handled promptly and reports to the Board about compliance with the applicable statutory requirements and laws. The Company Secretary also convenes meetings and attends Board, Committee and General Meetings of the Company and ensures collation, review and distribution of all papers/ documents required for effective decision making.

Apart from ensuring compliance with applicable statutory and regulatory requirements, the Company Secretary also acts as an institutionalised interface between the Board, management and external stakeholders.

With a view to leverage technology and reducing paper consumption, the Company provides the agenda papers for Board/Committee meetings through a web-based application. Directors of the Company receive agenda papers in electronic form through this application. This application meets high Standards of security and integrity required for storage and transmission of Board/Committee papers in electronic form.

The process for the Board and Committee meetings provides an effective post meeting follow-up, review and reporting of decisions taken by the Board and Committee members at their respective meetings. Important decisions taken at Board and Committee meetings are communicated promptly to the concerned departments/ HoDs. Action taken reports (ATRs) on decisions taken or recommendations made by the Board/ Committee members at the previous meeting(s) are presented at the next meeting.

The Senior Management of your Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

BOARD MEETINGS

During FY 2022-23, the Board met seven times viz. on May 3, 2022, June 27, 2022, August 12, 2022, September 28, 2022, November 3, 2022, February 7, 2023 and March 30, 2023.

Directors' attendance at Board Meetings and the Annual General Meeting (AGM) of the Company held during the year ended March 31, 2023 is given in Table 3.

Table 3: Directors' attendance record during FY 2022-23 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	7	7	Yes
Mr. Vikram S. Kasbekar	7	7	Yes
Non-Executive Directors			
Mr. Pradeep Dinodia	7	7	Yes
Mr. Suman Kant Munjal	7	7	Yes
Ms. Vasudha Dinodia	7	7	Yes
Non-Executive and Independent Directors			
Air Chief Marshal BS Dhanoa (Retd.)	7	7	Yes
Ms. Camille Tang	7	7	Yes
Prof. Jagmohan Singh Raju	7	7	Yes
Mr. Rajnish Kumar	7	7	Yes
Ms. Tina Trikha	7	7	Yes
Mr. M. Damodaran*	1	1	-

* Ceased to be Director effective from the end of the day of May 3, 2022

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by the various business & functional heads at Board meetings and through other interactive programs. Such meetings/ programs include briefings on the culture, values, business model, domestic and global business of the Company, the roles and responsibilities of Directors and senior executives. Besides these, the Directors are regularly updated about Company's new projects, R&D initiatives, changes in regulatory environment and strategic direction.

The Board members are also provided relevant documents, reports and internal policies to familiarisation with the Company's procedures and practices, from time to time.

The details of Company's familiarisation programs for Directors are posted on the Company's website www.heromotocorp.com and can be viewed at the following link - <https://www.heromotocorp.com/en-in/investors/corporate-governance-and-sustainability/familiarisation-of-independent-directors.html>

CODE OF CONDUCT FOR THE BOARD MEMBERS AND EMPLOYEES

The Company has laid down a comprehensive Code of Conduct ('Code') for the Board, senior management personnel and employees of the Company.

The Company's code was formulated in the year 2010 on the basis of 8 broad principles viz. Fiduciary, Property, Reliability, Transparency, Dignity, Fairness, Citizenship and Responsiveness. The Company during the year 2020 has updated the Code keeping in mind the contemporary norms, modern day complexities and business requirements.

The updated Code now features some of the following:

1. Wider coverage to include all section of employees including senior management
2. Relevant provisions and clauses on anti-bribery and anti-corruption
3. Mandatory disclosure of all personal relationships for employees
4. Detailed "conflict of interest" section
5. Emphasis on being an equal opportunity employer and to embrace diverse and inclusive culture

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2022-23. 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/en-in/uploads/code_policy/20191224114146-code-policy-495.pdf.

BOARD/ COMMITTEE MEETINGS & PROCEDURES

Frequency of meetings and information supplied

A well-defined system of convening at least 4 pre-scheduled Board meetings annually is currently in place in the Company. However, additional Board meetings are convened, from time to time, as per specific requirements by giving appropriate notice. The Company has convened its Board meetings and other committee meetings through video conferencing (VC) pursuant to the circulars issued by Ministry of Corporate Affairs from time to time. Wherever it is not possible to convene a Board and other committee meeting, resolutions are passed by circulation in order to meet the business exigencies.

The Board is given presentations covering various aspects of business, major subsidiaries, global and domestic business environment, safety and environment related matters, strategy and risk management.

In addition to regular business items, the following information is regularly placed before the Board:

- Annual operating plans and budgets and any updates;
- Strategy/ industry update & new business opportunities;
- Business & operations updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;

- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- 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, 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 of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend, delay in share transfer, etc.

Information supplied for Board/ Committee meetings

The agenda and corresponding notes to agenda for all Board and Committee meetings are circulated to Directors in advance in a defined format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not practical to attach any document to the agenda, it is tabled/ presented before the meeting. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated under the Companies Act, 2013 ('Act'), Secretarial Standard on meetings of the Board issued by the Institute of Company Secretaries of India and the Listing Regulations.

Minutes of Board/ Committee meetings

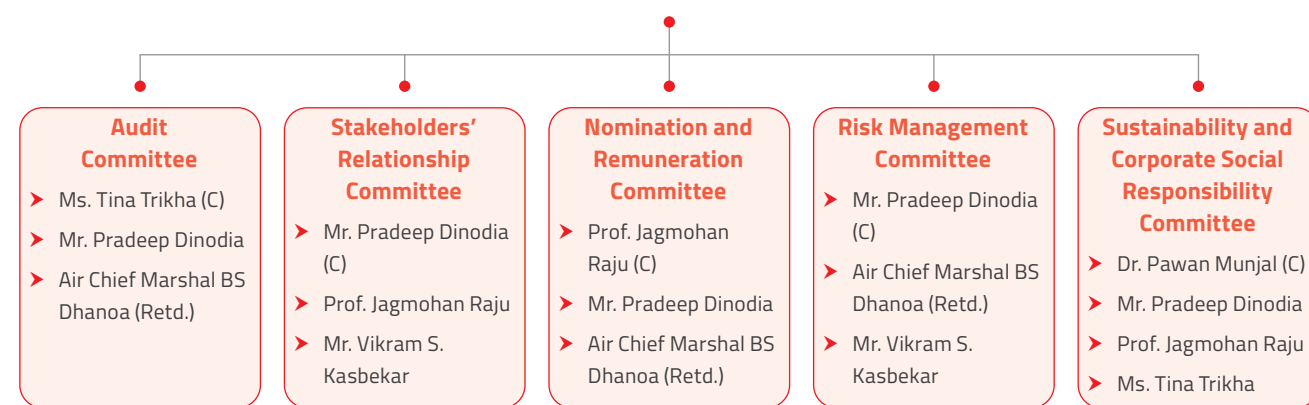
Minutes of proceedings of each Board and Committee meeting are recorded and draft minutes are circulated to Board/ Committee members for their confirmation within 15 days from the date of meeting. The inputs, if any, of the Board & Committee members are duly incorporated in the minutes after which these are entered in the minute book within 30 days from the date of meeting.

MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met twice during FY 2022-23, i.e. on April 4, 2022 and May 2, 2022.

COMMITTEES OF THE BOARD

Board Committees as on March 31, 2023



(C) - Chairperson

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. Effective from the end of the day of May 3, 2022, Mr. M. Damodaran ceased to be the member of the Audit Committee. As on March 31, 2023, Audit Committee comprises three Directors viz. Ms. Tina Trikha, Mr. Pradeep Dinodia and Air Chief Marshal BS Dhanoa (Retd.) all learned and eminent personalities in their respective fields. At present, Ms. Tina Trikha is the Chairperson of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise as mandated by 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.

Apart from above, following are the terms of reference in accordance with the Listing Regulations:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements and limited review report before submission to the Board for approval;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue,

rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

- Approval or any subsequent modification of transactions of the Company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To review the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary

exceeding ₹ 100 crore or 10% including existing loans/ advances/ investments; of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

- To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee; and
5. To review, statement of deviation(s), if any, in terms of SEBI Listing Regulations.
6. To review the compliance with the provisions of SEBI (PIT) Regulations and verify that the system for internal control are adequate and operating effectively,

Upon invitation, the CFO, internal auditors, statutory auditors of the Company attend meetings of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

During FY 2022-23, eight meetings of the Audit Committee were held on April 26, 2022, May 3, 2022, June 27, 2022, August 12, 2022, September 9, 2022, November 3, 2022, February 6, 2023 and March 1, 2023 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 in Table 4.

Table 4: Details of Audit Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2022-23	No. of meetings attended
Ms. Tina Trikha*	Chairperson	8	8
Mr. M. Damodaran#	Chairman	2	2
Mr. Pradeep Dinodia	Member	8	8
Air Chief Marshal BS Dhanoa (Retd.)	Member	8	8

* Appointed as Chairperson effective from May 4, 2022

Ceased to be a member effective from the end of the day of May 3, 2022

Role and reporting of Internal Auditors

Internal Audit operates on behalf of the Board and Audit Committee of the Company. The scope, responsibility and authority of the Internal Audit division is derived from the Internal Audit Charter. The Head of Internal Audit functionally reports to the Chair of the Audit Committee and attends meetings of the Audit Committee on a regular basis. Internal audit findings are reported directly to the Audit Committee.

The role of Internal Audit is to provide an objective and independent review of the design and operation of risk management, control and governance processes operated across the Company. Internal Audit also adds value by providing advice to management on improvements they can make to these processes.

Internal Audit is responsible to review the adequacy of the following controls and report to the Audit Committee and Board on their effectiveness.

- 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;
- safeguarding of assets;
- compliance with laws, regulations and contracts;
- the delivery of major programmes;
- quality and continuous improvement.

The Head of Internal Audit is responsible for developing the Internal Audit framework and ways of working to support the consistent delivery and reporting of Internal Audit results and activities following principles that are aligned with International Internal Auditing Standards.

Internal Audit reviews design of and compliance with laid down policies and procedures, helps mitigate significant risks identified at a functional, business unit or organisational level, provides support on improvement initiatives and conducts ad hoc reviews in relation to risk and controls when required.

The annual internal audit plan encompasses all functions, risks, compliance requirements and assurance map. The internal audit plan is approved by the Audit Committee at the beginning of every year.

NOMINATION AND REMUNERATION COMMITTEE ('NRC')

The Company has a duly constituted Nomination and Remuneration Committee which, inter-alia, identifies and recommends persons who are qualified to become directors or appointed as part of senior management and reviews and recommends payment of annual salaries to the Executive

Directors of the Company besides finalising their service agreements and other employment terms and conditions. The NRC takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages and also administers employee stock option scheme.

The nomenclature, constitution and terms of reference of the Committee are in consonance with the provisions of Section 178 of the Act and Regulation 19(4), read with Schedule II of Listing Regulations.

The Nomination and Remuneration Committee has the following terms of reference in accordance with Listing Regulations:

- to formulate and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, criteria for determining qualifications, positive attributes and independence of a Director;
- to formulate criteria for evaluation of performance of Independent Directors and the Board;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- 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
 - c. consider the time commitments of the candidates.
- to carry out evaluation of every Director's performance;
- to devise a policy on Board diversity;
- to administer and superintend the ESOP including but not limited to the formulation of detailed terms and conditions of the ESOS/ RSU;
- to allot shares and issue share certificates against the options exercised in terms of Employees Incentive Scheme of the Company as approved by shareholders from time-to-time;
- to recommend to the Board, all remuneration, in whatever form, payable to senior management.

- to specify the manner for effective evaluation of performance of Board, its Committee and Individual Directors to be carried out either by the Board, by NRC or by an independent external agency and review its implementation and compliance.

As on March 31, 2023, the NRC comprises three Directors viz. Prof. Jagmohan Singh Raju, Mr. Pradeep Dinodia and Air Chief Marshal BS Dhanoa (Retd.) as members. At present, Prof. Jagmohan Singh Raju is the Chairman of the Nomination and

Remuneration Committee. The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

During FY 2022-23, seven meetings of the NRC were held on May 2, 2022, June 27, 2022, August 12, 2022, November 2, 2022, February 6, 2023, February 7, 2023 and March 30, 2023.

The Composition of NRC and attendance details of members are given below in Table 5.

Table 5: Details of Nomination and Remuneration Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2022-23	No. of meetings attended
Prof. Jagmohan Singh Raju	Chairman	7	7
Mr. M. Damodaran*	Member	1	1
Mr. Pradeep Dinodia	Member	7	6
Air Chief Marshal BS Dhanoa (Retd.)#	Member	6	6

* Ceased to be a member of the committee effective from the end of the day of May 3, 2022

Appointed as member of the committee effective May 4, 2022

Remuneration and Board Diversity Policy

The Company's Remuneration Policy represents the approach of the Company to the remuneration of Directors and senior management. The Company's policy on Board Diversity sets out the approach to have a diversity on the Board of the Company in terms of gender, age, cultural, educational & geographical background, ethnicity, professional experience, skills and knowledge. The Board amended the policy during the year, to include the changes introduced by the SEBI and other minor changes to enhance uniformity and cohesion.

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/en-in/uploads/code-policy/20191126105210-code-policy-421.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 commensurates with their respective roles and responsibilities. Remuneration paid to Executive Directors, subject to limits prescribed under Part II, Section I of Schedule V to the Companies Act, 2013, generally consists of fixed salary, perquisites, allowances and retiral benefits, performance linked bonus by whatever name called, grant of stock options as decided by the NRC and such other benefits in accordance with market practices.

Table 6 gives details of remuneration paid to Executive Directors.

Table 6: Remuneration to Executive Directors*

Names of Directors	(₹ in crore)			
	Basic Salary	Perquisites, Allowances & Retirals	Commission (Fixed)	Total
Dr. Pawan Munjal	24.29	38.41	36.85	99.55
Mr. Vikram S. Kasbekar	2.45	5.68	-	8.13

* No notice period and severance fee is payable to Executive Directors as on March 31, 2023.

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.

Table 7 gives details of remuneration paid to Non-Executive Directors.

Table 7: Remuneration to Non-Executive Directors

Names of Directors	(₹ in crore)		
	Sitting fees	Commission	Total
Air Chief Marshal BS Dhanoa (Retd.)	0.27	0.76	1.03
Ms. Camille Tang	0.09	0.28	0.37
Prof. Jagmohan Singh Raju	0.23	0.66	0.89
Mr. Pradeep Dinodia	0.32	1.06	1.38
Mr. Rajnish Kumar	0.09	0.29	0.38
Mr. Suman Kant Munjal	0.07	0.25	0.32
Ms. Tina Trikha	0.21	0.77	0.98
Ms. Vasudha Dinodia	0.07	0.25	0.32
Mr. M. Damodaran*	0.07	0.31	0.38

Note: No stock options have been granted to any Non-Executive or Independent Directors.

* Ceased to be a Director effective from the end of the day of May 3, 2022

During FY 2022-23, 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.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as applicable. The detailed terms of reference of the Stakeholders' Relationship Committee are available on the Investor section of the Company's website at <https://www.heromotocorp.com/en-in/pdf/SRC.pdf>.

During the year, three meeting of the Stakeholders' Relationship Committee were held on August 9, 2022, November 2, 2022 and February 6, 2023. Effective from the end of the day of May 3, 2022, Mr. M. Damodaran ceased to be the member of the Committee. As on March 31, 2023, Stakeholders' Relationship Committee comprises three Directors viz. Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Mr. Vikram S. Kasbekar. At present, Mr. Pradeep Dinodia is the Chairman of the Stakeholders' Relationship Committee. Mr. Dhiraj Kapoor, Company Secretary & Compliance Officer of the Company, acts as the Secretary of the Stakeholders' Relationship Committee.

The details of the Stakeholders' Relationship Committee are given in Table 8.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

A formal evaluation of performance of the Board, its Committees, the Chairman and individual Directors was carried out in FY 2022-23, 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.

Table 8: Details of Stakeholders' Relationship Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2022-23	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	3	3
Prof. Jagmohan Singh Raju	Member	3	3
Mr. Vikram S. Kasbekar*	Member	3	3

*Appointed as member effective May 4, 2022

Investors' Grievance Redressal

The details of investor grievances received and resolved to the satisfaction of shareholders during the FY 2022-23 are detailed below.

S. No.	Particulars	No. of Complaints
1.	Pending at the beginning of the year	3
2.	Received during the year	1311
3.	Resolved during the year	1266
4.	Pending at the end of the year	46

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/en-in/pdf/CSR.pdf>.

Further, the Corporate Social Responsibility policy is disclosed on the Company's website, link for which is https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf

As on March 31, 2023, the SCSR committee comprises four Directors viz. Dr. Pawan Munjal as Chairman, Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Ms. Tina Trikha as members.

During the year, four meetings of the Committee were held on May 2, 2022, August 9, 2022, November 2, 2022 and February 7, 2023. The Company Secretary acts as the Secretary of the SCSR Committee. The details of the SCSR Committee are given in Table 9.

Table 9: Details of Sustainability and Corporate Social Responsibility Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2022-23	No. of meetings attended
Dr. Pawan Munjal	Chairman	4	4
Mr. Pradeep Dinodia	Member	4	4
Prof. Jagmohan Singh Raju	Member	4	4
Ms. Tina Trikha	Member	4	4

RISK MANAGEMENT COMMITTEE ('RMC')

The Company has a duly constituted Risk Management Committee which assists the Board in its oversight of the Company's management of key risks, as well as the guidelines, policies and procedures monitoring and integrating such risks within overall business risk management framework.

The role and terms of reference of the Committee cover the areas of formulating a risk management policy along with monitoring

and overseeing the implementation of the policy. Considering changing industry dynamics and evolving complexity, the Company to ensure periodical review of the policy, at least once in two years. Also, ensuring appropriate processes and systems to monitor and evaluate risk associated with the Business along with implementation of mitigation plan. The role also covers reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer.

The detailed terms of reference of the RMC are available on the Investor section of the Company's website at <https://www.heromotocorp.com/en-in/pdf/RMC.pdf>.

During the year, your Company has revised its risk management policy. The amended risk management policy, inter alia, includes reporting of identified risk, their assessment, mitigation plan, risk appetite to the RMC and other stakeholders. Further, it also covered, operational risks arising out of global business expansion and financial risks related to liquidity due to expansion in new geographies and currency fluctuation risk. 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/key-policies/Risk_Management_Policy_Final.pdf.

Effective from the end of the day of May 3, 2022, Mr. M. Damodaran ceased to be the Director and member of the RMC. As on March 31, 2023, the RMC comprises three Directors viz. Mr. Pradeep Dinodia as Chairman, Air Chief Marshal BS Dhanoa (Retd.) and Mr. Vikram S. Kasbekar as members.

During the year under review, four meetings of the Risk Management Committee were held on May 2, 2022, August 9, 2022, November 2, 2022 and February 6, 2023. The Company Secretary acts as the Secretary of the Risk Management Committee. The details of the Risk Management Committee are given in Table 10.

Table 10: Details of Risk Management Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2022-23	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	4	4
Air Chief Marshal BS Dhanoa (Retd.)	Member	4	4
Mr. Vikram S. Kasbekar*	Member	3	3
Mr. M. Damodaran#	Member	1	1

*Appointed as member effective May 4, 2022

Ceased to be a member effective from the end of the day of May 3, 2022

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 15 occasions viz. April 1, 2022, April 19, 2022, May 6, 2022, June 1, 2022, June 28, 2022, July 19, 2022, August 4, 2022, August 30, 2022, September 28, 2022, October 12, 2022, November 25, 2022, December 15, 2022, January 10, 2023, February 13, 2023 and February 22, 2023.

SHARE TRANSFER COMMITTEE ('STC')

The role of the STC is to attend to the requests pertaining to share transfer, transmission, etc. Chief Financial Officer, Vice-President (Finance) and Company Secretary & Compliance Officer are

ex-officio members of the Committee. During the financial year under review, circular resolutions were passed on 16 occasions viz. April 5, 2022, April 21, 2022, May 10, 2022, June 3, 2022, June 30, 2022, July 21, 2022, August 19, 2022, August 25, 2022, September 1, 2022, September 30, 2022, October 17, 2022, November 29, 2022, December 21, 2022, January 12, 2023, February 10, 2023 and February 24, 2023.

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 in Table 11:

Table 11: Details of Credit Ratings for FY 2022-23

Sl. No.	Instrument Description	Rating agencies	Rating Assigned
1.	Bank Loan Facilities – Long-Term	CRISIL Limited/ICRA Limited	AAA Stable
2.	Bank Loan Facilities – Short-Term	CRISIL Limited/ICRA Limited	A1+
3.	Commercial Papers	CRISIL Limited	A1+
4.	Non-Convertible Debentures/Fixed Deposit	CRISIL Limited/ICRA Limited	AAA Stable

Note: No change/ revision in the aforesaid credit ratings from the rating agencies was received during the financial year. The Company has not issued any Commercial Papers, Non-Convertible Debentures or taken any Fixed Deposit during the year.

DISCLOSURES

Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), your Company has revised its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons to align it with the industry practices and regulatory changes. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company and while sharing Unpublished Price Sensitive Information. The Code includes the Company's obligation to maintain the structured digital database ('SDD'), obligation of designated persons, mechanism for prevention of insider trading and handling of UPSI. Further, the Company has complied with the standardised reporting of violations related to code of conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also revised its Code of practices and procedures of fair disclosure of unpublished price sensitive information along with policy for determination of legitimate purposes, institutional mechanism for prevention of insider trading and policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. The Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the Designated persons and their immediate relatives having access to unpublished price sensitive information. A report covering trading by DPs under the PIT Regulations is placed before the Audit Committee on quarterly basis.

The Company periodically circulates the informative e-mails along with the code and policies on Prevention 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 conducts induction program for all the employees joining the organisation and other workshops/ training sessions to educate and sensitise the employees/ designated persons.

As part of the awareness programme, an extensive campaign was run across the organisation, in the form of desktop wallpapers and posters on the Company's employee application providing important information on the provisions of the Code. Also, standees and danglers were also placed at all conspicuous places across locations highlighting the important aspects of the Code of Prevention of Insider Trading and SEBI Regulations.

Quarterly certificate on compliance with the requirement and maintenance of SDD pursuant to provisions of Regulation 3(5) and 3(6) of PIT Regulations were duly filed with the stock exchanges within the stipulated time.

Related Party Transactions

In terms of Section 188(1) of the Act, all related party transactions entered into by the Company during FY 2022-23 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 were also disclosed to the Board.

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other related parties, which may have a potential conflict with the interest of the Company at large.

The policy on dealing with related party transactions is disclosed on the Company's website, link for which is <https://www.heromotocorp.com/en-in/uploads/code-policy/20191126104550-code-policy-434.pdf>.

Disclosure of policy on material subsidiaries

At present, your Company does not have a Material Subsidiary. The policy for determining material subsidiaries is available on the Company's website, www.heromotocorp.com at the following link: <https://www.heromotocorp.com/en-in/uploads/code-policy/20191126105356-code-policy-400.pdf>.

Accounting Treatment in preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015.

Compliances by the Company

No penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

Securities of the Company have not been suspended for trading at any point of time during the year and the Company has duly complied with Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clause (b) to (i) and para C, D and E of Schedule V of the Listing Regulations.

Quarterly reports on compliance with Corporate Governance as per Regulation 27 of the Listing Regulations were duly filed with the stock exchanges within the stipulated time and same are also available on website of the Company at <https://www.heromotocorp.com/en-in/investors/filing-and-reports/statutory-filings.html>.

The Company has complied with all the requirements of Corporate Governance Report as specified under the Listing Regulations.

Legal Compliance Management Tool

The Company has in place a comprehensive and robust legal compliance management online tool for tracking, managing, and reporting on compliances with all laws and regulations applicable to the Company.

The Management on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company.

Vigil Mechanism/ Whistle Blower Policy

In compliance with the SEBI Regulations, the Company has a policy/ mechanism on dealing with whistle blowers, which is approved by the Audit Committee of the Company. The Audit Committee reviews the same as and when required. During the year, no individual was denied access to the Audit Committee for reporting concerns, if any. The said policy/ mechanism is disclosed on the Company's website, link for which is https://www.heromotocorp.com/en-in/uploads/code_policy/20200903060455-code-policy-95.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.

Group Governance Code

Good governance is a business imperative and thus, strong processes, practices and structures through which a Company manages its business and affairs should be established. This helps in achieving financial, operational and strategic objectives along with long-term sustainability.

Table 12: Status of Unclaimed Equity Shares lying in the Demat 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 the 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.

Keeping in context of the above approach, the Company has implemented a Group Governance Policy for its group companies and entities.

The code was instituted with the objective of providing guidance for business conduct of the group companies and affiliates in line with the Group's overall ethos, vision and values and implementation of appropriate governance practices to ensure uniformity and to promote a culture of information sharing.

Commodity price risk or foreign exchange risk and hedging activities

Your Company is exposed to foreign exchange risk, primarily denominated in USD for exports and predominantly in USD, EUR and CNY in respect of its imports along with Commodity price risk. To hedge these exposures, the Company deploys various strategies including timing natural hedges between imports and exports and such other instruments as are approved by the Central Bank. Details of the hedged and unhedged positions are available in the Notes to standalone financial statements within the annual report.

Disclosures with respect to demat suspense account/ unclaimed suspense account

As per Schedule V of Listing Regulations, the status of the unclaimed equity shares lying in the demat suspense account is given in Table 12 below. The voting & beneficial rights on these shares are frozen till the rightful owner of such shares claims the shares.

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 given in Table 13.

Table 13: 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	1.70
2.	Hero Motocorp Limited	-	Tax Audit Fees	-
3.	Hero Motocorp Limited	-	Out of Pocket Expenses	0.07
4.	Hero Motocorp Limited	-	Certifications	0.04
5.	HMC MM Auto Limited	Subsidiary	Audit Fees	0.18
6.	HMC MM Auto Limited	Subsidiary	Tax Audit Fees	0.02
7.	HMC MM Auto Limited	Subsidiary	Out of Pocket Expenses	0.01
8.	HMCL Niloy Bangladesh limited	Subsidiary	Audit Fees	0.12
9.	HMCL Colombia S.A.S	Subsidiary	Audit Fees	0.27
10.	Hero tech Center Germany GmbH	Subsidiary	Audit Fees	0.92
11.	HMCL Netherlands B.V.	Subsidiary	Audit Fees	0.32
TOTAL				3.64

Disclosure of loans and advances in the nature of loans to firms/ companies in which Directors are interested. Not Applicable

CEO & CFO CERTIFICATION

The Chairman & CEO and the Chief Financial Officer ('CFO') 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 & CFO of the Company was placed before the Board at its meeting held on May 4, 2023 and is annexed to this report as **Annexure - V**.

RE-APPOINTMENT OF DIRECTORS

In terms of the applicable provisions of the Act and the Articles of Association of the Company, Mr. Suman Kant Munjal, Director of the Company retires by rotation at the ensuing annual general meeting and, being eligible, has offered himself for re-appointment. Brief resume and other details of Mr. Suman Kant Munjal, who is proposed to be re-appointed as a Director of your Company, have been furnished in the explanatory statement to the notice of the ensuing annual general meeting.

Prof. Jagmohan Singh Raju was appointed as an Independent Director w.e.f November 15, 2018 for a period of five (5) years. His term is due to expire on November 14, 2023. Being eligible in terms of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board on recommendation of the Nomination and Remuneration Committee has approved re-appointment of Prof. Raju for a period of five (5) years, subject to passing of special resolution by the shareholders. Brief resume and other details of Prof. Jagmohan Singh Raju have been furnished in the Annexure of the notice of annual general meeting.

During the year under review, your Company has re-appointed Mr. Vikram Sitaram Kasbekar as a Whole-time Director

designated as Executive Director – Operations (Plants), for a term of two (2) years effective from August 8, 2022, which was approved by the shareholders in their 39th Annual General Meeting held on August 9, 2022.

COMPLIANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Discretionary requirements

The Company has adopted discretionary requirements specified in Part E of Schedule II of Listing Regulations.

The Board

The Company has an Executive Chairman.

Shareholders Rights

As a part of good corporate governance practice, the Company sends its quarterly financial results to shareholders whose email ids 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 published on the website of the Company viz. www.heromotocorp.com and in widely circulated newspapers.

Audit Qualifications

There are no audit qualifications in the financial statements of FY 2022-23. The Company continues to adopt best practices in order to ensure unqualified financial statements.

Separate post of Chairman and CEO

Dr. Pawan Munjal holds the office of Chairman, while Mr. Niranjan Gupta appointed as CEO w.e.f. May 01, 2023.

Role and reporting of Internal Audit

The Head of Internal Audit functionally reports to the Chair of the Audit Committee and attends meetings of the Audit Committee on a regular basis. Internal audit findings are reported directly to the Audit Committee. Further details have been provided in a separate section of this report.

MEANS OF COMMUNICATION

Company website

Pursuant to Regulation 46 of the Listing Regulations, the Company's website www.heromotocorp.com contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/ unclaimed dividends and various policies of the Company.

With the objective of enhancing the shareholders' services and guiding the shareholders in an effective manner, the Company has made available a Shareholders' referencer, which contains rights & duties of shareholders, grievance redressal framework etc., and Frequently Asked Questions (FAQs) towards queries related to shares and dividend on the investor section of the Company's website. Procedures and formats related to shares and dividend related requests have also been made available for the shareholders for easy access.

NSE ELECTRONIC APPLICATION PROCESSING SYSTEM ('NEAPS')

NEAPS is a web-based application designed by the National Stock Exchange of India Ltd. (NSE) for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases and corporate actions are filed electronically on NEAPS.

BSE CORPORATE COMPLIANCE & LISTING CENTRE ('LISTING CENTRE')

The Listing Centre of BSE Ltd., is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

Financial Results

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly unaudited as well as annual audited financial results to both the stock exchanges i.e. BSE & NSE.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Indian Express and Jansatta. The results are also made available on the investor section of Company's website at <https://www.heromotocorp.com/en-in/newspaper-publications.html>. The said results are also sent through an email to the shareholders, whose e-mail addresses are registered with the Company.

NEWS RELEASES AND PRESENTATIONS

Official news and media releases are sent to stock exchanges on which the shares of the Company are listed and are also uploaded on the Company's website at www.heromotocorp.com.

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 and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website at www.heromotocorp.com.

KPRISM MOBILE SERVICE APPLICATION BY KFINTECH

Members are requested to note that KFin Technologies Limited (KFinTech) has launched a mobile application- KPRISM and a website <https://kprism.kfintech.com> for online service to Members.

Members can download the mobile application, register themselves (one time) for availing host of services viz., view of consolidated portfolio serviced by KFinTech, Dividend status, requests for change of address, change/update Bank Mandate. Through the Mobile app, members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements. The mobile application would be available for download from Android Play Store. The Members may alternatively visit the link <https://kprism.kfintech.com/app/> to download the mobile application.

COMMUNICATION TO INVESTORS

Unclaimed shares/dividend

Periodical reminders for unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. These details are also uploaded on website of the Company at www.heromotocorp.com.

Conversion of physical holdings in dematerialised form

Your Company has voluntarily sent letters to the shareholders holding shares in physical form encouraging them to dematerialise their shareholding in the Company in the month of January 2023. The shareholders were also informed about the option of getting assistance and facility of dematerialisation of shares with Stock Holding Corporation of India Limited (SHCIL) with no annual fees in the first year. The reminder letter is available on the website of stock exchanges as well as on the website of the Company at <https://www.heromotocorp.com/en-in/investors/filing-and-reports/announcements-and-disclosures.html>

Dispute Resolution Mechanism at Stock Exchanges

In compliance with SEBI letter no. SEBI/HO/OIAE/2023/03391 dated January 27, 2023, regarding intimation to shareholders holding shares in physical form, about the availability of the Dispute Resolution Mechanism at Stock Exchanges as per SEBI Circular dated May 30, 2022, the Company on February 15, 2023 had sent communication via SMS as well as E-mail to the relevant shareholders. These details are also updated on website of the Company at <https://www.heromotocorp.com/en-in/investors/shareholder-resources/agm-notices-and-transcripts.html#infotoshareholder>.

Furnishing of PAN, Nomination and KYC details:

In compliance with the directions issued by SEBI in February 2023, related to sending of intimation related to common &

simplified norms for processing investors' service requests and mandatory KYC/ registration of PAN, nomination, contact details, bank details and specimen signatures, the Company, in March 2023 had sent communication via E-mail to furnish PAN, KYC and nomination details. Through this exercise, the Company has advised its shareholders holding shares in physical form for updation of records.

According to SEBI circular dated November 3, 2021 and subsequent circulars dated December 14, 2021 and March 16, 2023, shareholders are requested to note that SEBI has mandated KYC/ registration of PAN, nomination, contact details, bank details and specimen signatures. Folios wherein any one of the required details/ document mentioned herein are not updated on or after October 1, 2023 shall be frozen, which means lodging of investor grievances or availing investor service request from the RTA shall be possible only after furnishing the complete documents / details as aforesaid. Further effective April 01, 2024, shareholders will be eligible to receive the dividend in electronic mode only. Additionally, if such folios continue to remain frozen as on December 31, 2025, then the securities lying in such frozen folios shall be referred to the administrative Authority under The Benami Transactions (Prohibition) Act, 1988 and The Prevention of Money-Laundering Act, 2002.

Updation of bank account and other details for dividend payment and TDS

The Company voluntarily sent a communication to all those shareholders whose email addresses were registered with the Company regarding tax on dividend requesting them to update their bank account details and other detailed process.

As a good corporate practice, the Company has started to send Dividend warrants to all shareholders through registered post irrespective of the amount.

Circulars/ notifications issued by SEBI in the interest of shareholders

Members are requested to note that the following circulars/ notifications were issued by SEBI during the FY 2022-23 to enhance ease of dealing in securities markets and with a view to make the processes and procedures more efficient and investor friendly.

S. No.	Date & Reference No.	Brief Particulars	Link
1	May 18, 2022 SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65	Simplification of procedure and standardisation of formats of documents for transmission of securities	https://www.sebi.gov.in/legal/circulars/may-2022/simplification-of-procedure-and-standardisation-of-formats-of-documents-for-transmission-of-securities-pursuant-to-amendments-to-the-securities-and-exchange-board-of-india-listing-obligations-and-dis-59123.html
2	May 25, 2022 SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70	Simplification of procedure and standardisation of formats of documents for issuance of duplicate securities certificates	https://www.sebi.gov.in/legal/circulars/may-2022/simplification-of-procedure-and-standardisation-of-formats-of-documents-for-issuance-of-duplicate-securities-certificates_59173.html
3	May 30, 2022 SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76	Standard Operating Procedures (SOP) for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/ Investor(s)	https://www.sebi.gov.in/legal/circulars/may-2022/standard-operating-procedures-sop-for-dispute-resolution-under-the-stock-exchange-arbitration-mechanism-for-disputes-between-a-listed-company-and-or-registrars-to-an-issue-and-share-transfer-agents-_59345.html

S. No.	Date & Reference No.	Brief Particulars	Link
4	June 30, 2022 SEBI/HO/CFD/PoD-1/P/CIR/2022/92	Disclosure of holding of specified securities in the shareholding pattern (SHP) filed with Stock exchanges under Regulation 31 of SEBI Listing Regulations, 2015	https://www.sebi.gov.in/legal/circulars/jun-2022/disclosure-of-holding-of-specified-securities-and-holding-of-specified-securities-in-dematerialised-form_60459.html
5	August 05, 2022 SEBI/HO/ISD/ISD-SEC-4/P/CIR/2022/107	Framework for restricting trading by Designated Persons of listed entities during the trading window closure period and the procedure for implementation of the system	https://www.sebi.gov.in/legal/circulars/aug-2022/trading-window-closure-period-under-clause-4-of-schedule-b-read-with-regulation-9-of-sebi-prohibition-of-insider-trading-regulations-2015-framework-for-restricting-trading-by-designated-persons-b-61781.html
6	November 07, 2022 SEBI/HO/OIAE/IGRD/P/CIR/2022	Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform	https://www.sebi.gov.in/legal/master-circulars/nov-2022/master-circular-on-the-redressal-of-investor-grievances-through-the-sebi-complaints-redress-system-scores-platform_64742.html
7	December 28, 2022 General Circular No. 10/2022	Conducting of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means (OAVM) till September 30, 2023	https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjMxNjgOMTE1&docCategory=Circulars&type=open
8	January 05, 2023 SEBI/HO/CFD/PoD-2/P/CIR/2023/4	Relaxation from sending proxy forms and dispatching hard copy of the statement containing salient features of financial statements, Board's report, Auditor's report etc. to those shareholders who have not registered their email addresses, till September 30, 2023	https://www.sebi.gov.in/legal/circulars/jan-2023/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_67041.html
9	March 16, 2023 SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37	Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination	https://www.sebi.gov.in/legal/circulars/mar-2023/common-and-simplified-norms-for-processing-investor-s-service-requests-by-rtas-and-norms-for-furnishing-pan-kyc-details-and-nomination_69105.html

Note: Please note that the above-mentioned list is not exhaustive and members may refer to SEBI's website for further & more details.

GREEN INITIATIVE

Functionality has been provided on Company's website for shareholders/ investors to raise their queries, questions, if any, directly with the shareholders'/ investor relations' teams.

GENERAL BODY MEETINGS

Details of Extra-ordinary General Meeting (EGM)/ Annual General Meeting (AGM)

Location, date and time of general meetings held during the previous 3 (three) years and ordinary and special resolutions passed there at are given in Table 14 as under:

Table 14: Details of Annual General Meetings held:

Year	Time, Day, Date and Location	Summary of special resolution(s) passed
2021-22	11:30 A.M., Tuesday, August 9, 2022, The meeting was convened through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") as per circular dated May 5, 2020 issued by the Ministry of Corporate Affairs.	- No special resolution was passed at the meeting
2020-21	04:30 P.M., Wednesday, August 4, 2021, The meeting was convened through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") as per circular dated May 5, 2020 issued by the Ministry of Corporate Affairs.	- Special resolution pertaining to Re- appointment of Dr. Pawan Munjal as a Whole-time Director of the Company for a period with effect from October 01, 2021 to September 30, 2026 was passed at the meeting.
2019-20	04:30 P.M., Wednesday, August 12, 2020, The meeting was convened through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") as per circular dated May 5, 2020 issued by the Ministry of Corporate Affairs.	- No special resolution was passed at the meeting

Details of EGM held: No EGM was held during the previous 3 (three) years.

POSTAL BALLOT

During the year ended March 31, 2023, 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 9, 2023
 Day : Wednesday
 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, 2022 to March 31, 2023

For FY 2022-23	Results were announced on
First quarter ended June 30, 2022	Friday, August 12, 2022
Second quarter and half year ended September 30, 2022	Thursday, November 3, 2022
Third quarter and nine months ended December 31, 2022	Tuesday, February 7, 2023
Fourth quarter and year ended March 31, 2023	Thursday, May 4, 2023
For FY 2023-24	Results are likely to be announced by (tentative and subject to change)
First quarter ended June 30, 2023	Second week of August, 2023
Second quarter and half year ended September 30, 2023	Second week of November, 2023
Third quarter and nine months ended December 31, 2023	Second week of February, 2024
Fourth quarter and year ended March 31, 2024	Second week of May, 2024

Book closure

The dates of book closure shall be from Friday, July 28, 2023 to Wednesday, August 9, 2023 (both days inclusive).

- National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Dividend payment

The Board has declared an interim dividend @ 3,250% i.e. ₹ 65 per share. The dividend was paid to those shareholders whose names appeared on the register of members as on February 17, 2023 and payment was made on February 24, 2023.

The Board has recommended a final dividend @ 1750% i.e. ₹ 35 per equity share for FY 2022-23.

The dividend recommended by the Directors for the year ended March 31, 2023, if declared at the ensuing annual general meeting, will be paid by September 08, 2023 to those members, whose names appear in the register of members/ depository records as on July 28, 2023.

Listing on stock exchange

The securities of the Company are listed on the following exchanges:

- BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

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 2023-24 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 given in Table 15.

Table 15: Share Price Data for FY 2022-23

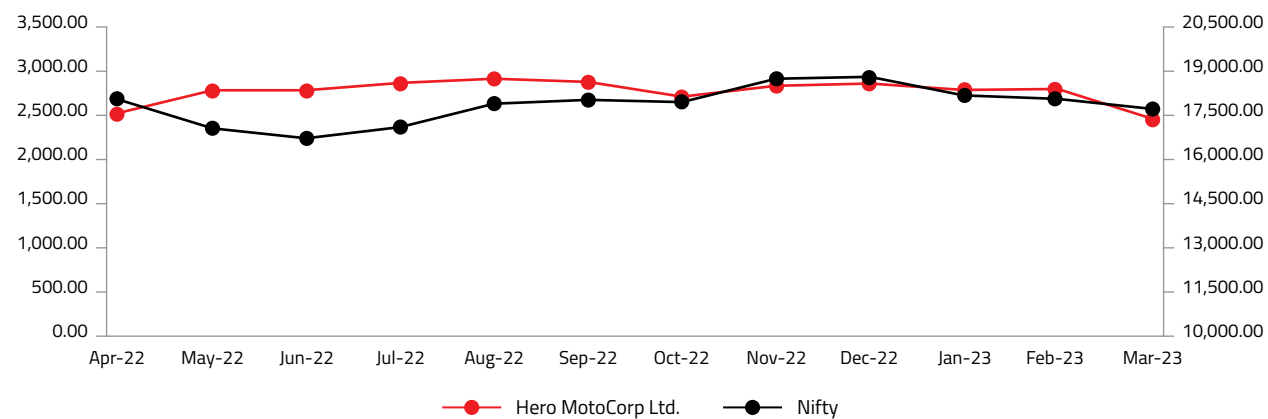
(Equity shares of ₹ 2 each paid up value)

National Stock Exchange of India Limited, Mumbai (NSE)

Month	Total Volume (No. of Shares)	High Price (₹)	Date	Volume on that day	Low Price (₹)	Date	Volume on that day
Apr-22	1,76,58,313	2,552.00	29-Apr-22	839,920	2,150.00	01-Apr-22	35,41,517
May-22	1,82,91,511	2,809.95	31-May-22	1,859,231	2,371.00	12-May-22	9,66,472
Jun-22	1,58,63,831	2,809.00	27-Jun-22	1,005,184	2,433.90	20-Jun-22	3,77,385
Jul-22	98,62,014	2,891.80	13-Jul-22	539,917	2,683.35	01-Jul-22	3,93,346
Aug-22	1,44,65,729	2,938.60	18-Aug-22	805,655	2,730.00	08-Aug-22	6,75,310
Sep-22	1,59,06,392	2,903.00	13-Sep-21	766,550	2,510.00	30-Sep-22	7,06,844
Oct-22	89,14,026	2,734.90	07-Oct-22	1,065,099	2,502.75	20-Oct-22	3,64,460
Nov-22	1,24,04,777	2,861.00	30-Nov-22	1,379,225	2,573.45	04-Nov-22	8,55,256
Dec-22	71,38,639	2,884.00	01-Dec-22	782,249	2,611.60	26-Dec-22	1,75,915
Jan-23	53,36,785	2,812.00	23-Jan-23	434,312	2,663.00	12-Jan-23	1,63,626
Feb-23	88,09,408	2,822.85	01-Feb-23	408,279	2,410.35	28-Feb-23	5,42,868
Mar-23	71,16,566	2,491.75	06-Mar-23	203,422	2,246.00	28-Mar-23	4,56,838

(Source: This information is compiled from the data available on the website of NSE).

Hero MotoCorp's Share Price Movement vis-a-vis Nifty



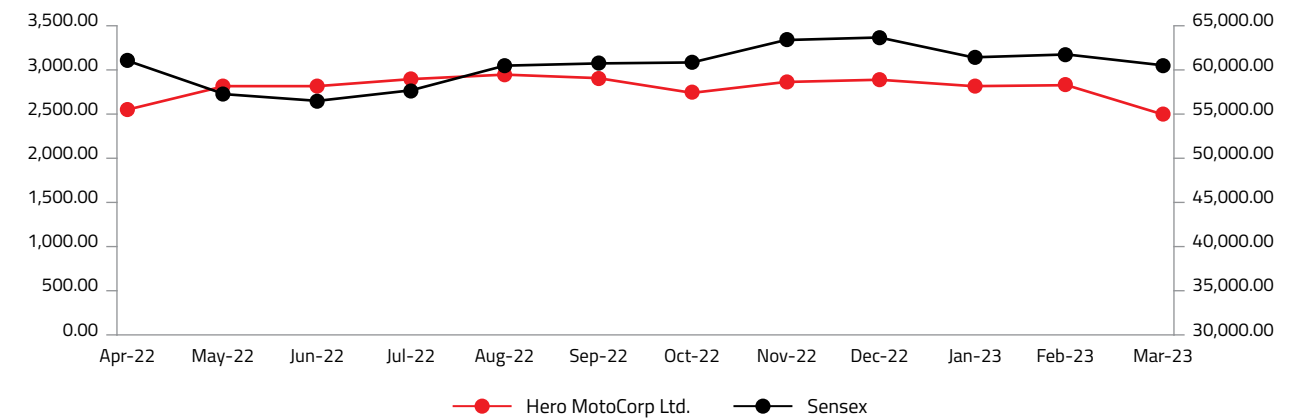
Note: The above chart depicts comparison of monthly high of Nifty and the Company's share price.

BSE Limited, Mumbai (BSE)

Month	Total Volume (No. of Shares)	High Price (₹)	Date	Volume on that day	Low Price (₹)	Date	Volume on that day
Apr-22	7,45,694	2,552.95	29-Apr-22	34,403	2,151.60	01-Apr-22	1,43,330
May-22	7,74,117	2,809.00	31-May-22	85,042	2,372.10	12-May-22	29,542
Jun-22	4,40,729	2,808.90	27-Jun-22	24,175	2,435.00	20-Jun-22	18,249
Jul-22	4,05,699	2,891.65	13-Jul-22	7,599	2,685.05	01-Jul-22	12,615
Aug-22	5,03,160	2,939.35	18-Aug-22	45,362	2,730.05	08-Aug-22	13,563
Sep-22	5,13,154	2,902.45	13-Sep-22	21,254	2,511.00	30-Sep-22	14,308
Oct-22	6,47,894	2,734.60	07-Oct-22	32,072	2,502.60	20-Oct-22	15,213
Nov-22	3,82,308	2,859.00	30-Nov-22	31,796	2,573.45	04-Nov-22	17,481
Dec-22	2,07,320	2,883.20	01-Dec-22	13,897	2,614.35	26-Dec-22	8,444
Jan-23	1,23,154	2,810.50	27-Jan-23	12,473	2,640.40	13-Jan-23	3,106
Feb-23	2,75,049	2,822.5	01-Feb-23	21,294	2,410.5	28-Feb-23	10,809
Mar-23	3,22,403	2,499.15	09-Mar-23	4,610	2,246.75	28-Mar-23	14,884

(Source: This information is compiled from the data available on the website of BSE).

Hero MotoCorp's Share Price Movement vis-a-vis Sensex



Note: The above chart depicts comparison of monthly high of Sensex and the Company's share price.

Distribution of shareholding by size

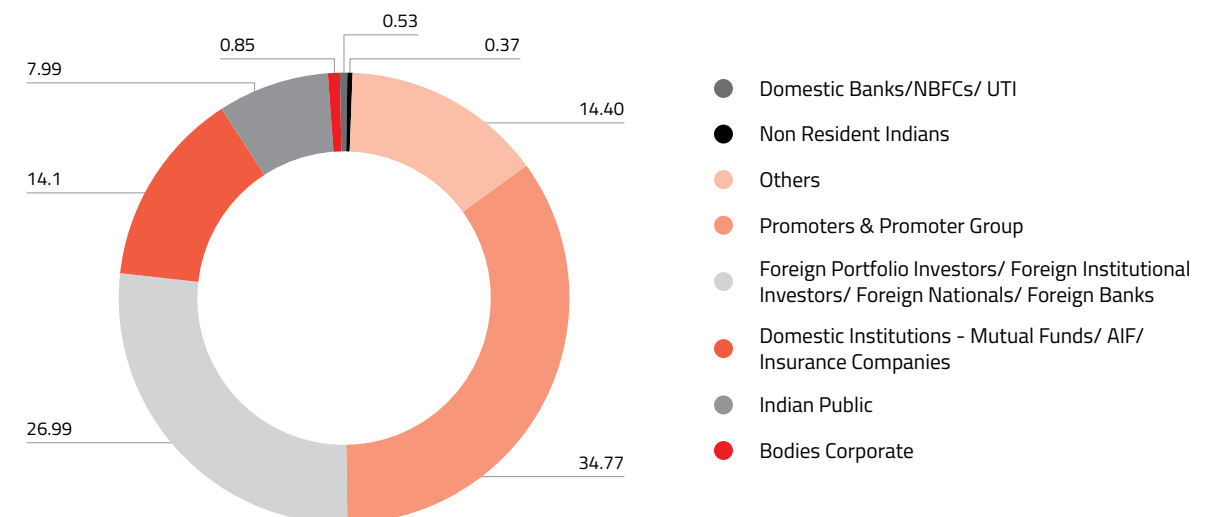
Table 16 lists the distribution of shareholding by number of shares held and shareholding pattern in percentage pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2023.

Table 16: Distribution of Shareholding

No. of shares held (₹ 2 paid up)	Shareholders		Shares of ₹ 2 paid up	
	Numbers	%	Number	%
Upto 5000	340,357	99.62	1,52,42,967	7.63
5001 – 10000	455	0.13	15,78,804	0.79
10001 – 20000	251	0.07	17,70,503	0.89
20001 – 30000	117	0.03	14,27,060	0.71
30001 – 40000	62	0.02	10,71,185	0.54
40001 – 50000	47	0.01	10,56,760	0.53
50001 – 100000	105	0.03	37,34,254	1.87
100001 & above	263	0.08	17,39,58,185	87.05
Total	341,657*	100.00	19,98,39,718	100.00

* Shareholders grouped based on PAN

Category wise shareholding as on March 31, 2023



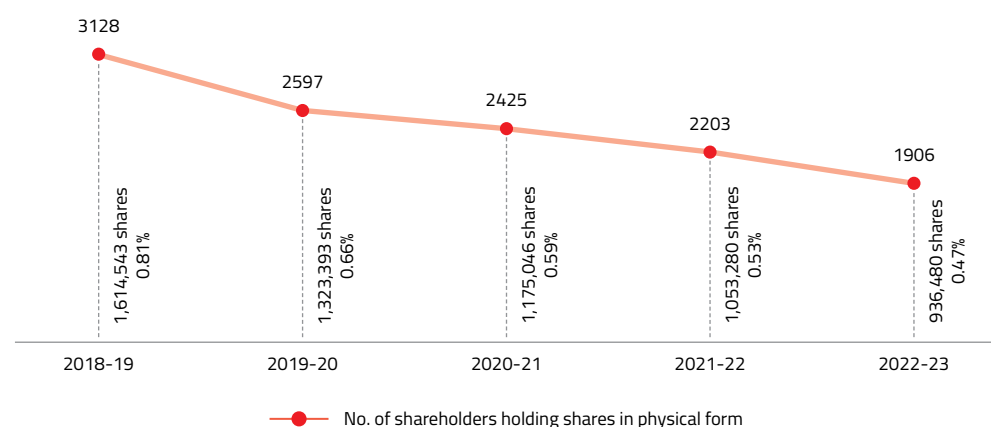
Top ten public shareholders of the Company as on March 31, 2023:

Sl. No.	Name of the Shareholders	Number of equity shares held	Percentage of holding
1.	Life Insurance Corporation of India	2,24,55,750	11.24
2.	ICICI Prudential Bluechip Fund	86,42,341	4.32
3.	Government Pension Fund Global	49,60,811	2.48
4.	WGI Emerging Markets Fund, LLC	46,80,458	2.34
5.	Parag Parikh Flexi Cap Fund	42,80,658	2.14
6.	SBI-ETF Nifty 50	41,14,440	2.06
7.	Kotak Flexicap Fund	25,29,131	1.27
8.	Government of Singapore	23,58,304	1.18
9.	Vanguard Emerging Markets Stock Index Fund	18,39,018	0.92
10.	Federated Hermes Investment Funds PLC	17,85,884	0.89

Category of shareholding as on March 31, 2023

Category	No. of holders	% to total holders	Total shares	% to equity
Physical	1,906	0.56	9,36,480	0.47
NSDL	1,32,847	38.88	19,27,98,581	96.48
CDSL	2,06,904	60.56	61,04,657	3.05
Total	3,41,657	100.00	19,98,39,718	100.00

Due to the continuous efforts made by the Company to convert entire equity share capital of the Company in dematerialised form, your company has witnessed a remarkable decline in no. of shareholders holding physical shares in last 5 years. No. of shareholders holding shares in physical form decreased by 39.05% (1906 in FY 2022-23 vs 3128 in FY 2018-19), as on March 31, 2023.



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
2016-17	Interim	₹ 55	2750%	April 6, 2024
	Final	₹ 30	1500%	August 14, 2024
2017-18	Interim	₹ 55	2750%	March 13, 2025
	Final	₹ 40	2000%	August 30, 2025
2018-19	Interim	₹ 55	2750%	March 5, 2026
	Final	₹ 32	1600%	August 30, 2026
2019-20	Interim	₹ 65	3250%	March 12, 2027
	Final	₹ 25	1250%	September 16, 2027
2020-21	Interim	₹ 70	3500%	March 10, 2028
	Final	₹ 35	1750%	September 03, 2028
2021-22	Interim	₹ 60	3000%	March 15, 2029
	Final	₹ 35	1750%	September 14, 2029
2022-23	Interim	₹ 65	3250%	March 10, 2030
	Final (recommended)	₹ 35	1750%	September 14, 2030 (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 2014-15 (Final) & FY 2015-16 (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/investors/unclaimed-dividend-and-shares.html>.

An option to claim from IEPF Authority, all unpaid/ unclaimed dividends or other amounts and the unclaimed shares transferred to IEPF, is available to members. Members may make their claim by following the due procedure for refund as prescribed under the said Rules. Details of refund process are also available on the website of the Company at <https://www.heromotocorp.com/en-in/investors/unclaimed-dividend-and-shares.html>.

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.

Investor Education and Protection Fund claim Guidelines

With effect from September 7, 2016, Investors/ depositors whose unpaid dividends and shares have been transferred to IEPF under Companies Act, 2013, can claim the amounts and shares from the IEPF Authority as per the procedures/ guidelines stated below:

- Create a login on the website of MCA (<http://www.mca.gov.in/>).
- Login to the MCA website with your login credentials.
- Select Form IEPF-5 under MCA Services.
- Fill the online form with required details and submit. Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 or FAQs from the website of IEPF Authority may also be referred for further clarification.

e. Take a printout of the duly filled and submitted Form IEPF-5 and the copy of the acknowledgement generated.

f. Following documents to be arranged after submission of online form:

I. Indemnity Bond (original) with claimant signature to be executed.

Note: In case of refund of dividend amount of ₹ 10,000 or more and/ or market value of shares, non-judicial stamp paper of appropriate value as prescribed under Stamp Act according to state is required. For claim of only amount of ₹ 10,000 or less, indemnity bond can be executed on a plain paper.

II. Original share certificate (in case of securities held in physical form) or copy of transaction statement in case of securities held in demat form.

III. Self-attested copy of PAN and Aadhaar Card.

IV. Proof of entitlement/ original share certificate/ dividend warrant (if any).

V. Original cancelled cheque leaf.

VI. Copy of Passport, OCI and PIO card in case of foreigners and NRIs.

VII. Client Master List duly self-attested by the claimant.

VIII. In case any joint holder is deceased, notarised copy of death certificate is to be attached. In case of NRI, self-attested copy of Overseas Indian Card (OIC) issued by MHA or Copy of Passport 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, ensuring verification of claims.

Dematerialisation of shares and liquidity

The shares of the Company are traded in compulsory demat segment. As on March 31, 2023, 99.53% 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 implemented an approved risk management policy with the below mentioned specific objectives –

- Identification and categorisation of potential risks
- Assessment and mitigation of risks
- To monitor and assure continuous growth and to sustain market leadership in the dynamic mobility industry, both domestically and globally.

Commodity price risk is the financial risk, which upon fluctuations in the prices of commodities, impacts entity's financial performance/profitability. As the manufacturing operations of the Company are resource-intensive, it is exposed to a wide range of market risks that stems from factors like volatility in commodity prices and fluctuations in exchange rates.

Majority of the company's business requirements are met through procurement of components from vendors, who in turn purchase the necessary commodities and process them. Although the company's direct purchase of commodities is minimal, any fluctuations in commodity prices have a significant impact on the procurement costs of components and parts. Specifically, base metals like steel and aluminum, as well as crude oil-derived plastics and resins, are crucial commodities used in the manufacturing of two-wheelers. The company faces potential business challenges when there are sharp fluctuations in commodity prices, which can influence production costs, product pricing, and overall earnings.

The risk management policy is strategically developed to address the potential impact of commodity price fluctuations throughout the company's value chain. Its primary objective is to effectively manage financial

performance and enhance profitability. To mitigate these risks, the company employs multiple levers, each chosen based on a cost benefit analysis and the extent of exposure to commodity price fluctuations. These include assessing the feasibility of passing any adverse fluctuations onto customers through price increases, continuously engaging in cost optimisation initiatives, weight reduction efforts and process improvement exercises. The Company also explores options such as localizing imports/ implementing global sourcing strategies to ensure most cost effective sourcing of parts/raw material. The company strives to enhance its overall supply chain efficiency.

2. Exposure of the Company to commodity and risks associated with them throughout the year:

- (a) Total exposure of the Company to commodities in INR; and

- (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 expected to have a significant adverse impact on the financial performance/profitability beyond its materiality threshold approved by the Board.

As of the reporting date i.e. March 31, 2023 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:

During the year, most of the base metals eased from their peak around the end of the previous year and have remained range bound at lower levels. Crude too softened with restoration of alternate supply routes and reduced demand. These have positively impacted the margins, with sequential gains in the four quarters.

As an essential component of its comprehensive risk management program, the company has taken proactive measures to monitor and manage its exposures to commodities. Recognising the unpredictable nature of markets, the company aims to minimize any potentially adverse effects on its business. In addition to the various levers mentioned earlier, the company periodically implements necessary price increases to counterbalance the negative impact of commodity and currency fluctuations on its financial performance and profitability. By adopting these strategies, the company aims to maintain stability and mitigate potential risks arising from market uncertainties.

Details of public funding obtained in the previous three years

The Company has not obtained any public funding in the previous three years.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised funds through preferential allotment or qualified institutions placement during the year.

Registrar & Share Transfer Agent ('RTA')

All work related to share registry, both in physical form and electronic form, is handled by the Company's RTA, KFin Technologies Limited. The communication address of the RTA is given hereunder:

KFin Technologies Limited (Unit: Hero MotoCorp Ltd.)
Selenium, Tower-B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032
Toll Free No: 1-800-3094-001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

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, except in case of transmission or transposition of securities. The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the stock exchanges. There was no instance of suspension of trading in Company's shares during FY 2022-23.

Reconciliation of Share Capital Audit

Audits were also 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 Meeting 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: 0124-289 4200, 237 2123
Fax: 0124-237 3141/ 42

Dharuhera Plant

69 km Stone, Delhi-Jaipur Highway,
Dharuhera, Dist. Rewari-123 110
Haryana, India
Tel: 01274-264 000
Fax: 01274-267 018

Haridwar Plant

Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar-249 403, Uttarakhand, India
Tel: 01334-238 500, 239 514-16
Fax: 01334-239 512/13

Neemrana Plant

SP 101-103, 108 & 109,
RIICO Industrial Area, Phase – II,
Delhi – Jaipur Highway, Neemrana,
District Alwar, Rajasthan – 301 705, India
Tel: 01494-2673000

Global Parts 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,
Dist. Panchmahal, Gujarat 389 350, India
Tel: 02675-229114

Tirupati Plant

Sy No.1, Industrial Park
Madanapalem Village, Satyavedu-Cherivi Road
Satyavedu Mandal, Tirupati District
Andhra Pradesh - 517588

R&D Centre

Centre for Innovation & Technology (CIT)
SPL-1, RIICO Industrial Area,
Kukas, Phase-II, NH-11C,
Jaipur, Rajasthan-302 028, India
Tel: 0142-643000

Colombia Plant

HMCL Colombia S.A.S
KM 24, via Cali – Santander De Quilichao
Zona Franca Permanente Conjunto,
Industrial Parque Sur, Villa Rica, Cauca,
Lote 6A, Colombia
Tel: +572-3120662

Colombia Branch Office

HMCL Sucursal Colombia
Calle 13 No 100-35 of 117,
Colombia-Call

Bangladesh Plant

HMCL Niloy Bangladesh Ltd.
Padmabilla, Shakharihati,
Kotwali, Jessore, Bangladesh
Tel: +8809601505541

Hero Tech Center Germany GmbH

Kronstaudener Weg 1,
D-83071 Stephanskirchen,
Germany

COMPLIANCE CERTIFICATE OF THE SECRETARIAL AUDITORS

Certificates from Sanjay Grover & Associates, Company Secretaries (Firm Registration No. P2001DE052900), was issued confirming:

- Compliance with conditions of Corporate Governance as stipulated under Listing Regulations which is attached to this report as **Annexure – III**.
- None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority which is also attached to this report as **Annexure – IV**.

Retail Shareholder Correspondence may be addressed to:

KFin Technologies Limited (Unit: Hero MotoCorp Ltd.)
Selenium Tower-B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, Telangana
Toll Free No.: 1-800-3094-001
E-mail: einward.ris@kfintech.com
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. Niranjana Gupta, Chief Executive Officer & Chief Financial Officer
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase II, New Delhi-110 070
E-mail: niranjana.gupta@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

Corporate Governance Certificate

Annexure – III

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 of conditions of Corporate Governance by **Hero MotoCorp Limited** ("the Company"), for the financial year ended March 31, 2023 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sanjay Grover & Associates

Company Secretaries

Firm Registration No.: P2001DE052900

Kapil Dev Taneja

Partner

CP No.:22944; M No.: F4019

UDIN: F004019E000179359

Place: New Delhi
Date: April 24, 2023

Certificate of Non-Disqualification of Directors

Annexure – IV

(Pursuant to Regulation 34(3) and Clause (10) (i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Hero MotoCorp Limited
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase-II, New Delhi -110070

- The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para-C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- We have also done examination and verification of the disclosures under Sections 184/189, 164 and 149 of the Companies Act, 2013 (the Act) received from the Directors and Register of Directors and Key Managerial Personnel and their Shareholding under Section 170 of the Act and Director Identification Number (DIN) status of the Directors at MCA portal i.e. www.mca.gov.in. In our opinion and to the best of our knowledge and on the basis of information furnished to us by the Company and its officers, we certify that none of the below named Directors of the Company 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 statutory authority as on March 31, 2023:

S. No.	Name of Director	Director Identification Number (DIN)
1.	Dr. Pawan Munjal	00004223
2.	Mr. Vikram Sitaram Kasbekar	00985182
3.	Mr. Suman Kant Munjal	00002803
4.	Mr. Pradeep Dinodia	00027995
5.	Ms. Vasudha Dinodia	00327151
6.	Prof. Jagmohan Singh Raju	08273039
7.	Ms. Tina Trikha	02778940
8.	ACM Birender Singh Dhanoa (Retd.)	08851613
9.	Ms. Camille Miki Tang	09404649
10.	Mr. Rajnish Kumar	05328267

- Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This certificate is based on the information and records available as on 31st March, 2023 and we have no responsibility to update this certificate for the events occurring after the date of the certificate.

For Sanjay Grover & Associates

Company Secretaries

Firm Registration No.: P2001DE052900

Kapil Dev Taneja

Partner

CP No.:22944; M No.: F4019

UDIN: F004019E000166731

Place: New Delhi
Date: April 21, 2023

The Board of Directors
Hero MotoCorp Limited
 The Grand Plaza, Plot No.2,
 Nelson Mandela Road, Vasant Kunj - Phase -II,
 New Delhi - 110070

Sub: Certificate in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that I have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of my knowledge and belief:

- A. (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 my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I 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 I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Niranjan Gupta

Chief Executive Officer & Chief Financial Officer

Place: Tirupati
 Date: May 4, 2023

Declaration by Chairman & CEO

[Regulation 34(3), read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Dr. Pawan Munjal, Chairman & CEO of Hero MotoCorp Limited hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2022-23.

For Hero MotoCorp Limited

Dr. Pawan Munjal

Chairman & CEO

DIN: 00004223

Place: New Delhi
 Date: April 27, 2023

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/en-in/uploads/code_policy/20191126104550-code-policy-434.pdf
Environment Policy	https://www.heromotocorp.com/en-in/uploads/code_policy/20200728132435-code-policy-322.pdf
Occupational Health and Safety Policy	https://www.heromotocorp.com/en-in/uploads/code_policy/20200728132500-code-policy-446.pdf
Policy for Prohibition, Prevention and Redressal of Sexual Harassment At Workplace	https://www.heromotocorp.com/en-in/uploads/code_policy/20200827100158-code-policy-154.pdf
Corporate Social Responsibility Policy	https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf
Remuneration & Board Diversity Policy	https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105210-code-policy-421.pdf
Whistle Blower Policy / Vigil Mechanism	https://www.heromotocorp.com/en-in/uploads/code_policy/20200903060455-code-policy-95.pdf
Policy for Determination of Materiality for Disclosure of Events or Information	https://www.heromotocorp.com/en-in/uploads/code_policy/20191126113405-code-policy-50.pdf
Preservation of Documents & Archival	https://www.heromotocorp.com/en-in/uploads/code_policy/20191126112853-code-policy-253.pdf
Dividend Distribution Policy	https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105519-code-policy-149.pdf
Policy on Material Subsidiaries	https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105356-code-policy-400.pdf
Code of Conduct	https://www.heromotocorp.com/en-in/uploads/code_policy/20191224114146-code-policy-495.pdf
Code of Practices & Procedures of Fair Disclosure of UPSI	https://www.heromotocorp.com/content/dam/hero-aem-website/key-policies/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf
Risk Management Policy	https://www.heromotocorp.com/en-in/uploads/code_policy/20191126113900-code-policy-411.pdf
Terms & Conditions of Appointment of IDs	https://www.heromotocorp.com/en-in/pdf/Terms-and-Conditions-of-appointment-of-IDs.pdf
Board Committees	https://www.heromotocorp.com/en-in/investors/corporate-governance-and-sustainability/committee-of-directors.html
Unpaid Dividend Account Details	https://www.heromotocorp.com/en-in/investors/unclaimed-dividend-and-shares.html
Shareholders' referencer	https://www.heromotocorp.com/content/dam/hero-aem-website/investor-assets/shareholder-and-resources/Shareholders_Referencer.pdf

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Board of Directors (the "Board") of Hero MotoCorp Limited have adopted the CSR policy which has following key points:

- To direct HMCL's CSR Programmes, inter alia, towards achieving one or more of the following – enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports;
- To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are pre-requisites for social and economic development;
- To engage in affirmative action/interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society;
- To pursue CSR Programmes primarily in areas that fall within the vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies and to spend such monies through such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- To carry out activities at the time of natural calamity or engage in Disaster Management System;
- To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, Other Backward Classes, minorities and women;
- To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government;
- To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognised as CSR activity;
- To promote sustainability in partnership with industry associations, like CII, PHD, FICCI, etc. in order to have a multiplier impact.

2. COMPOSITION OF SCSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of SCSR Committee held during the FY 2022-23	Number of meetings of SCSR Committee attended during the FY 2022-23
1	Dr. Pawan Munjal	Chairman	4	4
2	Mr. Pradeep Dinodia	Member	4	4
3	Prof. Jagmohan Singh Raju	Member	4	4
4	Ms. Tina Trikha	Member	4	4

3. THE WEB-LINK WHERE COMPOSITION OF SCSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

- The composition of the SCSR committee is available on our website at <https://www.heromotocorp.com/en-in/investors/corporate-governance-and-sustainability/committee-of-directors.html>
- The CSR Policy of the Company is available on our website at https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf
- The details of CSR projects are available on our website at <https://www.heromotocorp.com/en-in/sustainability/csr/reports-and-more/annual-report.html>

4. THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) 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/investors/download-reports/annual-report.html>

- Average net profit of the company as per sub-section (5) of section 135. - ₹ 3,855.73 crore
 - Two percent of average net profit of the company as per sub-section (5) of section 135. - ₹ 77.11 crore
 - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. - NIL
 - Amount required to be set-off for the financial year, if any. - NIL
 - Total CSR obligation for the financial year [(b)+(c)-(d)]. - ₹ 77.11 crore
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 74,11,07,925/-
 - Amount spent in Administrative Overheads. - ₹ 3,27,91,571/-
 - Amount spent on Impact Assessment, if applicable. - ₹ 43,99,399/-
 - Total amount spent for the Financial Year [(a)+(b)+(c)]. - ₹ 77,82,98,895/-
 - CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
77.83 crore (Details provided in Annexure-VI(B))	NIL	N.A.	N.A.	NIL	N.A.

- Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	77.11 crores
(ii)	Total amount spent for the Financial Year	77.83 crores
(iii)	Excess amount spent for the financial year[(ii)-(i)]	0.72 crores
(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)]	0.72 crores

- Detail of Unspent CSR amount for the preceding three financial years: **NONE**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any	Amount remaining to be spent in succeeding financial years (in ₹)
1.					
TOTAL					

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

Yes No

9. 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

Sd/-
Dr. Pawan Munjal
 Executive Chairman & Whole-time Director
 Chairman of SCSR Committee

Impact Assessment Report

of Hero MotoCorp's Green Drive

Annexure – VI(A)

Introduction:

Hero MotoCorp is an Indian Company committed to maintaining the highest ecological standards and promoting sustainable development. As part of its CSR Vision, "To have a Greener, Safer and Equitable World", it has implemented several projects, including the Green Drive. The project aims to promote plantations in urban and peri-urban areas, and the Company has planted trees in several locations across India. This report assesses the impact of the Green Drive based on the data provided by the implementation partners.

Scope of Work:

The scope of the report includes visiting the sites, reviewing the datasheet and understanding the expectations, commenting on the survival rates based on the data provided by the implementation partners, analyzing the impact, and providing recommendations based on the process used, and describing how the project has generated an impact.

Approach and Methodology:

The report uses the Input-Output Impact Approach, which is the fundamental approach to impact analysis used in all environmental projects. The approach considers the inputs, outcomes, and impacts of the project. The inputs refer to the funding and human resources put into the project, the outputs refer to the number of saplings planted, and the outcomes are mapped by the survival of the saplings. The impact generated is a measure of the ecosystem regeneration and landscape transformation that took place.

Findings:

Based on the data provided by the organisation, implementation partners and site visit, the saplings planted had significant growth and survival rates. The average survival rate of the plantations is 0.7535, which means that more than 75% of the plantations have survived and will contribute to the ecosystem. The locations where the Green Drive was implemented had survival rates ranging from 70.2% to 77%.

Recommendations:

The report recommends that Hero MotoCorp continues to implement and support similar initiatives that promote sustainable development and protect the environment. The report also suggests that the Company can consider expanding its Green Drive program to include more locations, including rural areas, to increase the impact of the project.

Limitations:

The report acknowledges that there were limitations to the assessment of the impact of Green Drive. One limitation is the lack of diverse indicators beyond survival rates to provide a more detailed picture on the impact of the project.

Conclusion:

Overall, the Green Drive program implemented by Hero MotoCorp has had a significant impact on the environment and the ecosystem. The project has contributed to sustainable development and helped protect the environment by planting trees in urban and peri-urban areas. The report recommends that Hero MotoCorp continues to implement and support similar initiatives to promote sustainable development and protect the environment.

Community Development Initiatives by Hero MotoCorp Ltd.

Project Name:

Chief Minister's Good Governance Associates (CMGGA) Programme

Implemented by International Foundation for Research and Education

Project Brief:

CMGGA is a first of its kind programme for capacity building, education, and professional development of young professionals in the domain of Social Development and Public Administration.

Project Outcomes:

- 10 young professionals groomed with knowledge of governance
- Effective COVID 19 Management in Haryana
- Supporting the work of the Haryana Government across 10 themes such as education, health, women safety to name a few

Project Impact:

- 100% of the associates said that they were satisfied with the programme and would highly recommend it to their peers
- Improved relations between the community and the local administration

Project Name:

Care and Protection of Survivors of Trafficking and Forced Labour in Mukti Ashram

Implemented by Association for Voluntary Action (AVA)

Project Brief:

This programme aimed to provide immediate care and protection to the children withdrawn from forced servitude and placed with Mukti Ashram on the order of Child Welfare Committee (CWC) until these children are reunited with parents or legal guardians after completion of legal procedures and other formalities.

Project Outcomes:

- 501 rescued children received care and protection
- AVA directly facilitated opening of bank accounts of 158 adolescents
- Improved emotional, social and mental well-being of victimised children
- 91% children said that the medical treatment and recreational activities provided through AVA would in normal course be unavailable for them

Project Impact:

- Improving life of rescued children

Project Name:

Digital Haryana

Implemented by Samagra Associates

Project Brief:

This project aimed at aiding the creation of a comprehensive families' database in Haryana known as 'Parivar Pehchan Patra' that would issue a 'family ID' to every Haryana family and connecting the Family ID to all key state and central databases with uniform data standards.

Project Outcomes:

- Integration of 38 departments on to a dynamic and centralised user interface
- 500+ schemes and services integrated for the community beneficiaries
- 117 centres established across Haryana through which 49,00,000 families registered for Parivar Pehchan Patra
- Decrease in the overall processing time by 16%

Project Impact:

- Establishment of a unique and one of its kind centralised system
- Faceless and Paperless service delivery system which is easier for the community to access

Project Name:

Paramarsh Kendra

Implemented by Hero MotoCorp Ltd.

Project Brief:

The project aimed at building Paramarsh Kendra facilities to assist the state police department in providing a friendly environment to the local community in the police stations. Having noticed the lack of safe and peaceful spaces for vulnerable groups especially women and children, Paramarsh Kendras were constructed to provide a positive hygienic, sanitary and productive environment for interactions with the police in distressed times.

Project Outcomes:

- Approximately 100+ community members visit Paramarsh Kendras monthly
- Improved access to Water, Sanitation and Hygiene (WASH) facilities
- Increased comfort for the community to reach out to the police

Project Impact:

- Increased positive community perception towards the police
- Easy accessibility to the police via the Kendras
- Complimenting the CM's Vision for Nation Building

PROJECT AARUSH

Project Aarush, a Corporate Social Responsibility (CSR) initiative by Hero MotoCorp Limited (HMCL) is an intervention to provide illumination in rural areas by installing solar streetlights.

India is a country of villages where around 65 percent of the pollution still resides in rural areas. With increased growth and development, electricity consumption in rural areas is growing rapidly. To decrease the dependence on traditional grid-based electricity and provide illumination on the streets, especially at night, Hero MotoCorp Limited initiated Project Aarush. Under the Project, Solar streetlights are installed on the roads and public places in the villages, ensuring a brighter, cleaner and greener future for the community members.

These solar streetlights are not only providing illumination during the night but also driving long-term positive changes in the villages in the form of safety and security of women, a sense of community, and the adoption of renewable energy. 19,932 solar street lights were installed and maintained between FY 2017-18 to FY 2019-20 in 222 villages across different locations in India, bringing joy and light into the lives of community members. The project also aims to bring positive behavioural change among the community members about renewable sources of energy that are eco-friendly and economical. The project was implemented in different geographies through two implementing agencies to ensure that the contextual circumstances and geographical nuances were considered. The streetlights installed under Project Aarush are powered by solar and not connected to the electricity grid for power supply. This saves significant amounts of electricity in energy-deficient rural areas and contributes to reducing greenhouse gas (GHG) consumption.



Voices from the community:

Solar streetlights provide safety for women, children and elderly people. It has increased the beauty of the village in the night.

-Sanjay Kumar, Siryani

People go out to meet others at night, sometimes people come to the village late night, solar light helps them to commute at night.

- Sunderwati, Bukkanpur, Haridwar

As the sitting Sarpanch, I want to thank HMCL for this Project in this village. The community feels safe and secure especially women and children.

- Sri Uma Shankar, Neemrana

Mapping Project Aarush to Sustainable Development Goals:



Solar Streetlight Performance Summary:

Location	Illumination
4.8 Ratings	4.0 Ratings
Battery back-up	Overall performance
3.5 Ratings	4.0 Ratings



IMPACT SNAPSHOT

97.5%

An overwhelming 97.5% of the community members acknowledged the need for solar streetlights in their respective villages considering lack of illumination in street and public places

58.6%

Of the beneficiary were consulted before the installation of solar streetlights and were also informed about the usage and advantages of solar streetlights

72.7%

Agreed to the reduction of accidents during the night due to the illumination of the solar streetlights.

87.7%

Agreed to the improvement in the accessibility of public places like Panchayat Bhavan, Anganwadi centre

89.5%

Confirmed the increased safety of women during evening hours and ensured greater participation in social life.

77.4%

Responded positively and confirmed the increment and participation in social and cultural gatherings within the village

87.5%

Confirmed that with increased illumination the children are playing safely for longer hours.

The illumination from the streetlights has increased the business hours of the shops. The shops are open and people continue buying till night.

The streetlights installed under Project Aarush are powered by solar energy, which decreases the village's dependency on the grid and saves significant amounts of electricity in energy-deficient rural areas. With the impending climate change crisis, these solar streetlights also contribute in reducing greenhouse gas emissions in the Project Villages.



Brief Impact Report

Project: Covid-19 Relief

Timeline: FY 2020–2021

Project brief:

In March 2020, the Ministry of Corporate Affairs, Government of India, issued a Circular, clarifying that all expenditures incurred by the companies on activities related to Covid-19, were to be added as the permissible avenues for CSR expenditure. The circular from the Ministry clarified that the funds may be spent on activities relating to promotion of healthcare, including preventive healthcare, sanitation, and disaster management.

In line with the aforesaid Circular and as need of the hour, that Hero MotoCorp Ltd (HMCL), as part of its Corporate Social Responsibility (CSR), has been playing a crucial role in the battle against the pandemic. The Company conceptualised many initiatives under its Covid-19 Relief project and these initiatives have been complementing the government's and civil society's efforts.

Primary outputs:

Team CSR, other HMCL staff, Company's NGO partners and other agencies ensured that the essentials to fight the pandemic reached the needy as well as the authorities. The following data indicates the scale at which HMCL supported the fight against pandemic:

- About 23.34 lakh cooked meals served
- About 37,805 ration kits distributed
- Over 45.51 lakh masks distributed
- More than 37,701 litres of sanitizer distributed
- A total of 57,865 PPE kits to frontline workers

Overall impact:

The Project Covid-19 Relief did its bit towards helping the needy communities at a time when it was needed the most.

Over a hundred households connected during the filed assessments claimed that they would not have been able to survive the lockdown without the meals and ration support from HMCL.

Primary recommendation:

HMCL should continue to create livelihood opportunities for rural women in their areas of operations with special focus on the families who lost the earning member of the family due to Covid-19.

Brief Impact Report

Project: Shiksha

Timeline: FY 2020–2021

Project brief:

Project Shiksha focuses on upgrading and elevating the education ecosystem in the country. The objective of the intervention is to create an enabling and encouraging environment for imparting quality education in India. The project complements the Right to Education Act by supporting the development of necessary infrastructure and pitching in with soft interventions.

Under the project, among other things, Hero MotoCorp (HMCL) has been supporting development of schools’ infrastructure, providing remedial education to deserving students, and have been supporting higher education of students through scholarships.

Primary outcomes:

INFRASTRUCTURE

- The renewed infrastructure has helped in increased enrollments and attendance rates in government schools.
- There is a visible positive change in the perception of government schools amongst local communities.

REMEDIAL EDUCATION

- Remedial centres help students perform better in academics as compared to their counterparts who do not attend any such centre.
- Overall confidence and comprehension abilities of students at remedial centres is above average – majority of them scored well in viva-voice part of the tests during IA.

SCIENCE EDUCATION

- Mobile Science Labs played a major role in helping students understand basic concepts – both teachers and students expressed it to be an essential need.
- Comparative analysis proved that student with access to science labs scored much better in science than their counterparts in government schools without access to labs.

SCHOLARSHIPS

- The scholarships have helped 794 meritorious students to pursue courses of their choice. Majority of these students would not have been able to afford these degrees due to their financial constraints.
- About 92% of the students who passed out of management and technical streams are employed at reputed companies while rest are either interning or pursuing higher degrees.

LIFE-SKILLS SUPPORT

- The interventions under Life Skills support programme filled a major gap of elements such as co- curricular activities, sports, story-telling, art & craft for children from marginalised section of the society.
- The confidence levels and clarity regarding positivity and life goals is way high amongst children engaging with life-skills development programmes than the ones who do not engage in any such activity after school.

Overall impact:

Project Shiksha, through all its interconnected interventions that complement each other, has been able to meet its primary objectives.

Project Shiksha has evolved over the years and has brought about a positive change in lives of thousands of students from marginalised and less-privileged backgrounds.

Primary recommendation:

While the IA report has many recommendations, the primary one is to ‘consolidate’ the project geographies and focus on same set of beneficiaries for a limited period.

For example, one child should be able to have access to all components of Project Shiksha (as well as other community- focused projects of HMCL), for a limited period – preferably from preprimary to degree level – in a same village, town, or a district.

DETAILS OF CSR AMOUNT SPENT FOR THE FINANCIAL YEAR 2022-23

Name of the Project	Local Area	Location of the Project		Amount Spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency		
		State	District			Name	CSR Registration Number	
Community Development	No	Haryana	Panchkula	₹ 98,54,269	No	International Foundation for Research and Education	CSR00000712	
	No	Haryana	Dadri	₹ 43,66,000	Yes			
	No	Uttarakhand	Chamoli	₹ 3,81,425	Yes			
	Yes	Delhi	South Delhi	₹ 1,29,80,000	Yes			
	Yes	Haryana	Gurugram	₹ 15,00,000	Yes			
	Yes	Haryana	Rewari	₹ 10,50,000	Yes			
	Yes	Uttarakhand	Haridwar	₹ 3,62,250	Yes			
Covid 19 Relief	No	Karnataka	Kalaburagi	₹ 94,37,325	No	Association Of Business Women In Commerce And Industry	CSR00018449	
	No	Odisha	Bargarh	₹ 93,79,079	No	Association Of Business Women In Commerce And Industry	CSR00018449	
	Yes	Andhra Pradesh	Chittoor	₹ 27,027	Yes			
	Yes	Andhra Pradesh	Sri City	₹ 47,05,574	No	Habitat For Humanity India	CSR00000402	
	Yes	Delhi	South Delhi	₹ 50,989	Yes			
	Yes	Gujarat	Panchmahal	₹ 29,00,365	No	Setco Foundation	CSR00004986	
	Yes	Gujarat	Panchmahal	₹ 2,18,964	No	Nehru Foundation For Development Center For Environment Education Society	CSR00001260	
	Yes	Haryana	Rewari	₹ 9,24,612	No	Raman Kant Munjal Foundation	CSR00004870	
	Yes	Rajasthan	Jaipur	₹ 39,87,972	No	Nath Sanskriti Seva Sansthan	CSR00005135	
	Yes	Uttarakhand	Haridwar	₹ 10,70,780	No	Adarsh Yuva Samiti	CSR00000390	
	Diversity and Inclusion	No	Andhra Pradesh	Tirupati	₹ 1,03,58,584	Yes		
		No	Andhra Pradesh	Sri Sathya Sai	₹ 30,35,567	Yes		
		No	Assam	Kamrup Metropolitan	₹ 2,18,386	Yes		
		No	Chandigarh	Chandigarh	₹ 10,000	Yes		
No		Delhi	South Delhi	₹ 1,44,55,116	Yes			
No		Delhi	Central Delhi	₹ 4,36,087	Yes			
No		Haryana	Gurugram	₹ 45,14,220	Yes			
No		Haryana	Kurukshetra	₹ 55,55,058	Yes			
No		Haryana	Panchkula	₹ 36,24,992	Yes			
No		Maharashtra	Nagpur	₹ 1,29,33,299	Yes			
No		Maharashtra	Pune	₹ 8,05,726	Yes			
No		Maharashtra	Mumbai	₹ 81,94,118	Yes			
No		Odisha	Koraput	₹ 51,50,809	Yes			
No		Odisha	Bhubaneshwar	₹ 74,21,469	Yes			
No	Odisha	Keonjhar	₹ 39,54,037	Yes				
No	Rajasthan	Alwar	₹ 71,58,758	Yes				
No	Telangana	Hyderabad	₹ 2,33,126	Yes				
No	Uttar Pradesh	Lucknow	₹ 2,01,82,052	Yes				
No	Uttarakhand	Dehradun	₹ 3,19,43,923	Yes				
No	West Bengal	Kolkata	₹ 37,40,984	Yes				
No	Goa	Panaji	₹ 54,48,962	Yes				
No	Mizoram	Aizawl	₹ 73,46,277	Yes				
No	Mizoram	Aizawl	₹ 33,329	Yes				
Yes	Delhi	South Delhi	₹ 3,41,48,110	Yes				

Annexure – VI(B)

Name of the Project	Local Area	Location of the Project		Amount Spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
	Yes	Delhi	West Delhi	₹ 1,14,460	Yes		
	Yes	Delhi	Central Delhi	₹ 25,77,600	No	CRPF Family Welfare Association	CSR00031221
	Yes	Delhi	Central Delhi	₹ 1,44,23,557	Yes		
	Yes	Haryana	Gurugram	₹ 82,77,927	No	Visan Foundation	CSR00005130
	Yes	Haryana	Gurugram	₹ 40,458	Yes		
	Yes	Haryana	Rewari	₹ 20,58,680	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Maharashtra	Nagpur	₹ 25,757	Yes		
	Yes	Rajasthan	Jaipur	₹ 9,738	Yes		
Education	No	Andhra Pradesh	Sri Sathya Sai	₹ 39,235	Yes		
	No	Assam	Kamrup Metropolitan	₹ 2,39,313	Yes		
	No	Odisha	Bhubaneswar	₹ 15,00,000	Yes		
	No	Kerala	Alappuzha	₹ 9,25,291	Yes		
	Yes	Delhi	Central Delhi	₹ 40,00,000	No	Franco-Indian Educational Trust	CSR00033831
	Yes	Gujarat	Panchmahal	₹ 96,823	Yes		
	Yes	Haryana	Gurugram	₹ 15,00,00,000	No	BML University	CSR00002887
	Yes	Haryana	Gurugram	₹ 25,268	Yes		
	Yes	Haryana	Rewari	₹ 98,85,944	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Alwar	₹ 55,87,345	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Alwar	₹ 25,000	No	Arsh Kanya Gurukul	CSR00033901
	Yes	Rajasthan	Jaipur	₹ 14,88,224	No	Get Set Go Foundation	CSR00006454
	Yes	Rajasthan	Jaipur	₹ 59,03,813	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Jaipur	₹ 31,46,430	Yes		
	Yes	Uttarakhand	Haridwar	₹ 56,75,048	No	Raman Kant Munjal Foundation	CSR00004870
Khelo Hero	No	Punjab	Amritsar	₹ 30,00,000	No	Border Security Force Welfare Fund	CSR00024762
	No	Manipur	Imphal	₹ 54,88,840	No	Mary Kom Regional Boxing Foundation	CSR00013707
	Yes	Delhi	South Delhi	₹ 17,50,000	No	Indian Deaf Cricket Association	CSR00015355
	Yes	Delhi	South Delhi	₹ 53,45,757	Yes		
	Yes	Delhi	Central Delhi	₹ 72,62,280	No	Paralympic Committee Of India	CSR00009842
	Yes	Haryana	Gurugram	₹ 5,90,000	Yes		
	Yes	Haryana	Rewari	₹ 3,50,000	No	Mera Gaon Mera Desh	CSR00017584
Nurturing and Protection of Biodiversity	No	Haryana	Panchkula	₹ 35,65,126	Yes		
	No	Haryana	Karnal	₹ 35,11,200	No	International Association For Human Values	CSR00000683
	No	Haryana	Karnal	₹ 94,866	Yes		
	No	Uttar Pradesh	Lucknow	₹ 94,43,658	Yes		
	No	Uttarakhand	Dehradun	₹ 19,46,923	Yes		
	No	Tamil Nadu	Chengalpattu	₹ 2,42,19,220	Yes		
	Yes	Delhi	South Delhi	₹ 63,98,478	Yes		
	Yes	Delhi	North Delhi	₹ 3,06,800	Yes		
	Yes	Gujarat	Panchmahal	₹ 68,13,629	Yes		
	Yes	Haryana	Gurugram	₹ 5,38,93,513	Yes		
	Yes	Rajasthan	Jaipur	₹ 75,96,161	Yes		
	Yes	Uttarakhand	Haridwar	₹ 2,43,051	No	Adarsh Yuva Samiti	CSR00000390
Promoting of Renewable Energy	Yes	Haryana	Gurugram	₹ 2,59,600	Yes		

Name of the Project	Local Area	Location of the Project		Amount Spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
Promoting Preventive Health care	No	Assam	Kamrup Metropolitan	₹ 1,16,37,990	Yes		
	No	Haryana	Gurugram	₹ 9,75,695	Yes		
	No	Haryana	Panchkula	₹ 2,74,04,546	Yes		
	No	Haryana	Rewari	₹ 50,91,585	Yes		
	No	Haryana	Faridabad	₹ 1,31,68,469	Yes		
	No	Jharkhand	East Singhbhum	₹ 9,15,000	No	Viswa Kalyan Seva Trust	CSR00014259
	Yes	Andhra Pradesh	Sri City	₹ 11,73,750	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Delhi	South Delhi	₹ 43,60,337	No	Wockhardt Foundation	CSR00000161
	Yes	Delhi	South Delhi	₹ 5,00,000	Yes		
	Yes	Delhi	Central Delhi	₹ 13,06,870	Yes		
	Yes	Gujarat	Panchmahal	₹ 23,47,500	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Haryana	Rewari	₹ 35,50,000	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Haryana	Rewari	₹ 31,37,023	No	Wockhardt Foundation	CSR00000161
	Yes	Haryana	Rewari	₹ 39,78,630	Yes		
	Yes	Rajasthan	Alwar	₹ 23,80,500	No	Wockhardt Foundation	CSR00000161
	Yes	Rajasthan	Alwar	₹ 12,800	Yes		
	Yes	Rajasthan	Jaipur	₹ 19,05,489	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Rajasthan	Jaipur	₹ 5,43,052	Yes		
	Yes	Uttarakhand	Dehradun	₹ 39,67,500	No	Wockhardt Foundation	CSR00000161
	Yes	Uttarakhand	Haridwar	₹ 65,49,750	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
Road Safety Awareness Program	No	Telangana	Hyderabad	₹ 22,96,530	Yes		
	No	Uttar Pradesh	Lucknow	₹ 15,43,849	Yes		
	Yes	Delhi	South Delhi	₹ 1,47,99,658	Yes		
	Yes	Delhi	West Delhi	₹ 6,63,698	Yes		
	Yes	Delhi	Central Delhi	₹ 2,44,745	Yes		
	Yes	Haryana	Gurugram	₹ 21,93,755	Yes		
	Yes	Haryana	Rewari	₹ 3,52,944	Yes		
Water Conservation	Yes	Gujarat	Panchmahal	₹ 12,41,347	Yes		
	Yes	Haryana	Gurugram	₹ 52,63,548	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Haryana	Gurugram	₹ 21,594	Yes		
	Yes	Haryana	Rewari	₹ 24,65,042	Yes		
	Yes	Rajasthan	Jaipur	₹ 28,70,100	Yes		
Total				₹ 74,11,07,926			
Administrative expenses				₹ 3,27,91,571			
Impact Assessment				₹ 43,99,399			
Grand Total				₹ 77,82,98,896			

For the Financial Year Ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial 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.

We report that-

- a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) 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 for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules, regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) 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.

Based on our verification of the Company's books, papers, minutes 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 31st March,

2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 {Not applicable during the audit period};
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {Not applicable during the audit period};
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable during the audit period};

- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 {Not applicable during the audit period}; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. to the extent applicable, as mentioned above.

- (vi) The Company is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services and accordingly, the Motor Vehicles Act, 1988 and rules made thereunder, primarily in respect of vehicles manufactured by the Company, are the laws specifically applicable on it. On the basis of management representation and our check on test basis, we are on the view that the Company has adequate system to ensure compliance of laws specifically applicable on it.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The

changes in the composition 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 notices is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance other than meeting held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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 applicable laws, rules, regulations and guidelines.

For Sanjay Grover & Associates
Company Secretaries

Firm Registration No.: P2001DE052900

Kapil Dev Taneja
Partner

Place: New Delhi
Date: May 4, 2023

CP No.:22944; M No.: F4019
UDIN: F004019E000250201

SECTION A: GENERAL DISCLOSURES

I. DETAILS

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 reported	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 39,96,79,436
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	Reema Jain
	Contact Number of Contact Person	+91-11-46044220
	Email of Contact Person	reema.jain@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

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Manufacturing of two-wheelers: motorcycles & scooters	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Motorcycles & Scooters	30911	100

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	8	54	62
International	2	2	4

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	36
International (No. of Countries)	47

b. What is the contribution of exports as a percentage of the total turnover of the entity?

3.4% of the total turnover of the Company is contributed through exports.

c. A brief on types of customers

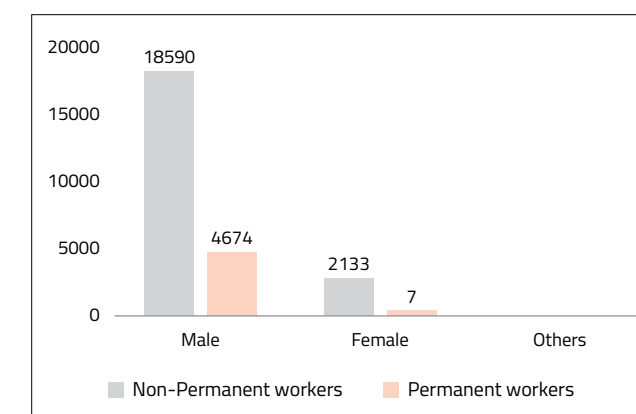
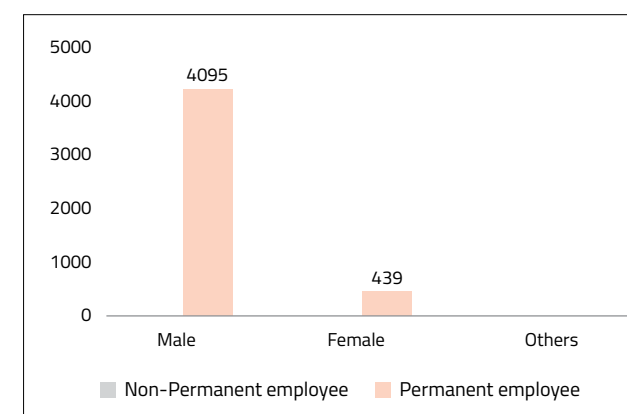
Hero MotoCorp is the world's largest motorcycles and scooters manufacturer. Company sells its products to customers across the globe and the products of the Company caters to adult customers of all ages and gender. It is a testimony of the trust our customers have bestowed on us, generation after generation that enabled the Company to be the largest selling motorcycle and scooter Company in the world by volumes, exceeding 100th million vehicles in the previous year.

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
EMPLOYEES								
1.	Permanent (D)	4,534	4,095	90.32	439	9.68	-	0.00
2.	Other than Permanent (E)	0	-	0.00	-	0.00	-	0.00
3.	Total employees (D + E)	4,534	4,095	90.32	439	9.68	0	0.00
WORKERS								
4.	Permanent (F)	4,681	4,674	99.85	7	0.15	-	0.00
5.	Other than Permanent (G)	20,723	18,590	89.71	2,133	10.29	-	0.00
6.	Total workers (F + G)	25,404	23,264	91.58	2,140	8.42	0	0.00



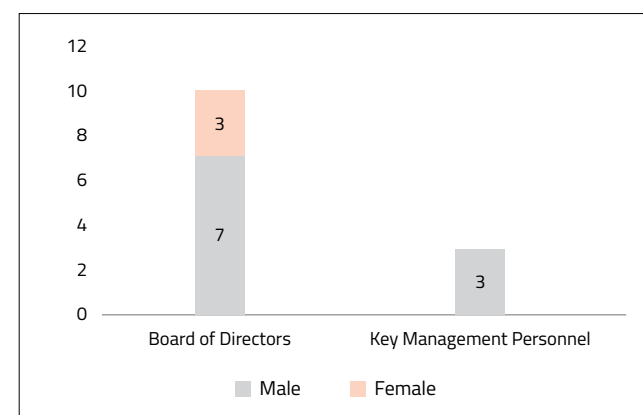
b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
DIFFERENTLY ABLED EMPLOYEES								
1.	Permanent (D)	44	41	93.18	3	6.82	-	0.00
2.	Other than Permanent (E)	0	-	0.00	-	0.00	-	0.00
3.	Total employees (D + E)	44	41	93.18	3	6.82	0	0.00
DIFFERENTLY ABLED WORKERS								
4.	Permanent (F)	11	11	100.00	0	0.00	-	0.00
5.	Other than Permanent (G)	50	44	88.00	6	12.00	-	0.00
6.	Total workers (F + G)	61	55	90.16	6	9.84	0	0.00



19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30.00
Key Management Personnel	3	0	0.00

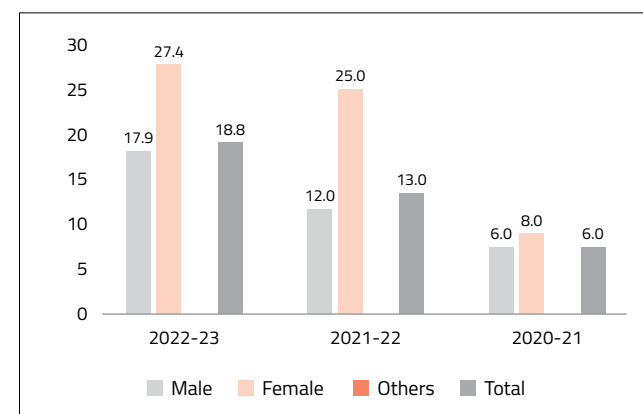


20. Turnover rate for permanent employees and workers:

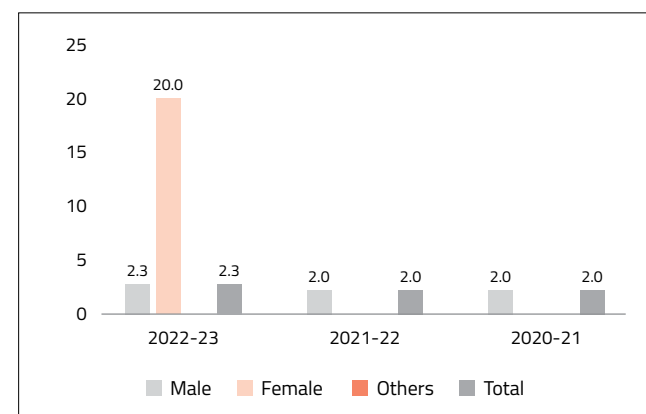
(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)				FY 2021-22 (Turnover rate in previous FY)				FY 2020-21 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees	17.9%	27.4%		18.8%	12%	25%		13%	6%	8%		6%
Permanent Workers	2.3%	20%		2.3%	2%	0		2%	2%	0		2%

Permanent Employees



Permanent Workers



V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Hero FinCorp Limited	Associate	41.19	No
2	Ather Energy Private Limited	Associate	36.54	No
3	HMC MM Auto Limited	Subsidiary	60	No
4	HMCL Americas Inc.	Subsidiary	100	No
5	HMCL Netherlands B.V.	Subsidiary	100	No
6	HMCL Colombia S.A.S	Subsidiary	68	No
7	HMCL Niloy Bangladesh Limited	Subsidiary	55	No
8	Hero Tech Center Germany (GmbH)	Subsidiary	100	No

The subsidiary/associate companies have their own business responsibility (BR) initiatives and generally do not participate in the BR initiatives of the Company. However, there are instances where subsidiaries make joint commitments to support BR initiatives such as COVID-19 relief measures.

VI. CSR DETAILS

22. CSR Details:

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (in ₹)	33,805.65 crore
Net worth (in ₹)	16,705.09 crore

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. 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 2022-23			FY 2021-22		
			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/key-policies.html	-	-	-	-	-	-
Investors (other than shareholders)	Yes	https://www.heromotocorp.com/en-in/key-policies.html	-	-	-	-	-	-
Shareholders	Yes	https://www.heromotocorp.com/content/dam/hero-aem-website/investor-assets/shareholder-and-resources/Shareholders_Referencer.pdf	1,311	46	Pending complaints resolved in FY 2023-24	481	3	Pending complaints resolved in FY 2022-23
Employees and workers	Yes	https://www.heromotocorp.com/en-in/key-policies.html	9	1	-	8	1	-
Customers	Yes	https://www.heromotocorp.com/en-in/key-policies.html	24,712	350	98.6% closed	34,401	770	2.2% pendency
Value Chain Partners	Yes	https://www.heromotocorp.com/en-in/key-policies.html	4	0	-	7	-	-
Others	Yes	https://www.heromotocorp.com/en-in/key-policies.html	-	-	-	9	0	-

24. 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 or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Shift from Internal Combustion Engine Vehicles to Electric Vehicles	O	Identification of risk associated with the effects of environmental changes	1. Launched VIDA powered by Hero. Much anticipated launch of Hero's own, premium, differentiated EV product, with multiple industry firsts including removable battery, during the year. 2. Investment in Ather Energy 3. Collaboration with Zero Motorcycle to accelerate the transition of electric mobility in India and across our global markets.	Positive Implications
2	Shift in spending patterns due to uncertainties	R	Customers wanting to delay certain discretionary purchases	1. Multiple new launches planned across segments to interest the customer. 2. Attractive offers planned for customers. 3. Subvention finance schemes (Low Rate of Interest)	Negative Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

THIS SECTION IS AIMED AT HELPING BUSINESSES DEMONSTRATE THE STRUCTURES, POLICIES AND PROCESSES PUT IN PLACE TOWARDS ADOPTING THE NGRBC PRINCIPLES AND CORE ELEMENTS.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, the Sustainability Policy, which is an overarching policy of the Company contains the guiding principles of the Company. The Sustainability Policy covers all the aforesaid 9 Principles.								
b) Has the policy been approved by the Board? (Yes/No)	Yes, the Sustainability Policy has been approved by the Board of Directors.								
c) Web Link of the Policies, if available	https://www.heromotocorp.com/en-in/key-policies.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies as applicable into procedures and practices in all spheres of activities that the Company does. Ex.- To ensure adherence to the Company's Code of Conduct, Ethics Committee has been constituted to investigate the violations. Further, the Company has well defined SOPs to handle the stakeholders' grievances.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company's Sustainability Policy covering the above 9 principles is expected to be adhered by its stakeholders. 100% of our direct supply chain partner groups signed the Sustainable Procurement Guidelines agreement.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes, the Code of Conduct of the Company, which forms the pillar of the Company is based on the GBS Codex, Å® HBSP, approval #614127 All compliances as stated in HMCL's Sustainable Procurement Guidelines.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Company aims to have: Carbon Neutral operations by 2030, 500% water positive by 2025 and Zero Waste to Landfill by 2025.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance on specific targets are as under: Carbon Neutral operations by 2030- Achieved 39% 500% water positive by 2025- Achieved 405% 100% Zero Waste to Landfill by 2025- Achieved 87.5%								

The Sustainability Policy, which is an overarching policy of the Company contains the guiding principles of the Company. The Sustainability Policy covers all the aforesaid 9 Principles.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements
At Hero MotoCorp, we remain committed to making a significant contribution towards shaping a better future because 'We Care' unconditionally. We remain committed to leading from the front in demonstrating the responsibility of being good corporate citizens by offering smart mobility solutions, spurring technological innovation, enabling the transition to a low-carbon economy and creating shared benefits for all our stakeholders as we work towards a sustainable future. We are also progressing on our three key sustainability aspirations. We are working to achieve 100% carbon neutral operations by 2030 by reducing and offsetting Scope 1 and 2 emissions through various means, 500% water positive facilities by 2025 by creating 5x recharge potential within and beyond the fence cumulatively, and 100% waste neutral facilities through Zero Waste to Landfill (ZWL) certifications by 2025. In FY 2022-23, we achieved carbon neutrality of 39%, water positivity of 405%+ and generated clean renewable energy of 1.36 crore units from solar plants. Diversity and Inclusion (D&I) have always been our foundation and key guiding principles for everything we do at Hero MotoCorp. Our Company remains committed to promoting gender diversity, and this is reflected in an increase in our female workforce to 2500+. We have also signed the United Nations Women's Empowerment Principles, reiterating our commitment to being a leader in empowering women. Health Safety and Well-Being of our employees is a foremost area of work which is fundamental to our organisational growth. We believe that safe work practices lead to better business performance, motivated workforce and higher productivity. We have been accelerating our focus to improve our safety systems over the years to provide a safe, pleasant and healthy workplace environment to our people including the relevant training & awareness.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).
Name : Mr. Vikram Sitaram Kasbekar
Designation : Executive Director - Operations (Plant)
DIN Number : 00985182

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues?
Yes, Sustainability and Corporate Social Responsibility Committee: Dr. Pawan Munjal - Chairman
Mr. Pradeep Dinodia - Member Prof. Jagmohan Singh Raju - Member Ms. Tina Trikha - Member

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Any other Committee	Any other Committee	Any other Committee	Any other Committee	Any other Committee	Any other Committee	Any other Committee	Any other Committee	Any other Committee
Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
Performance against above policies and follow up action	Any other	Any other	Any other	Any other	Any other	Any other	Any other	Any other	Any other
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Any other	Any other	Any other	Any other	Any other	Any other	Any other	Any other	Any other
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Price Waterhouse Chartered Accountants LLP								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	13	Covering all Principles	100
Key Managerial Personnel	13	Covering all Principles	100
Employees other than BoD and KMPs	42	Sustainability, human rights, health	32
Workers	-	-	-

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

NGRBC Principle	Monetary		Brief of the Case	Has an appeal been preferred? (Yes/No)
	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)		
Penalty/ Fine	Not Applicable			
Settlement				
Compounding fee				
NGRBC Principle	Non-Monetary		Brief of the Case	Has an appeal been preferred? (Yes/No)
	Name of the regulatory/ enforcement agencies/ judicial institutions			
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.

Both matters related the accident case of Dharuhera & Gurgaon have been closed.

4. Does the entity have an anti-corruption or anti-bribery policy?

Yes, the Code of Conduct covers the Anti-Corruption and Anti-Bribery. The policy reiterates Company's stance of zero tolerance towards bribery and corrupt practices. The same is available at https://www.heromotocorp.com/en-in/uploads/code_policy/20191224114146-code-policy-495.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:

NIL

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Both matters related to the accident case of Dharuhera & Gurgaon have been closed.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Sr. no	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	4	Awareness about Sustainability, ESG and HMCL's SPDP Program	91

Training session is organised for APV of the Direct Component Suppliers.

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/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 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	532.88	431.42	-
Capex	227.06	184.43	-

(₹ in crore)

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

Sustainable procurement guideline is signed by our 100% of our direct supply chain partner groups.

b. If yes, what percentage of inputs were sourced sustainably?

100%

In terms of Sustainability Policy of the Company, the Company is committed to handhold its value chain partners to implement relevant policies and processes to enhance their sustainability performance.

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) (b) E-waste (c) Hazardous waste and (d) other waste.

Not Applicable

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 in line with the 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

If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link.
30911	HF Deluxe	17.42	To understand the actual environmental performance of the product with key focus on primary energy consumption, GHG emissions, acidification potential, blue water consumption, primary energy demand and photochemical ozone creation potential with a cradle to grave approach.	Yes	Yes	https://www.heromotocorp.com/en-in/uploads/sustainability_report/SR-2019.pdf

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	Idle start stop system (i3s) implementation	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.

Company also accelerated its efforts on developing in house electric vehicle as a part of its emerging mobility strategy and transitioning towards sustainable mobility solutions.

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 2022-23	FY 2021-22
Aluminum (%)	61.1	61.10
Steel (%)	11.22	6.29

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 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	1,367
E-waste	NIL	NIL	NIL	NIL	NIL	5.4
Hazardous waste	NIL	NIL	NIL	NIL	NIL	1,652
Other waste	NIL	NIL	NIL	NIL	NIL	8,056.6

Exploring possibility to engage with scrapping agencies for ELV to reuse, recycle, and to safely dispose products after used phase.

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
	NIL

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	4,095	4,095	100.00	4,095	100.00	-	0.00	4,095	100.00	4,095	100.00
Female	439	439	100.00	439	100.00	439	100.00	-	0.00	439	100.00
Total	4,534	4,534	100.00	4,534	100.00	439	100.00	4,095	100.00	4,534	100.00
Other than Permanent employees											
Male	0	0	0.00	0	0.00	-	0.00	-	0.00	-	0.00
Female	0	0	0.00	0	0.00	-	0.00	-	0.00	-	0.00
Total	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

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	4,674	4,674	100.00	4,674	100.00	-	0.00	1,049	22.44	4,674	100.00
Female	7	7	100.00	7	100.00	7	100.00	-	0.00	7	100.00
Total	4,681	4,681	100.00	4,681	100.00	7	100.00	1,049	22.44	4,681	100.00
Other than Permanent workers											
Male	18,590	18,590	100.00	18,590	100.00	-	0.00	0	0.00	18,590	100.00
Female	2,133	2,133	100.00	2,133	100.00	2,133	100.00	-	0.00	2,133	100.00
Total	20,723	20,723	100.00	20,723	100.00	2,133	100.00	0	0.00	20,723	100.00

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	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						

ESI -Only Eligible employees as per law

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises of the Company are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink 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.

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%	87%	100%	100%
Female	100%	74%	100%	100%
Total	100%	86%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

Yes

If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)	Remark
Permanent Workers	Yes	We have various committees within the plants that comprise of both management and worker representatives to address and handle the grievances such as POSH committee, Ethics Committee etc. If a grievance remains unresolved by the committee, it will be escalated to the appropriate level of authority, such as the HOD, ER Head, or Plant HR Head, based on the nature and severity of the issue. The Whistle-blower Policy of the Company provides a formal platform to share grievances on various matters. New recruits are also sensitised on the various mechanism during the employee induction programme.
Other than Permanent Workers	Yes	Company has various redressal mechanisms in place for addressing grievances. Policies such as prevention, prohibition and redressal of sexual harassment of women at the workplace have an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on the same is placed on the Company's website. Members of the Company's ICC are responsible for conducting inquiries pertaining to such complaints. The Company, on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis. Company also has Ethics committee to deal with Code of Conduct violation incidents.
Permanent Employees	Yes	The grievance redressal policies in place for internal employees are equally applicable to the other than permanent employees based out of Offices as well as plants.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	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	0	0	0.00	0	0	0.00
- Male			0.00			0.00
- Female			0.00			0.00
- Others			0.00			0.00
Total Permanent Workers			100.00			100.00
- Male	3,402	3,402	100.00	3,399	3,399	100.00
- Female	0	0	0.00	0	0	0.00
- Others			0.00			0.00

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	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	4,095	1,021	24.93	3,160	77.17	4,150	4,150	100.00	4,150	100.00
Female	439	124	28.25	420	95.67	424	424	100.00	424	100.00
Others			0.00		0.00			0.00		0.00
Total	4,534	1,145	25.25	3,580	78.96	4,574	4,574	100.00	4,574	100.00
Workers										
Male	4,674	4,674	100.00	4,674	100.00	4,596	4,596	100.00	4,596	100.00
Female	7	7	100.00	7	100.00	3	3	100.00	3	100.00
Others	0	0.00		0.00				0.00		0.00
Total	4,681	4,681	100.00	4,681	100.00	4,599	4,599	100.00	4,599	100.00

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4,095	4,095	100.00	4,150	4,150	100.00
Female	439	439	100.00	424	424	100.00
Others			0.00			0.00
Total	4,534	4,534	100.00	4,574	4,574	100.00
Workers						
Male	4,674	4,674	100.00	4,596	4,596	100.00
Female	7	7	100.00	3	3	100.00
Others			0.00			0.00
Total	4,681	4,681	100.00	4,599	4,599	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).

Yes

If yes, the coverage such system?

Yes, we have an Occupational health and safety management system. An organisation wide internal occupational health management system and safety and environment management system consisting of global best practices is existing and being managed accordingly. All our manufacturing units are certified with ISO 45001- Occupational health & safety management system certification. All category employees working at manufacturing units are covered under this.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

HIRA- Hazard identification and risk assessment system exists for this purpose. Regular health and safety audits, safety surveys, periodic occupational health surveillance are conducted.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, all employees are encouraged to report unsafe or unhealthful working conditions at workplace to their immediate supervisor or to safety department directly who will promptly investigate the situation and take appropriate corrective actions and also review the HIRA.

An incident report will be generated and a safety representative will respond to the location to investigate.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all category of employees including contractor workman can access the Occupational Health Centre 24X7 and take treatment for non occupational medical services.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	0
	Workers	0.44	0.1
Total recordable work-related injuries	Employees	3	0
	Workers	15	5
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company undertake various proactive measures to improve safety and health such as safety audits through internal and external experts, safety training for its employees on topics like behavioural based safety training, fire safety, process safety etc. The Company puts serious efforts to prevent accidents or mishaps that may lead to loss of workdays, bodily injury or fatality. The Company is further involved in proactive measures which are designed to eliminate potentially dangerous workplace behaviour and situations that may be dangerous to employees. HIRA (hazard identification and risk assessment) -for identification of all types of hazards and risk assessments to control and prevent any injury or health issues , Implementation of best practices related to health and safety, ensuring full compliance related to health and safety statutory compliances, Compliance of ISO-45001 system, Ergonomic surveys are done to ensure ergonomically safe workplace, Industrial hygiene surveys to have a safer work environment, occupational health surveys and surveillance, safety audits and surveys, work environment monitoring, workplace hygiene monitoring, safety committee consists of all category employees, monthly health and safety meetings, feedback is taken from all category employees regarding safety and health, robust accident and near miss reporting system, injury prevention system, compliance monitoring system, focus on sustainability. Regular internal and external audits for health and safety management and compliances.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	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 actions are taken against all safety related incidents after detailed root cause analysis for each incidents. The actions implemented in one plant are also horizontally deployed to other plants of Hero MotoCorp Ltd. through a safety look across system. The Hazards and risks are identified through various auditing and inspection process. Control measures are planned to mitigate significant Health and Safety hazards according to the hierarchy of controls. As per hierarchy of controls, the elimination of hazard is the most effective control method and the use of Personal Protective Equipment (PPE) is the least effective control. Action taken report is submitted by the concerned agencies after closure of observation either through hazard notification system or otherwise and followed up by the Safety Coordinator. Any serious (high potential to cause injury) deficiencies are repaired immediately.

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, the employees are covered under life insurance. During Covid period, in the unfortunate case of death of any employee, the Company decided to make contribution equivalent to the pay-out by insurance company.

b. Workers (Y/N).

Yes, the employees are covered under life insurance. In the unfortunate case of death of any employee, the company decided to cover natural as well as accidental death cases, unforeseen and unfortunate event of death at any point in time, anywhere in the world.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Business agreements, as applicable mandates the value chain partners to comply with all the statutory laws, regulations and rules made thereunder.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	1	0	0	0

The injured person is still under treatment in a rehabilitation center.

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

Given that the employees are mostly high skilled, the transition assistance programme for the retirees are not found to be compelling.

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	95
Working Conditions	

Completed Fire & Safety risk assessment to improve the safety performance and working conditions of 111 suppliers against a plan of 116 by the end of "FY'23"

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 value chain partner is categorised into low, medium and high where all risks are duly closed by all the suppliers with a proper action plan. No significant risk are pending for action at any value chain partner.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Yes, the Company has mapped and identified its internal and external stakeholders. Company recognises employees, customers, shareholders, NGOs and communities, dealers, suppliers, investors, media, government, regulators, peers and industry ecosystem as our key stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Yes	Advertisement	Others	Customer feedback on product and services
Employees	No	Other	Others	Discussion long-term strategy and welcome their insights and perspective
Value Chain Partners	No	Website	Others	Discussion on business volume, customer expectations, sustainability
Shareholders and Investors	No	Website	Others	Discussion on business volume, customer expectations, sustainability
Industrial Association	No	Community Meetings	Others	Participation and External communication, Knowledge gaining sharing
Local Communities	Yes	Community Meetings	Others	Promote activities to raise awareness on green, safe and sustainable living & inclusive prosperity.
Regulatory Bodies	No	Community Meetings	Others	Policy strengthening and social economic benefits to stakeholders

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The organisation has identified key internal and external stakeholders to achieve its SCSR initiatives to make a 'Greener, Safer and Equitable' world. This is done through a process of thorough need assessment in the field, followed by a conceptualisation of the project appropriate for the community and on-boarding subject matter experts to ensure proper implementation. The Board is kept abreast about 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).

Yes

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.

As the process is described above. All the stakeholders play a key role in identifying and working on the CSR projects. For Example - In 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.

Working in tandem with the marginalised stakeholder's groups and responding to their concerns is of utmost priority to the SCSR department of Hero MotoCorp. An example of this is the CSR flagship project 'Hero for Humanity'. The CSR focused on supporting women who lost their primary bread-earners in the covid-19 pandemic. The department identified these vulnerable households near the different plant locations with the help of local government bodies and provided ration and education support to immediately help the families for 6 months. This was regularly accompanied with field visits and interaction with the stakeholders. The constant engagement helped in designing the second stage of support, which was to enable the beneficiaries to set up their own enterprises and be financially independent. To do this, the women actively participated in deciding what enterprise they wanted to set up and how they wanted to run it.

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 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	4,534	4,534	100.00	4,574	4,574	100.00
Other than permanent	-	-	0.00	-	-	0.00
Total Employees	4,534	4,534	100.00	4,574	4,574	100.00
Workers						
Permanent	4,681	4,681	100.00	4,599	4,599	100.00
Other than permanent	0	0	0.00	19,782	19,782	0.00
Total Workers	4,681	4,681	100.00	24,381	24,381	100.00

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	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	4,534	0	0.00	4,534	100.00	4,574	0	0.00	4,574	100.00
Male	4,095	0	0.00	4,095	100.00	4,150	0	0.00	4,150	100.00
Female	439	0	0.00	439	100.00	424	0	0.00	424	100.00
Others			0.00		0.00			0.00		0.00
Other than permanent	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Male			0.00		0.00			0.00		0.00
Female			0.00		0.00			0.00		0.00
Others			0.00		0.00			0.00		0.00
Workers										
Permanent	4,681	0	0.00	4,681	100.00	4,599	0	0.00	4,599	100.00
Male	4,674	0	0.00	4,674	100.00	4,596	0	0.00	4,596	100.00
Female	7	0	0.00	7	100.00	3	0	0.00	3	100.00
Others			0.00		0.00			0.00		0.00
Other than permanent	20,723	20,723	100.00	0	0.00	19,782	19,782	100.00	0	0.00
Male	18,590	18,590	100.00		0.00	18,130	18,130	100.00		0.00
Female	2,133	2,133	100.00		0.00	1,652	1,652	100.00		0.00
Others			0.00		0.00			0.00		0.00

3. Details of remuneration/salary/wages, in the following format:

	(₹ in crore)			
	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD) (Executive Director)				
Mr. V S Kasbekar	1	8.13	-	-
Key Managerial Personnel				
Dr. Pawan Munjal	1	99.55	-	-
Mr. Niranjana Gupta	1	7.89	-	-
Mr. Dhiraj Kapoor	1	1.35	-	-
	Numbers		Median Remuneration	
Employees & Workers (As on 31.03.2023)		9215		0.12

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

We have various committees within the company such as POSH Committee, Ethics Committee etc., which are responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Company is committed to provide a safe business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	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	17	1		7	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has Vigil Mechanism/ Whistle Blower Policy to ensure protection of the complainant from discrimination, victimisation, retaliation or adoption of any unfair employment practices.

Link: https://www.heromotocorp.com/en-in/uploads/code_policy/20200903060455-code-policy-95.pdf

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, agreements provide that all the statutory & regulatory laws including the human right to have a safe working place, timely payment of dues etc. are required to be complied by the service provider.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others - please specify	

100% of Plants and offices are assessed during the statutory audit ensuring compliance with all the Statutory laws/Regulatory requirement, Labour laws and rules made thereunder.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Code of Conduct of the Company is based on GBS Codex and respects the rights of its employees. Further, the Sustainability Policy of the Company respects and promote human rights. The Company regularly sensitises its employees on the Code of Conduct through various training programmes. At HMCL, we believe in providing equal opportunities and platforms to hear the voice of our employees to capture employee grievances including human rights grievances / complaints. In order to achieve so, we have taken several initiatives to hear our employees and provide the necessary solutions to the concerns raised by them. Such initiatives include fortnightly meetings at shop floor, Monthly CFT meetings, Open house, provision of HR Help desk to capture and address grievances.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Please refer to the response mentioned in point no. 1 above.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	
Forced/involuntary labour	Company expects its value chain partners to comply with its Sustainability Policy and with the law of the land where they do business. No specific assessment has been done.
Sexual harassment	100% of our direct supply chain partner have signed sustainable procurement guideline which cover above parameters.
Discrimination at workplace	
Wages	
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.

Corrective actions are identified by Supply Chain Partners for the closure of the gaps posing the significant risks.

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 2022-23	FY 2021-22
Total electricity consumption (A)	Joules or multiples	467244	423754
Total fuel consumption (B)	Joules or multiples	326090	460718
Energy consumption through other sources (C)	Joules or multiples	0	0
Total energy consumption (A+B+C)	Joules or multiples	793334	884472
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Joules or multiples	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	Joules or multiples	0.148	0.184

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

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

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	297408	305529
(ii) Groundwater	kilolitres	549694	518483
(iii) Third party water	kilolitres	0	0
(iv) Seawater / desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	847102	824012
Total volume of water consumption (in kilolitres)	kilolitres	847102	824012
Water intensity per rupee of turnover (Water consumed / turnover)	kilolitres		
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	0.158	0.17

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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4. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

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.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT	16.1	33.75
SOx	MT	0.9	2.56
Particulate matter (PM)	MT	6.3	11.08
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	19867	26545
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	82484	84115
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	tCO ₂ e	19.07 KG/Veh	22.94 KG/Veh

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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7. Does the entity have any project related to reducing Green House Gas emission?

Yes

If Yes, then provide details.

Initiated process for RE Wheeling (2 MW). Apart from this energy efficiency projects in plant operation especially in utilities , lighting, ventilation were successfully implemented.

8. Provide details related to waste management by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)			
Plastic waste (A)	metric tonnes	1491.9	1367
E-waste (B)	metric tonnes	15.1	5.4
Bio-medical waste (C)	metric tonnes	0.3	0.32
Construction and demolition waste (D)	metric tonnes	914	0
Battery waste (E)	metric tonnes	71.3	127
Radioactive waste (F)	metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G)	metric tonnes	1801.6	1652
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	metric tonnes	6273.5	7930
Total (A+B + C + D + E + F + G + H)	metric tonnes	10567.6	11081.72
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	0	0
(ii) Re-used	metric tonnes	0	0
(iii) Other recovery operations	metric tonnes	0	0
Total	metric tonnes	0.00	0.00
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	metric tonnes	0.30	0.32
(ii) Landfilling	metric tonnes	0	7
((iii) Other disposal operations	metric tonnes	10567.3	11073.7
Total	metric tonnes	10567.6	11081.02

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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9. 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.

Company is committed to regularly improve its Waste management initiatives at its facilities. All Plants dispose waste in compliance with operating permits and hazardous waste authorisations. Company engage with waste disposal facilities/ waste recyclers/ cement companies after due validation. As per our strategic drive to divert hazardous wastes away from landfill and incineration, a number of recycling options have been explored and implemented across organisation level.

10. 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

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No Environmental impact assessment of projects were undertaken by the Company during the current financial year.

12. 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).

The Company is complying with all applicable environmental law/ regulations/ guidelines in India;

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
From renewable sources			
Total electricity consumption (A)	Joules or multiples	49016	38401
Total fuel consumption (B)	Joules or multiples	-	-
Energy consumption through other sources (C)	Joules or multiples	-	-
other sources			
Total energy consumed from renewable sources (A+B+C)	Joules or multiples	49016	38401
From non-renewable sources			
Total electricity consumption (D)	Joules or multiples	418228	383311
Total fuel consumption (E)	Joules or multiples	326090	461365
Energy consumption through other sources (F)	Joules or multiples	-	-
other sources			
Total energy consumed from non-renewable sources (D+E+F)	Joules or multiples	744318	844676

Yes

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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.

2. Provide the following details related to water discharged:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	kilolitres	0.00	0.00
- No treatment	kilolitres		
- With treatment - please specify level of treatment	kilolitres		
(ii) To Groundwater	kilolitres	0.00	0.00
- No treatment	kilolitres		
- With treatment - please specify level of treatment	kilolitres		

Parameter	Please specify unit	FY 2022-23	FY 2021-22
(iii) To Seawater	kilolitres	0.00	0.00
- No treatment	kilolitres		
- With treatment - please specify level of treatment	kilolitres		
(iv) Sent to third-parties	kilolitres	0.00	0.00
- No treatment	kilolitres		
- With treatment - please specify level of treatment	kilolitres		
(v) Others	kilolitres	0.00	0.00
- No treatment	kilolitres		
- With treatment - please specify level of treatment	kilolitres		
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.

Not Applicable

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

- (i) Name of the area: Haryana and Rajasthan
- (ii) Nature of operations: Manufacturing of two-wheelers, Global Parts Centre and Research & Development.
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Please specify unit	FY (Current Financial Year)	PY (Previous Financial Year)
Water withdrawal by source			
Surface water	kilolitres	141146	138869
Groundwater	kilolitres	271466	262916
Sent to third-parties	kilolitres	-	-
Seawater / desalinated water	kilolitres	-	-
Others	kilolitres	-	-
Total volume of water withdrawal	kilolitres	412612	401785
Total volume of water consumption	kilolitres	412612	401785
Water intensity per rupee of turnover (Water consumed / turnover)	kilolitres	-	-
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	-	-
Water discharge by destination and level of treatment			
(i) Into Surface water	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(ii) Into Groundwater	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iii) Into Seawater	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iv) Sent to third-parties	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(v) Others	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
Total water discharged	kilolitres	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Price Waterhouse Chartered Accountants LLP

4. Please provide details of total Scope 3 emissions & its intensity:

Not Applicable

5. With respect to the ecologically sensitive areas reported at Question 10 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

6. 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:

Not Applicable

7. Does the entity have a business continuity and disaster management plan?

Yes

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 unfavourable 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 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.

8. 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 of the Company.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Total 236 supplier manufacturing facilities has been assessed so far which amounts to 92% of total business volume. During FY23, under Sustainable Partner Development Program, Baseline Assessment done for 128 SCP Groups which caters to 91% of total procurement value.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations. - 7

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CII - Confederation of Indian Industry	National
2	SIAM - Society of Indian Automobile Manufacturers	National
3	ECMA - Emission Controls Manufacturer Association	National
4	ACMA - Automotive Component Manufacturer Association	National
5	FADA - Federation of Automobile Dealers Association	National
6	IMMA - International Motorcycle Manufacturers Association	International
7	SAFE - Society of Automotive Fitness & Environment	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NA	

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	Deferment of standardisation regulations for battery swapping.	Direct Communication (through SIAM)	Yes	Others	
2	Deferment of MHI Guidelines for FAME-2 & PLI for battery and BMS testing to enhance human safety from 1 st April 2023 to 1 st Oct 2023.	Direct Communication (through SIAM)	Yes	Others	https://heavyindustries.gov.in/writereaddata/UploadFile/MHI-Guidelines-Safety-parameters-.pdf
3	Implementation of AIS 156 in two phases	Direct Communication (through SIAM)	Yes	Others	https://egazette.nic.in/WriteReadData/2022/239203.pdf
4	Type approval framework formulation for Quark (2-3 Combi-vehicle)	Direct Communication (through SIAM)	Yes	Others	https://morth.nic.in/sites/default/files/AS1/6-AIS-177-Type%20Approval%20Requirement%20for%20vehicle%20of%20category.pdf
5	On-Board Diagnostic (OBD) II Deferment of OBD II in 2 phases - Phase 1: 1 st April, 2023 Phase 2: 1 st April 2025	Direct Communication (through SIAM)	Yes	Others	https://egazette.nic.in/WriteReadData/2022/236905.pdf
6	Green Hydrogen Policy	Direct Communication (through SIAM)	Yes	Others	https://mnre.gov.in/img/documents/uploads/file_f-1673581748609.pdf
7	Exclusion / Postponement of 2W & 3W in new Cybersecurity Regulations	Direct Communication (through SIAM)	No	Others	
8	Standardisation of LEV AC/DC Combined Charging - Connector & EVSE standards	Direct Communication	Yes	Others	
9	Wheel rim QCO deferment from 21 st Sept 2022 to 22 nd June, 2023	Direct Communication (through SIAM)	Yes	Others	1150 3896(E) 12 th August 2022 Wheel RIM third extension.pdf (morth.nic.in)

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.

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:

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 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	5%	2%
Sourced directly from within the district and neighbouring districts	77%	59%

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):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Uttarakhand	Haridwar	1,39,00,879
2	Odisha	Koratpur	51,50,809

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:

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.

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	Project Shiksha - Education	7,782	100
2	Diversity and Inclusion	1,239	100
3	Project Arogya - Promoting preventive health care	5,99,952	100
4	Khelo Hero	2,437	100
5	Covid-19 Relief	854	100
6	Community Development	1,793	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.

Company has robust customer's grievance capturing mechanism through different medium like toll free number, social media, corporate website, e-mails, etc. Customer's grievances are recorded into the system which has loop closing mechanism and transparency till satisfaction of the customer.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	-	-	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	-	-	-
Restrictive Trade Practices	0	0	-	-	-	-
Unfair Trade Practices	33	33	Consumer complaints pending for adjudication	244	244	Consumer complaints pending for adjudication
Other	24,712	350	98.6% closed	34401	770	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		NIL

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web-link of the policy.

<https://www.heromotocorp.com/en-in/privacy-policy.html>

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.

We have defined and documented Cybersecurity framework spanning across, technical risk, access management, Vulnerability management and security operations. There are periodic audits such as ISO 27001 audit and IT General controls audit conducted by independent third parties to provide assurance on the controls effectiveness. We have dark web monitoring services also to check for any potential data breaches.

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 are available at the corporate website, www.heromotocorp.com and also at <https://eshop.heromotocorp.com>. In addition, the owner's manual containing the details of product of the Company is handed to all customers during delivery of vehicle. The Company also actively uses various social media and digital platforms to disseminate information about its products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

During the new vehicle delivery and service, customers are informed and educated on the safe and responsible usage of the products. 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.

Company has Business Continuity Committee to deal with any kind of disruption and discontinuation. In case of any disruption/discontinuation of essential services, customers are informed through various media channels both print and digital and also through individual SMS to the customers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) 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

If yes, provide details in brief.

The details on information label are as per the requirements of the Legal Metrology Act, 2009 and Rules made thereunder. The Company voluntarily and actively informs all its dealers about any changes in product packaging through notices and circulars. It has also been running educative campaigns informing customers to operate vehicles in a more fuel efficient manner and to read the operating manual and the road safety leaflet. The leaflet enumerates good to emulate riding practices, fuel saving tips etc. in a reader - friendly and easy to understand manner. The spare parts come with a customer toll free number, address and e-mail ID, where consumers can reach our executives with feedback, grievances and even queries regarding the products. Besides, 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. The Company also measures customer satisfaction through its programme Customer Experience Index.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

No data breach incident pertaining to customers has been reported in current financial year.

b. Percentage of data breaches involving personally identifiable information of customers

No data breach for personally identifiable information of customers

CONSERVATION OF ENERGY

(i) Steps taken or Impact on conservation of energy:

Energy conservation initiatives and energy efficient technologies have been the top focus in HMCL's operations. HMCL believes actions around energy bring direct benefit to bottom-line and to the climate resilience. Some of key energy initiatives undertaken during the year are as under:

- a. Dharuhera plant has achieved annual energy savings of 11.01 lakh kWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –
 - 1. Energy saving by Provision of Portable compressor during Sundays & non-productive hours.
 - 2. Energy saving by provision of VFD in Fume/ Dust collector exhaust system in weld shop.
 - 3. Upgradation of old Chillers with VRV (Variable Refrigerant Volume) system in R&D building.
 - 4. Upgradation of Water cooled and fixed speed compressor to Air cooled and variable speed compressor.
 - 5. Provision of "Ceramic glass coating" on Two Tempering Furnace.
 - 6. Energy saving in machines during Non-productive hours by minimising running hours for Hydraulic motors & Robotic Power stabilizers (195 machines).
 - 7. Installing Brushless Direct Current (BLDC) motors with Electronically commuted (EC+) fans in Canteen, Forced draft ventilation (FDVs) and other critical process applications.
- b. Gurgaon plant has reduced Specific Energy Consumption from 31.9 KWH/Veh to 29.1 KWH/Veh i.e. equivalent to 20.78 Lacs KWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –
 - 1. Saving by implementing ISO 50001: 2018 Energy Management System.
 - 2. Centralised Heat Pump System for Weld Shop Washing Machines.
 - 3. Installation of Brushless Direct Current (BLDC) ceiling and wall fans in office areas.

- 4. Reducing energy loss through installation of Auto Power Factor Correction (A.P.F.C.) Panel at Load End at Plant having Low Power factor.
- 5. Panels installed for Forced Draft Ventilation (FDV) speed optimisation in plant.
- 6. Saving through Energy Management System by Loss Reduction.
- 7. Optimising duration of running of lighting system of plant by providing Occupancy sensors.
- 8. Saving Energy by Controlling of plant Exhaust blowers from SCADA.
- c. The Haridwar plant has been able to achieve significant energy savings by employing a variety of methods to optimise their manufacturing processes and leverage innovative technologies which resulted in **7.37 lakh KWh (units)** and 42K SCM of natural gas. These measures have been implemented with the goal of reducing the overall energy consumption of the plant and promoting sustainability some of them worth mentioning are –
 - 1. Achieving load reduction in a paint shop through the optimisation of running hours and the elimination of losses.
 - 2. Optimising the running hours of compressors during non-working days.
 - 3. Improving the efficiency of a dust collector exhaust system through installation of Variable Frequency Drive (VFD) and optimising the motor capacity.
 - 4. Implementing an automatic cleaning system for the chiller in Engine Assembly.
 - 5. Optimising pump flow through Frequency optimisation in the paint shop area to achieve greater efficiency.
 - 6. Upgrading conventional lighting to energy-efficient LED lights.
 - 7. Reducing contracted loads in the plant.
 - 8. Optimising the temperature of hot water to achieve greater energy efficiency by installing efficient heat exchangers.
- d. Neemrana plant has achieved annual energy savings of **5.66 Lakh kWh (units)** through the deployment of various process optimisation and technologies. Major such initiatives include the following –

1. Energy saving by reducing the Bigfoot energy consumption by Provision of HVLS fan in plant.
 2. Achieving load reduction in a paint shop through the optimisation of running hours and the elimination of losses.
 3. Upgrading conventional lighting to energy-efficient LED lights.
 4. Reducing connected loads in the plant.
 5. Optimising the running hours of compressors during non-working days.
 6. Maximum Solar energy utilisation on Sundays/ Holidays by installing the RPR system in Plant.
 7. Paint shop LNG Consumption reduction by installing the resonator over gas pipe line of burner.
 8. Reduce the Energy consumption of fine boring and micromatic machine by installing energy efficient pump.
- e. Halol plant has achieved annual energy savings of **4.10 Lakh KWh (units)** and Fuel Saving of **0.42 Lakh SCM** through the deployment of various process optimisation and technologies. Major such initiatives include the following –
1. Power saving by Elimination of Heater in Weld shop, Alphase and Engine Washing Machine Introduction of Cold cleaning agent.
 2. Elesol Plate installation to save Energy Losses in Air Compressor-02.
 3. Paint shop -02 will completely shutdown by Idle Machine Power Off.
 4. MEE Plant Running Day Optimisation from 11 days to 9 days Power & Fuel Saving.
 5. Non- working day Solar Utilisation Increase by MLTP-4 to MLTP-5 Change Over on Every Non- working Day.
 6. Cooling Tower Extra pump Running Elimination and Pump Running starting on Pressure Based.
 7. Using Hybrid Solar panel we can save 25-55% of AC power consumption.
 8. Other Project (weld shop area Power saving , Lighting Saving in export, HVLS Fan Operation time reduction, ETP Pump Stopped and BLT Machine Stopped Power Saving).
9. Magnetic Resonator for hot box chamber of PBRO to reduce NG consumption by 10%.
- f. CIT Jaipur has achieved annual energy savings of 5.38 Lakh kWh through various process optimisation and technologies. Majority of such initiatives include the following –
1. Energy saving by elimination of UPS losses: - Utilisation of Central Utility -02 UPS was very less. Load is transferred on Central utility -01 UPS by intercommoning both location resulted in reduction of UPS internal loss & switching off air conditioning units.
 2. ETP Plant was running 24 hours & all 30 days irrespective of effluent load. Treatment Process is optimised for batch treatment for running only 10 days in a month.
 3. Hot air exhaust from LDS shaker machine was left inside the room leading excess load on cooling system. Exhaust duct modified for releasing hot air in courtyard leading direct energy saving on air conditioning system.
 4. Chilled water line insulation improved for reduction of cooling loss reduction in chillers.
 5. Water flowing in overhead tank was manually controlled and many times same was getting overflow, Pump running is controlled through level sensor now only 50 % of the tank is filled.
 6. Big Foot panel air conditioner units were running 24 hours continuously, running of the same is controlled through timer now panel air conditioner is running for 8 Hours and switched off for 16 Hours.

(ii) Steps taken by the Company for utilising alternate sources of energy:

Exploring opportunities for RE-wheeling for all locations, completed pilot project installation at HM5V to wheel 2 Mw of Solar power which equals to 90.0 lacs of energy units annually.

(iii) Capital Investment on energy conservation equipments:

Approx. capital investments on energy conservation equipment in FY 2022-23: ₹ 5.08 crore.

TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption-

- 201 Patent Applications filed by HMCL in 2022-23 towards development of new technologies
- Total Patent Applications filed by HMCL till 31-3-2023 = 767
- Patents Granted (Global) in FY 22-23 = 33

TECHNOLOGY DEVELOPMENT

Corner Bend Lighting System – Patented Technology implemented in XOOM scooter

The Hero Intelligent Cornering Light (HiCL) makes its debut in the 110cc segment with Hero Xoom, providing enhanced safety for the customers. The HiCL illuminates the dark corner areas with an unrivalled bright, clear light when the rider is taking a turn or heading into curves. The rider benefits from the illumination of the corners on the road, thereby ensuring safer riding at night.

EV Battery development

In-house design & development of EV Vida V1 Battery involving compliance with strict environmental regulations [ASIL C BMS compliant]. The EV battery has been designed as per highest safety standards, stackability, thermal dissipation, charging characteristics, featuring isolation of damaged cell if any, reliability & life.

OBD2.1 Compliant technology

As per government norms effective 1st April 2023, All vehicles shall be OBD2.1 compliant, which means that all emission relevant sensors and actuators to be monitored for minimum two out of following three type of rationality check: Out of Range, Signal Stuck or Performance/ Plausibility check. OBD monitoring system checks & controls emission performance during use by customers in the field.

(ii) Benefits derived, like product improvement, cost reduction, product development or import substitution-

Electric Vehicle development

FY22-23 comes with the launch of – **INDIA'S FIRST FULLY-INTEGRATED ELECTRIC SCOOTER – VIDA V1**. The development and production of the VIDA V1 follows all-encompassing approach to sustainability involving compliance with strict environmental and social standards in the extraction of raw materials, plus the use of electricity from renewable sources and a high proportion of recycled materials in the mix.

VIDA V1 features a high-voltage Li-Ion based battery with Nickel Manganese Cobalt chemistry having a net energy content of 3.94 kWh in VIDA V1 Pro and for the VIDA V1 Plus has a net energy content of 3.44 kWh. Batteries can stand shock loads and have gone through many industry-first test protocols for reliability.

Safety Feature in VIDA V1- The limp home feature, keeps the rider agnostic of being stranded, since VIDA V1 offers the rider an ability to drive at 10kmph for about 8 kilometers to a location of choice, in case the SOC drops below a pre-defined limit.

Product Development -

Major Product Launches [FY 2022-23]

New 110cc scooter – XOOM - The Hero Xoom embodies a fresh new take in the 110cc category with an industry-first feature – the Hero Intelligent Cornering Light (HiCL), and segment-first features – bigger and wider tyres and zippy acceleration in the 110cc segment, it guarantees an unparalleled mobility experience to the owners.

Passion 'XTEC' - Features 1st in segment Projector LED Headlamp with 12% longer beam. It also has a safety feature of side stand engine cut off and option of disc brake and Combi Braking system (CBS) for better handling

Splendor+ 'XTEC' - Progressive and innovative, offering everyday practicality, the new Splendor model is packed with features such as Full Digital Meter with Bluetooth connectivity, Call & SMS alert, RTMI (Real Time Mileage Indicator), low fuel indicator, LED High Intensity Position Lamp (HIPL) and exclusive graphics.

Xpulse 200T 4V - Powered by a BS-VI 200cc 4 Valve oil cooled engine, that churns out a maximum power of 19.1 PS @ 8500 RPM and torque of 17.3 Nm @ 6500rpm. The richer torque provides a relaxed touring feeling.

Super Splendor XTEC - It comes with a newly designed LED Headlamp with high intensity position lamp [HIPL], stylish Visor and Rim Tapes builds further upon this dynamic excitement. The new dual-tone stripes exude elegance and style.

Xpulse 200 4V Rally Edition - An appeal to the adventure-seeking motorcyclists.

Import Substitution

Local source development for ABS plastic parts rather than importing from Korea thereby saving substantial foreign currency.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Cost reduction

Huge annual saving by commonisation of Cylinder head material in all models by implementing AC4B material and replacing 3 different grades used earlier HS1, AC2B and AC4B.

(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

(iv) The expenditure incurred on Research and Development

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Capital	227.06	184.43
Recurring	532.88	431.42
Total R&D expenditure as a percentage of total revenue (as per Statement of Profit & Loss)	2.21%	2.07%

(₹ in crores)

FOREIGN EXCHANGE EARNINGS AND OUTGO

Export Activities/Initiatives to increase Exports/Development of New Export Markets/Export Plans

HMCL achieved 1,72,753 units in exports for FY 2023, which is a de-growth of 43% over FY 2022-23. This decline is primarily due to economic regression in operating countries, demand slowdown due to high inflation, efforts to safeguard Forex reserves, and rising fuel prices.

Capacities: Bangladesh – 1,50,000 / annum

Colombia – 80,000 / annum

Key initiatives in FY 2023

1. South Asia:

- The dispatches to Bangladesh in FY 23 decreased by 25% compared to the previous year due to the economic slowdown and a sharp increase in fuel prices.
- There were no exports to Sri Lanka in FY 23 due to an import ban on two-wheelers.
- The dispatches to Nepal de-grew by 84% due to the slow market and lack of dealer capabilities.

(b) Year of Import

FY 2019-20, Completed before March 2020

(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.

2. Africa:

- HMCL dispatch to Africa de-grew by 75% over FY 22. Overall 2W industry in Africa de-grew sharply by higher double digit % and HMCL retail was impacted due to the slowdown of retails in Nigeria.
- Despite the de-growth in dispatch to Africa, HMCL started dispatch to DRC with 1,293 units in the first shipment in FY 23.
- Tie-up with micro financiers have helped increasing reach in the markets.
- The Company also re-launched the Hunter 125 cc in key markets of Africa which has received a good response.

3. Middle East:

Turkey demonstrated a strong growth of 1888% and GCC also stood strong at 125% growth in FY 2023. It indicates that the Company's strategies and initiatives were successful in those markets, resulting in significant growth.

4. Latin America:

Despite the overall de-growth of 39% in Latin America, HMCL witnessed exceptional growth in Peru and Bolivia, with a growth rate of 87% and 35%, respectively, despite the low market sentiments.

HMCL is focused on pushing its premium products in the region and has launched a revamped premium portfolio, including the X Pulse Rally Kit Edition and the Hunk 160R, to achieve this goal.

- The Company continued its brand association with Diego Simeone of Atletico De Madrid for Latin American markets.
- In addition, there were several major campaigns for products, services, and corporate branding. The Company focused on impactful communication for its premium category, which includes the X Pulse and Hunk/Thriller 160R. The Company also continued to prioritise digital campaigns with innovative ways to track traffic to showrooms in Bangladesh and Central America. The Company also launched campaigns on product refresh mileage campaigns across regions and an Intelligente Riding Campaign in LATAM Markets to build Technology credentials positioning, targeting the Youth in the premium segment.

Key initiatives of FY 2024 will include:

- Revamped distribution set up, network expansion, and sales promotion activities in key African markets of Nigeria, Kenya, and Uganda to increase market penetration and growth.
- Focus on scaling up market share in Latin American countries such as Colombia, Mexico, Guatemala, Bolivia, and Peru through network expansion, brand building, and product refreshes.

- Increasing retail finance in key markets such as Colombia, Bangladesh, Nepal, Mexico, and Africa Cluster to improve affordability and boost sales.
- Investing in brand building in important markets to increase brand awareness and visibility.
- Launching new products such as Xoom Scooter and New Hunk 160 in key markets of Nepal, Bangladesh, and LATAM to cater to the demand for new and innovative products.

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 2022-23 were ₹ 1,088.24 crore, as compared to ₹ 1,445.96 crore in the previous financial year.

On account of Royalty, Technical Guidance Fee, travel and other accounts and advertisement and publicity, the foreign exchange outgo during the FY 2022-23 ₹ 457.17 crore, as compared to ₹ 374.28 crore in previous FY.

Outgo for Import of Components, spare parts, raw materials and capital goods during the FY 2022-23 was ₹ 565.80 crore, as compared to ₹ 334.31 crore in the previous financial year.

Standalone

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 Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant 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 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's

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

Emphasis of Matter

Attention is invited to note 34 (c) of the standalone financial statements, relating to the search carried out by the Income Tax Authorities during the month of March 2022. Since the proceedings are currently in progress, there is an uncertainty of the outcome of the proceedings, and consequently, the impact, if any, cannot be ascertained at present.

Our opinion is not modified in respect of the above matter.

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.

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, Managements discussion and Analysis, and Corporate governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- ▶ Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- ▶ In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- ▶ If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Government Grants</p> <p>The Company obtains grants from Government authorities in connection with the manufacturing and sales of two-wheelers. There are certain specific conditions and approval requirements attached to these grants.</p> <p>At the end of each reporting period, the management evaluates whether the Company has complied with the relevant conditions attached to each grant and whether there is a reasonable assurance that the grants will be received, in order to determine the timing and value of grants to be recognised in the standalone financial statements.</p> <p>The recognition of Government grants has been considered to be a key audit matter because of the significance of amounts involved, conditions attached towards recognition of respective grants and assessment of its recoverability.</p> <p>(Refer Note 11 of the standalone financial statements)</p>	<p>Our principal audit procedures performed, among other procedures, included the following:</p> <p>We assessed the appropriateness of the accounting policy for government grants as per the relevant accounting standard.</p> <p>We evaluated the design and implementation of the relevant controls and carried out testing of the operating effectiveness of management's controls around recognition and recoverability of government grants.</p> <p>We inspected the underlying documents relating to the grants given by the Government authorities for identification of the specific conditions and approval requirements attached to the respective grants;</p> <p>We evaluated whether the conditions have been met for recognition of grants and assessed management's judgement around reasonable assurance of its recovery. This included examining, on a sample basis, the terms and conditions of the government scheme, underlying documentation, communication with / by the government authorities and evidence supporting manufacturing of two wheelers and corresponding sales made in respect of such grant.</p> <p>We also assessed the adequacy and appropriateness of the classification and disclosures made by the management in the standalone financial statements.</p>

Independent Auditor's Report

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 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 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.

Other Matters

The Comparative standalone financial statements of the Company for the year ended March 31, 2022 prepared in accordance with Ind AS included in these standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative standalone financial statements expressed an unmodified opinion.

Our report is not modified in respect of the above matter.

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, standalone statement of Profit and Loss including Other comprehensive loss, the standalone statement of Cash flows and standalone statements of Changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 41.3 to the standalone financial statements;
- 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, other than as disclosed in the note 45(vi) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 45(vii) to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in the note 19 to the standalone financial statements,
 - a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
 - 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 dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
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: 23094468BGYIOC9977

Place: Tirupati
Date: May 04, 2023

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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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 Act.

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 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, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Vijay Agarwal
Partner
(Membership No. 094468)
UDIN: 23094468BGY10C9977

Place: Tirupati
Date: May 04, 2023

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 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered title deed including certified true copies provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Amount (₹ in crore)

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross Carrying value	Carrying value in the standalone financial statements				
Apartment 1, Gurugram	18.94	18.25	Registration yet to be applied for	Not applicable	Since December 2020 till date of audit report	Registration yet to be applied for
Apartment 2, Gurugram	18.94	18.25	Registration yet to be applied for	Not applicable	Since December 2020 till date of audit report	

- (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, 2023 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, the goods have been received subsequent to the year end or confirmations have been obtained from the parties by the management.
- (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 crore)
A. Aggregate amount of loans given to employees during the year	41.19
B. Balance outstanding of loans given to employees as at balance sheet date*:	43.58

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

- The Company has not made any investments in firms or limited liability partnership and has not granted loans to companies, firms and limited liability partnership.
- b) The investments made and the terms and conditions of the grant of the loans provided to employees, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- c) In respect of loans granted provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no amount overdue for more than 90 days at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates to	Amount (₹ in crore)		
				Dispute amount	Amount paid under protest	Amount unpaid
The Custom 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	Additional Commissioner	FY 2014-15	2.69	0.10	2.59
The Central Excise Act, 1944	Excise Duty	CESTAT	FY 2004-05 to FY 2017-18	58.59	1.61	56.98

- 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, 2023 for a period of more than six months from the date they became payable.

Annexure "B" to the Independent Auditor's Report

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates to	Dispute amount	Amount (₹ in crore)	
					Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise Duty	Commissioner Appeal	FY 2014-15 to FY 2017-18	0.27	0.02	0.25
The Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	GST Appellate Tribunal	FY 2017-18	0.09	0.01	0.08
The Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Joint commissioner Appeals	FY 2021-22	0.18	0.18	-
The Finance Act, 1994	Service Tax	CESTAT	FY 2004-05 to FY 2011-12	233.11	24.99	208.12
The Finance Act, 1994	Service Tax	Supreme Court	FY 2004-05 to FY 2005-06	0.89	0.45	0.44
The Income-tax Act, 1961	Income-Tax	Income Tax Appellate Tribunal (ITAT)*	FY 2010-11	2336.71	350.51	1986.20
The Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2018-19, FY 2013-14	10.85	0.18	10.67
The Indian Stamp Act, 1899	Stamp Duty	Supreme Court	FY 2012-13	15.00	10.00	5.00
The Employees State Insurance Act, 1948	Employees State Insurance Contribution	Civil Court, Gurugram	FY 2013-14, FY 2014-15	10.31	2.32	7.99
The Employees State Insurance Act, 1948	Employees State Insurance Contribution	High Court	FY 2013-14	0.19	0.19	-

*Appeal filed by the Company to ITAT subsequent to the year end.

Above excludes an aggregate amount of ₹ 50.79 crores in respect of disputes of Income-tax Act, 1961 which are paid in full.

The following matters have been decided in favour of the Company, but the department has preferred appeals at higher levels:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates to	Dispute amount	Amount (₹ in crore)	
					Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise Duty	CESTAT	FY 2009-10 to FY 2010-11, FY 2013-14	85.66	-	85.66
The Central Excise Act, 1944	Excise Duty	Supreme Court	FY 2002-03 to FY 2008-09	8.78	-	8.78
Income-tax Act, 1961	Income-Tax	Supreme Court	FY 2005-06	4.10	-	4.10
Income-tax Act, 1961	Income-Tax	High Court	FY 1995-96, FY 1996-97, FY 1997-98, FY 1998-99, FY 2000-01, FY 2002-03, FY 2003-04, FY 2006-07, FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13	7367.64	-	7367.64

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) On an overall examination of the standalone financial statements of the Company, funds have not been raised on short-term basis during the year, and hence, reporting under clause (ix)(d) of the Order is not applicable.

(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 us during the year and upto 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 financial statements etc. 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's during the year covering specific processes and periods scoped in for internal audit as per internal audit plan in the financial year ended March 31, 2023.

xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

(d) The Group has more than one Core Investment Company ("CIC") as part of the group. There are 2 CICs forming part of the group as detailed in note 45(viii) 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 realisation 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: 23094468BGYIOC9977

Place: Tirupati
Date: May 04, 2023

Standalone

Balance Sheet

as at March 31, 2023

CIN: L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	4,868.20	5,094.39
(b) Capital work-in-progress	6	128.55	87.32
(c) Right of use assets	7A	393.03	413.59
(d) Other intangible assets	7	500.19	298.50
(e) Intangible assets under development	8	335.24	370.88
(f) Financial assets			
(i) Investments	9	7,372.48	4,814.66
(ii) Loans	10	19.87	17.43
(iii) Others	11	205.65	41.60
(g) Income tax assets (net)	12	251.72	340.92
(h) Other non-current assets	13	151.42	119.77
Total non-current assets		14,226.35	11,599.06
Current assets			
(a) Inventories	14	1,434.09	1,122.65
(b) Financial assets			
(i) Investments	9	3,637.88	5,837.66
(ii) Trade receivables	15	2,798.21	2,304.27
(iii) Cash and cash equivalents	16	168.37	98.68
(iv) Bank balances other than (iii) above	17	177.13	76.44
(v) Loans	10	23.71	22.81
(vi) Others	11	562.33	454.80
(c) Other current assets	13	235.07	197.65
Total current assets		9,036.79	10,114.96
Total Assets		23,263.14	21,714.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	39.97	39.96
(b) Other equity	19	16,665.12	15,742.96
Total equity		16,705.09	15,782.92
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7A	134.29	142.32
(ii) Other financial liabilities	7	196.29	155.04
(b) Provisions	20	198.12	178.07
(c) Deferred tax liabilities (net)	21	405.37	383.29
Total non-current liabilities		934.07	858.72
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7A	22.02	25.75
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	22	1.15	25.55
Total outstanding dues of creditors other than micro and small enterprises	22	4,703.31	4,234.79
(iii) Other Financial liabilities	23	163.97	133.75
(b) Other current liabilities	24	557.84	492.12
(c) Provisions	20	175.69	160.42
Total current liabilities		5,623.98	5,072.38
Total equity and liabilities		23,263.14	21,714.02
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: Tirupati
Date: May 04, 2023

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Place: Tirupati
Date: May 04, 2023

Statement of Profit and Loss

for the year ended March 31, 2023

CIN: L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR unless otherwise stated	
		For the year ended March 31, 2023	For the year ended March 31, 2022
I INCOME			
(a) Revenue from operations	25	33,805.65	29,245.47
(b) Other income	26	565.16	556.91
Total Income		34,370.81	29,802.38
II EXPENSES			
(a) Cost of raw materials consumed	27	24,019.73	20,708.07
(b) Purchase of stock in trade		47.43	45.95
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	28	(209.04)	72.71
(d) Employee benefits expense	29	2,189.83	1,935.44
(e) Finance costs	30	19.87	25.80
(f) Depreciation and amortisation expense	5, 7 and 7A	656.96	649.75
(g) Other expenses	31	3,771.47	3,114.53
Total expenses		30,496.25	26,552.25
III Profit before tax (I-II)		3,874.56	3,250.13
IV TAX EXPENSE			
(a) Current tax		941.90	797.91
(b) Deferred tax charge/(credit)		22.08	(20.80)
Total tax expense		963.98	777.11
V Profit after tax (III-IV)		2,910.58	2,473.02
VI OTHER COMPREHENSIVE INCOME/ (EXPENSE)			
Items that will not be reclassified subsequently to profit or loss:-			
Re-measurement losses on defined benefit plans		(12.52)	(7.27)
Income tax effect		3.15	1.83
Other comprehensive Income/(loss) for the year		(9.37)	(5.44)
VII Total Comprehensive income for the year, net of income tax		2,901.21	2,467.58
VIII Earnings per share (Nominal value of ₹ 2 each) in ₹			
(a) Basic		145.66	123.78
(b) Diluted		145.52	123.74
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: Tirupati
Date: May 04, 2023

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Place: Tirupati
Date: May 04, 2023

Statement of Cash Flows

for the year ended March 31, 2023

CIN : L35911DL1984PLC017354

Amount in crores of INR

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	2,910.58	2,473.02
Adjustments for:		
Add: Depreciation and amortisation	656.96	649.75
Tax expense	963.98	777.11
Loss on property, plant and equipment sold/ discarded	4.72	10.23
Finance cost	19.87	25.80
Employee stock compensation cost	16.04	10.00
Loss allowance on advances to supplier	-	52.24
Loss allowance on trade receivables	4.80	-
	1,666.37	1,525.13
Less: Interest income on financial assets carried at amortised cost	256.10	186.29
Dividend income	0.28	14.48
Profit on sale of investments	111.79	101.37
Gain on investments carried at fair value through profit or loss	191.43	223.82
Profit on sale of property, plant and equipment	5.56	0.62
	565.16	526.58
Operating profit before working capital changes	4,011.79	3,471.57
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories	(311.44)	346.90
Trade receivables	(498.74)	122.49
Loans-Current	(0.90)	0.14
Loans-Non-Current	(2.44)	(0.70)
Other financial assets	(281.58)	(89.38)
Other current assets	(37.42)	(36.52)
Other non-current assets	12.97	(4.67)
	(1,119.55)	338.26
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	444.12	(944.27)
Other financial liabilities-Current	3.75	(0.98)
Other current liabilities	65.72	(73.89)
Current provisions	15.27	0.05
Non-current provisions	7.53	(1.66)
	536.39	(1,020.75)
Cash generated from Operations	3,428.63	2,789.08
Less: Direct taxes paid (net of refund)	849.55	768.81
Net cash from Operating activities	2,579.08	2,020.27

Amount in crores of INR

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
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 and capital creditors	(577.70)	(534.69)
Proceeds from sale of property, plant & equipment	10.16	10.67
Deposits made	(102.83)	(1.23)
Sale of investments other than associates	45,340.83	42,427.64
Purchase of investments other than associates	(44,433.15)	(42,105.10)
Investment in associates	(962.50)	(150.00)
Interest income on financial assets carried at amortised cost	256.10	186.29
Dividend income	0.28	14.48
Net cash (used) in investing activities	(468.81)	(151.94)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(19.87)	(25.80)
Repayment of lease liabilities	(25.62)	(19.98)
Dividends paid	(1,998.33)	(1,898.13)
Proceeds from issue of equity share capital (including security premium)	3.24	5.04
Net cash (used) in financing activities	(2,040.58)	(1,938.87)
D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	69.69	(70.54)
Cash and cash equivalents at the beginning of the year	98.68	169.22
Cash and cash equivalents at the end of the year	168.37	98.68

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 the relevant rules thereunder.

The notes referred to above form an integral part of the standalone financials 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: Tirupati
Date: May 04, 2023

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Place: Tirupati
Date: May 04, 2023

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Statements of Changes in Equity

for the year ended March 31, 2023

Amount in crores of INR unless otherwise stated

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Opening balance	19,98,11,941	39.96	19,97,80,217	39.96
Issue of equity shares under employee share option plan (# ₹55,554) (31 March 2022: ₹ 63,448) (Note 40)	27,777	0.01	31,724	#
Closing balance	19,98,39,718	39.97	19,98,11,941	39.96

B. Other Equity*

Particulars	Reserves and Surplus					Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	
Balance as at March 31, 2021	#	31.49	2,645.79	19.04	12,462.15	15,158.47
Profit for the year	-	-	-	-	2,473.02	2,473.02
Other comprehensive income for the year, net of income tax	-	-	-	-	(5.44)	(5.44)
Total Comprehensive Income for the year	-	-	-	-	2,467.58	2,467.58
Charge against share-based payments	-	-	-	10.00	-	10.00
Transferred to share premium on issue of shares	-	4.59	-	(4.59)	-	-
Payment of dividends	-	-	-	-	(1,898.13)	(1,898.13)
Issue of equity shares under employee share option plan	-	5.04	-	-	-	5.04
Balance as at March 31, 2022	#	41.12	2,645.79	24.45	13,031.60	15,742.96
Profit for the year	-	-	-	-	2,910.58	2,910.58
Other comprehensive income for the year, net of income tax	-	-	-	-	(9.37)	(9.37)
Total Comprehensive Income for the year	-	-	-	-	2,901.21	2,901.21
Charge against share-based payments	-	-	-	16.04	-	16.04
Transferred to share premium on issue of shares	-	4.86	-	(4.86)	-	-
Payment of dividends	-	-	-	-	(1,998.33)	(1,998.33)
Issue of equity shares under employee share option plan	-	3.24	-	-	-	3.24
Balance as at March 31, 2023	#	49.22	2,645.79	35.63	13,934.48	16,665.12

*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: Tirupati

Date: May 04, 2023

For and on behalf of the Board of Directors of **Hero MotoCorp Limited****Pawan Munjal**

Executive Chairman &

Whole-time Director

DIN-00004223

Niranjan Kumar Gupta

Chief Executive Officer &

Chief Financial Officer

Place: Tirupati

Date: May 04, 2023

Tina Trikha

Chairperson - Audit Committee

(Director)

DIN-02778940

Pradeep Dinodia

Non-Executive Director

DIN-00027995

Dhiraj Kapoor

Company Secretary &

Compliance Officer

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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, 2023 were approved by the Board of Directors and authorised for issue on May 04, 2023.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The Standalone financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian accounting standard (Ind AS) notified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting standards) Rules 2015 issued thereunder and other relevant provisions of the Companies Act, 2013 (the Act) as amended from time to time.

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 realisation 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. Significant 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.
- 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 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. 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

Notes forming part of the Financial Statements

for the year ended March 31, 2023

economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

The right-of-use assets are initially 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

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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 components is present in other comprehensive income.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term employee benefits

Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year-end. Re measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

3.7 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the

fair value of equity-settled share-based transactions are set out in note 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share option's outstanding account.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Notes forming part of the Financial Statements

for the year ended March 31, 2023

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they are related to income taxes levied by the same tax authority.

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment and capitalised borrowing cost. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the assets carrying amount or 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 as per the useful lives prescribed in Schedule II to the Companies Act, 2013, other than moulds and dies which are depreciated over a period of 3-8 years grouped under property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and loss.

3.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure

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for the year ended March 31, 2023

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 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,

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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 intends either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual

arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.17 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, option contracts, etc.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

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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's 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

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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, 2023 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

Recent accounting pronouncements 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period

Notes forming part of the Financial Statements

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(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, 2021	164.72	2,866.19	6,267.42	53.81	53.66	84.72	246.01	9,736.53
Additions	-	83.53	261.78	3.17	8.12	11.24	31.09	398.93
Disposals	11.32	-	102.19	0.25	11.18	0.62	21.29	146.85
At March 31, 2022	153.40	2,949.72	6,427.01	56.73	50.60	95.34	255.81	9,988.61
Additions	-	21.16	270.10	3.00	11.92	4.74	34.57	345.49
Disposals	0.19	-	71.14	1.23	7.62	1.37	6.35	87.90
At March 31, 2023	153.21	2,970.88	6,625.97	58.50	54.90	98.71	284.03	10,246.20
Accumulated depreciation								
At April 1, 2021	-	524.05	3,617.79	27.73	35.12	56.02	182.42	4,443.13
Depreciation expense	-	85.55	450.05	4.45	4.60	10.40	22.61	577.66
Adjustments	-	-	(95.52)	(0.22)	(10.03)	(0.58)	(20.22)	(126.57)
At March 31, 2022	-	609.60	3,972.32	31.96	29.69	65.84	184.81	4,894.22
Depreciation expense	-	88.14	433.10	4.40	4.72	9.34	25.74	565.44
Adjustments	-	-	(66.75)	(1.15)	(6.44)	(1.30)	(6.02)	(81.66)
At March 31, 2023	-	697.74	4,338.67	35.21	27.97	73.88	204.53	5,378.00
Net carrying amount								
At March 31, 2022	153.40	2,340.12	2,454.69	24.77	20.91	29.50	71.00	5,094.39
At March 31, 2023	153.21	2,273.14	2,287.30	23.29	26.93	24.83	79.50	4,868.20

Note:- The title deeds of immovable properties are held in the name of the Company as at the balance sheet date except for following two, which are yet to be registered in the name of the Company.

Description of property	Gross carrying value (₹ In crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Apartment 1, Gurugram	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for
Apartment 2, Gurugram	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for

6. Capital work-in-progress*

	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	128.55	87.32
	128.55	87.32

Ageing of capital work-in-progress:

Particulars	Amount in Capital Work in Progress for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as at March 31,2023	95.38	30.61	1.4	1.16	128.55
Projects in progress as at March 31,2022	68.97	5.45	6.50	6.40	87.32

* 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, 2023

(Amount in crores of INR)

7. Other Intangible assets

Particulars	Model fee/brand license/Product designs and development *	Computer softwares	Technical know-how/export licenses	Total
Gross carrying amount				
At April 1, 2021	1,012.83	186.40	2,895.67	4,094.90
Additions	36.68	13.94	-	50.62
Disposals	-	0.01	-	0.01
At March 31, 2022	1,049.51	200.33	2,895.67	4,145.51
Additions	257.33	4.54	-	261.87
Disposals	-	-	-	-
At March 31, 2023	1,306.84	204.87	2,895.67	4,407.38
Accumulated amortisation				
At April 1, 2021	783.04	125.93	2,895.67	3,804.64
Amortisation expense	25.26	17.12	-	42.38
Adjustments	-	(0.01)	-	(0.01)
At March 31, 2022	808.30	143.04	2,895.67	3,847.01
Amortisation expense	43.42	16.76	-	60.18
Adjustments	-	-	-	-
At March 31, 2023	851.72	159.80	2,895.67	3,907.19
Net carrying amount				
At March 31, 2022	241.21	57.29	-	298.50
At March 31, 2023	455.12	45.07	-	500.19

* Related to non current financial liabilities of ₹196.29 crores (previous year ₹155.04 crores)

7A. Right of use of assets

Particulars	Leasehold land right	Right of use assets (Buildings)	Total
Gross carrying amount			
At April 1, 2021	277.25	215.80	493.05
Additions	-	38.55	38.55
At March 31, 2022	277.25	254.35	531.60
Additions	-	13.86	13.86
Disposals	-	(4.85)	(4.85)
At March 31, 2023	277.25	263.36	540.61
Accumulated depreciation			
At April 1, 2021	6.61	81.69	88.30
Depreciation expense during the year	3.17	26.54	29.71
Adjustments	-	-	-
At March 31, 2022	9.78	108.23	118.01
Depreciation expense during the year	3.18	28.16	31.34
Adjustments	-	(1.77)	(1.77)
At March 31, 2023	12.96	134.62	147.58
Net carrying amount			
At March 31, 2022	267.47	146.12	413.59
At March 31, 2023	264.29	128.74	393.03

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	22.02	25.75
Non-current lease liabilities	134.29	142.32
Total	156.31	168.07

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

7A. Right of use of assets (Contd.)

The following is the movement in lease liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	168.07	149.51
Additions/deletion	10.58	38.54
Finance cost accrued during the year	12.97	12.66
Payment of lease liabilities accrued during the year	(35.31)	(32.64)
Closing balance	156.31	168.07

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	32.93	34.16
One to five years	137.95	121.49
More than five years	53.70	64.29
Total	224.58	219.94

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 ₹38.25 crores during year ended March 31, 2023 (March 31, 2022: ₹ 35.63 crores).

8. Intangible Assets under Development**

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible Assets Under Development	335.24	370.88
Total	335.24	370.88

Ageing of intangible assets under development:

Particulars	Amount in Intangible Assets under development for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as at March 31, 2023	112.01	61.68	48.32	113.23	335.24
Projects in progress as at March 31, 2022	140.03	93.45	83.22	54.18	370.88

** 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, 2023

(Amount in crores of INR)

9. Investments

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Category-wise investments						
Investment in equity instruments*			-	3,324.19	-	2,379.47
Investment in preference shares			-	808.47	-	-
Investment in debentures / bonds			76.25	1,378.87	51.05	1,119.51
Investment in mutual funds			3,561.63	1,860.95	5,786.61	1,315.68
			3,637.88	7,372.48	5,837.66	4,814.66
* Includes compulsory convertible preference shares (CCPS) in fixed to fixed ratio						
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	-	19.57	-	19.57
HMCL Netherlands B.V (Face Value of USD 1 each)	4,52,07,971	4,52,07,971	-	296.19	-	296.19
HMCL Americas INC (Face Value of USD 1,000 each)	3,500	3,500	-	22.22	-	22.22
HMC MM Auto Limited (Face Value of ₹ 10 each)	4,79,99,993	4,79,99,993	-	48.00	-	48.00
			-	385.98	-	385.98
Investment in Associates						
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	-	-
Preference shares Series B of Face Value of ₹ 10 each (Compulsory convertible in equity instruments)	1,28,533	1,28,533	-	330.38	-	330.38
Preference shares Series C 1 of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	20,688	20,688	-	84.00	-	84.00
Preference shares Series D 1 of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	30,475	30,475	-	90.00	-	90.00
Preference shares Series E of Face Value of ₹ 10 each (Compulsory convertible into equity instruments)	84,310	-	-	412.49	-	-
Hero FinCorp Limited						
Equity shares of Face Value of ₹ 10 each	5,24,31,893	5,24,31,893	-	1,469.04	-	1,469.03
			-	2,386.11	-	1,973.61
Investment in equity instruments of Other Entities						
Zero Motorcycles Inc.						
Face Value of USD 0.001 each	55,81,395	-	-	493.10	-	-
			-	493.10	-	-
Quoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in equity instruments of Other Entities						
Bombay Stock Exchange Limited						
Face Value of ₹ 2 each	2,10,600	2,10,600	-	9.08	-	19.88
Gogoro Inc.						
Face Value of USD 0.0001 each	15,00,000	-	-	49.92	-	-
			-	59.00	-	19.88
Investment in equity instruments				3,324.19	-	2,379.47
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	-	-	808.47	-	-
Investment in Preference shares				808.47	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Investment in bonds/ debentures						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Ather Energy Private Limited						
Compulsory convertible debentures at the face value of ₹100 each	-	30,658	-	-	-	150.00
			-	-	-	150.00
Quoted Investments						
Investments carried at amortised cost						
Face Value of ₹ 1000 each						
7.34% HUDCO -Maturity-16.02.2023	-	2,50,000	-	-	25.22	-
7.18% IRFC -Maturity-19.02.2023	-	2,50,000	-	-	25.83	-
8.18% NHPC Tax Free Bonds-Maturity-02.11.2023	1,61,050	1,61,050	17.42	-	-	17.42
8.51% HUDCO Tax Free Bonds-Maturity-13.01.2024	2,50,000	2,50,000	25.45	-	-	25.45
8.18% PFC Tax Free Bonds-Maturity-16.11.2023	3,23,890	3,23,890	33.38	-	-	33.38
Face Value of ₹ 10,00,000 each						-
8.50% SBI Series II BD Perpetual-Maturity-22.11.2024	250	250	-	25.83	-	25.87
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	250	250	-	25.51	-	25.53
7.73% State Bank Of India SR II BD Perpetual -Maturity-24.11.2025	250	250	-	25.93	-	26.03
7.99% LIC Housing Finance Limited -Maturity-12.07.2029	500	500	-	54.49	-	54.69
6.83% Housing Development Finance Corporation Ltd. -Maturity-08.01.2031	500	500	-	49.37	-	49.25
6.65% Food Corporation Of India Sr. IX -Maturity-23.10.2030	500	500	-	49.84	-	49.69
7.92% REC Limited Series 189-Maturity-31.03.2030	350	350	-	36.05	-	36.16
7.79% REC Limited Series 198B-Maturity-21.05.2030	150	150	-	16.41	-	16.45
6.39% National Bank For Agriculture And Rural Development-Maturity-19.11.2030	250	250	-	24.69	-	24.61
6.42% National Bank For Agriculture And Rural Development -Maturity-25.11.2030	200	200	-	19.77	-	19.71
Shriram Transport Finance Company Limited SR PPMLY 02 BR NCD-Maturity-27.04.2023	-	250	-	-	-	27.20
7.25% Housing Development Finance Corporation Ltd. Series X-006-Maturity-17.06.2030	500	500	-	52.87	-	52.87
7.54% National Highways Authority Of India Series VIII-Maturity-27.01.2030	500	500	-	51.70	-	51.82
Muthoot Fincorp Limited Sr VIII BR NCD-Maturity-22.03.2023	-	250	-	-	-	27.28
7.05% LIC Housing Finance Limited-Maturity-21.12.2030	250	250	-	25.45	-	25.45
7.70% LIC Housing Finance Limited Sr 2-Maturity-10.03.2031	250	250	-	26.00	-	26.08
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	500	500	-	51.13	-	51.13
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.30	-	26.32
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.30	-	26.32
7.10% Tata Capital Financial Services Limited SR H-Maturity-29.09.2031	500	500	-	51.45	-	51.43
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.91	-	25.90
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	500	500	-	50.43	-	50.37
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.88	-	25.86
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	250	250	-	25.14	-	25.10

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.30	-	15.33
7.79% REC Limited Series 198B-Maturity-21.05.2030	100	100	-	11.02	-	11.06
6.80% REC Limited Series 203A-Maturity-20.12.2030	200	200	-	19.96	-	19.92
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.83	-	25.83
7.15% Small Industries Development Bank of India-Maturity-02.06.2025	350	-	-	36.91	-	-
7.15% Small Industries Development Bank of India-Maturity-02.06.2025	350	-	-	15.82	-	-
7.34% National Housing Bank-Maturity-07.08.2025	250	-	-	26.48	-	-
6.50% Power Finance Corporation Ltd. SR 208-Maturity-17.09.2025	350	-	-	35.49	-	-
8.39% Power Finance Corporation Ltd. SR-130C-Maturity-19.04.2025	250	-	-	25.52	-	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	-	-	26.00	-	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	-	-	26.00	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	-	-	25.29	-	-
6% Housing Development Finance Corporation Ltd. Z-001-Maturity-29.05.2026	250	-	-	25.03	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	-	-	25.33	-	-
5.70% National Bank For Agriculture And Rural Development SR22D-Maturity-31.07.2025	250	-	-	25.08	-	-
7.90% LIC Housing Finance Limited TR 421-Maturity-23.06.2027	500	-	-	53.01	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	-	-	30.37	-	-
6% Housing Development Finance Corporation Ltd. Z-001-Maturity-29.05.2026	250	-	-	25.08	-	-
7.40% Housing Development Finance Corporation Ltd. SR AA-006-Maturity-02.06.2025	250	-	-	26.42	-	-
6.01% LIC Housing Finance Limited TR 409-Maturity-19.05.2026	100	-	-	10.05	-	-
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	-	-	26.01	-	-
7.95% ICICI Home Finance Company Limited SRHDB Nov221 TR 2-Maturity-24.11.2025	250	-	-	25.67	-	-
L&T Finance Limited SR K BR-Int payable on Maturity-27.12.2024	250	-	-	25.66	-	-
			76.25	1,378.87	51.05	969.51
Investment in debentures / bonds			76.25	1,378.87	51.05	1,119.51
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	92.88	-	87.75	-
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	41.14	-	38.86	-
Credit Risk Fund -Direct Plan -Growth	-	3,89,04,433	-	-	105.63	-

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Aditya Birla Sunlife Mutual Fund						
Fixed Term Plan-Series RC (1295 days)-Direct Growth	-	5,00,00,000	-	-	65.31	-
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	-	-	358.67	-	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	5,97,25,194	122.91	-	178.20	-
Corporate Bond Fund -Direct Plan Growth Plan	98,39,711	-	51.28	-	-	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
FMP-Sr.33-Plan D (1273 Days)-Direct Sub Plan Growth	-	2,00,00,000	-	-	26.08	-
SBI Mutual Fund						
Savings Fund - Direct-Growth	-	7,03,45,757	-	-	250.16	-
Conservative Hybrid Fund Direct Plan Growth	43,82,290	43,82,290	26.57	-	25.06	-
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	-	-	204.49	-	-
Bhandan 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	61.13	-	58.40	-
Kotak Mutual Fund						
Credit Risk Fund -Direct Plan- Growth	-	5,82,19,209	-	-	156.70	-
HDFC Mutual Fund						
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	58.52	-	55.47	-
Credit Risk Debt Fund -Direct -Growth	8,55,79,216	10,06,33,738	184.78	-	207.54	-
Axis Mutual Fund						
Short Term - Direct Plan - Growth	2,03,55,074	2,03,55,074	57.04	-	54.31	-
DSP Mutual Fund						
Low Duration Fund- Direct Plan- Growth	1,03,95,299	1,03,95,299	18.00	-	17.11	-
Edelweiss Mutual Fund						
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	-	-	867.70	-	-
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	238.48	-	225.66	-
Money Market Fund Direct Plan Growth	34,00,869	48,90,393	110.29	-	150.08	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	266.80	-	252.37	-
Money Manager Fund-Growth- Direct Plan	56,23,024	57,17,703	177.80	-	170.91	-
Nippon India Mutual Fund						
ETF NIFTY SDL-2026 Maturity-30.04.2026	3,85,00,000	-	-	430.09	-	-
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	57.50	-	54.55	-
Money Market Fund Direct Plan Growth	-	7,46,566	-	-	250.14	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Term Fund-Direct Plan Growth	3,13,044	6,26,087	103.10	-	198.19	-
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	8,15,166	153.30	-	188.17	-
Corporate Bond Fund - Direct Plan Growth	1,39,843	1,39,843	39.73	-	38.25	-
Kotak Mutual Fund						
Corporate Bond Fund Direct Growth	-	1,48,253	-	-	46.45	-
Low Duration Fund Direct Growth	3,80,566	3,80,566	116.48	-	110.43	-
Money Market Fund-Direct Plan-Growth	-	7,73,516	-	-	280.07	-

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Axis Mutual Fund						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	102.80	-	98.24	-
HDFC Mutual Fund						
Money Market Fund Direct Plan Growth	2,03,805	-	100.31	-	-	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	7,30,675	16,10,258	192.52	-	401.08	-
TATA Mutual Fund						
Money Market Fund Direct Plan Growth	2,47,900	-	100.35	-	-	-
Edelweiss Mutual Fund						
Edelweiss Mutual Bharat Bond ETF	30,00,000	30,00,000	368.72	-	-	351.13
Edelweiss Mutual Bharat Bond ETF	-	88,96,795	-	-	-	964.55
Equity fund						
Units of the face value of ₹ 10 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Arbitrage Fund - Direct Growth Plan Growth Option	-	13,88,19,753	-	-	316.90	-
Aditya Birla Sunlife Mutual Fund						
Aditya Birla Sun Life Arbitrage Fund -Growth -Direct Plan (Formerly known as Aditya Birla Sun Life Enhanced Arbitrage Fund)	-	11,33,38,345	-	-	257.89	-
Edelweiss Mutual Fund						
Arbitrage Fund -Direct Plan Growth	3,07,32,730	21,35,72,159	53.63	-	352.04	-
Kotak Mutual Fund						
Equity Arbitrage Fund- Direct Plan-Growth	-	4,90,65,078	-	-	155.38	-
UTI Mutual Fund						
Arbitrage Fund Direct Growth Plan Growth	-	6,91,17,262	-	-	205.43	-
TATA MUTUAL FUND						
Arbitrage Fund- Direct Plan-Growth	-	17,14,52,455	-	-	205.49	-
Axis Mutual Fund						
Arbitrage Fund- Direct Growth	-	9,40,59,220	-	-	152.25	-
INVESCO MUTUAL FUND						
Arbitrage Fund - Direct Plan Growth	2,71,92,928	-	78.74	-	-	-
Liquid/Overnight fund						
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Overnight Fund Direct plan Growth	-	87,26,308	-	-	100.01	-
Nippon India Mutual Fund						
Overnight Fund Direct plan Growth	-	87,65,763	-	-	100.04	-
Units of the face value of ₹ 1000 each						
Axis Mutual Fund						
Liquid Fund- Direct Growth	7,04,167	-	176.10	-	-	-
Aditya Birla Sunlife Mutual Fund						
Overnight Fund Direct plan Growth	-	5,21,932	-	-	60.01	-
HDFC Mutual Fund						
Overnight Fund- Direct Plan- Growth Option	3,00,667	-	100.08	-	-	-
Kotak Mutual Fund						
Overnight Fund-Direct Plan-Growth	25,97,869	7,93,871	310.65	-	90.01	-
Investment in mutual funds			3,561.63	1,860.95	5,786.61	1,315.68
Total Investments*			3,637.88	7,372.48	5,837.66	4,814.66

* All shares are fully paid up

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Aggregate book value of quoted investments	76.25	1,437.87	51.05	989.39
Aggregate market value of quoted investments	81.29	1,390.60	52.84	986.83
Aggregate carrying value of unquoted investments	3,561.63	5,934.61	5,786.61	3,825.27
Aggregate amount of impairment in value of investments	-	-	-	-

Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in Mutual Funds	3,561.63	1,860.95	5,786.61	1,315.68
Investment in debentures / bonds	-	-	-	150.00
Investment in Preference Shares	-	808.47	-	-
Investment in equity shares	-	493.10	-	-
Quoted				
Investment in equity instruments	-	59.00	-	19.88
Financial assets carried at amortised cost				
Quoted				
Investment in debentures / bonds	76.25	1,378.87	51.05	969.51
Total	3,637.88	4,600.39	5,837.66	2,455.07

Note: The above does not include investments in subsidiaries and associates amounting to ₹ 2772.09 crores (as at March 31, 2023) and ₹ 2359.59 crores (as at March 31, 2022) carried at cost.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 41.

10. Loans

Particulars	As at	As at
	March 31, 2023	March 31, 2022
NON - CURRENT		
Unsecured, considered good		
Loans to employees	19.87	17.43
Total	19.87	17.43
CURRENT		
Unsecured, considered good		
Loans to employees	23.71	22.81
Total	23.71	22.81

Note :- These financial assets are carried at amortised cost unless otherwise stated.

Note :- The Company's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 41.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

11. Other financial assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
NON - CURRENT		
Unsecured, considered good		
Security Deposits	37.49	41.60
Accrual of incentive from State Government	185.06	-
Less: Loss allowance	(16.90)	-
Accrual of incentive from State Government (Net)	168.16	-
Total	205.65	41.60
CURRENT		
Unsecured, considered good		
Interest accrued on deposits and others	19.09	34.60
Accrual of incentive from State Government	504.72	395.13
Other recoverables	32.34	22.46
Security deposits	6.18	2.61
Total	562.33	454.80

Note :- These financial assets are carried at amortised cost unless otherwise stated.

Note :- The Company's exposure to credit and currency risks, and impairment allowances related to Financial assets is disclosed in Note 41.

12. Income tax assets (net)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Tax assets		
Advance income tax	1,190.47	1,137.00
Less: Provision for taxation	938.75	796.08
Total	251.72	340.92

13. Other assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
NON-CURRENT		
Unsecured, considered good		
Capital advances	122.39	87.77
Prepaid expenses	9.91	9.89
Balance with government authorities		
- Excise duty and others	9.12	12.85
- VAT/sales tax and others	10.00	9.26
Total	151.42	119.77
CURRENT		
Unsecured, considered good		
Prepaid expenses	49.17	69.64
Advance to suppliers	211.45	125.89
Less: Loss allowance	(55.25)	(59.24)
Advance to suppliers (Net)	156.20	66.65
Other advances	7.06	2.69
Balance with government authorities		
- VAT/ sales tax and others	9.11	20.89
- Goods and service tax (GST)	1.28	0.59
- Export incentive receivable	12.25	37.19
Total	235.07	197.65

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

14. Inventories

(lower of cost or net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components	627.13	545.55
Goods in transit of raw materials and components	50.25	27.90
Work in progress (Two wheelers)	39.36	36.82
Finished goods		
Two wheelers	494.07	317.86
Spare parts	73.35	56.19
Stock in trade	24.97	11.84
Stores and spares	101.93	102.95
Loose tools	23.03	23.54
Total	1,434.09	1,122.65

The mode of valuation of inventories has been stated in note no. 3.12.

The value of inventories above is stated after provisions (net of reversal) ₹ 14.27 crore (previous year ₹ 11.67 crore) for write-down to net realisable value and provisions for slow-moving and obsolete items.

15. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivables considered good - (Secured) **	41.86	37.50
Trade Receivables considered good - (Unsecured) **	2,756.35	2,266.77
Trade Receivables credit impaired	121.26	116.86
	2,919.47	2,421.13
Less: Allowance for expected credit loss	121.26	116.86
Total	2,798.21	2,304.27

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 41.

** Include receivables from related parties (refer note 36)

Trade receivables ageing as on 31 March 2023:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,319.24	1,422.15	56.33	0.49	-	-	2,798.21
Undisputed Trade Receivables - credit impaired	0.58	20.93	7.07	9.33	9.50	37.03	84.44
Disputed Trade Receivables - credit impaired	0.01	-	0.09	0.18	1.71	34.83	36.82
Total							2,919.47

Trade receivables ageing as on 31 March 2022:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,241.53	1,053.08	7.13	2.07	0.10	0.36	2,304.27
Undisputed Trade Receivables - credit impaired	1.80	22.81	1.67	8.29	18.40	24.87	77.84
Disputed Trade Receivables - credit impaired	-	0.82	0.29	1.32	17.20	19.39	39.02
Total							2,421.13

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

16. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	-	0.01
Balances with banks		
In current accounts	168.37	97.23
In deposit accounts	-	1.44
Cash and cash equivalents	168.37	98.68

17. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In dividend current accounts (earmarked accounts)	34.23	36.37
In deposit accounts*	142.90	40.07
Total	177.13	76.44

* Includes fixed deposits aggregating ₹ 25.00 crores with Dena Bank on February 18, 2014. Subsequent thereto, it was brought to the notice of the Company that money had been fraudulently withdrawn by pledging fictitious copies of such fixed deposit receipts with the concerned bank by some individuals. The Company has filed a recovery suit which is pending in the honorable Delhi High Court against the bank. In the interim, the Bank has renewed the deposits (along with interest earned thereon).

18. Share capital

(a) Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Equity shares capital		
250,000,000 (as at March 31, 2022 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
Total	50.00	50.00
Issued, subscribed and fully paid up		
199,839,718 (as at March 31, 2022: 199,811,941) Equity shares of ₹ 2 each	39.97	39.96
Total	39.97	39.96

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, 2023		As at March 31, 2022	
	Nos.	INR in crores	Nos.	INR in crores
Opening Balance	19,98,11,941	39.96	19,97,80,217	39.96
Issued during the Current year ₹55,554 (previous year ₹ 63448)- Employee Stock Option Plan (refer note 40)	27,777	0.01	31,724	#
Closing Balance	19,98,39,718	39.97	19,98,11,941	39.96

in absolute INR

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

18. Share capital (Contd.)

(ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
Ms. Renu Munjal *	93,09,018	4.66%	93,09,019	4.66%
Mr. Suman Munjal *	93,09,018	4.66%	93,09,019	4.66%
Mr. Pawan Munjal *	93,09,022	4.66%	93,09,020	4.66%
M/S Bahadur Chand Investments (P) Ltd.	4,00,33,238	20.03%	4,00,33,238	20.04%
Life Insurance Corporation of India	2,24,35,838	11.23%	2,20,37,338	11.03%

* Hold shares on behalf of Brijmohan Lal Om Prakash (partnership firm)

Shares held by promoters at the end of March 31, 2023

Promoter name	No. of shares	% of total shares	% change during the Year
Pawan Munjal	43,364	0.02%	0.00%
Pawan Munjal (As Karta of Huf)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal and Suman Kant Munjal (On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.98%	0.00%
Renu Munjal	1,11,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of Huf)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt. Ltd.	4,00,33,238	20.03%	0.00%
Hero Investcorp 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, 2022

Promoter name	No. of shares	% of total shares	% change during the Year
Pawan Munjal	43,364	0.02%	0.00%
Pawan Munjal (As Karta of Huf)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal and Suman Kant Munjal (On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.98%	0.00%
Renu Munjal	1,11,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of Huf)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt. Ltd.	4,00,33,238	20.04%	0.00%
Hero Investcorp Private Limited	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	1,58,000	0.08%	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, 2023

(Amount in crores of INR)

18. Share capital (Contd.)

(iii) Shares options granted under the Company's employee share option plan

Option Series	Share Options Outstanding (In Nos.)		
	As at March 31, 2023	As at March 31, 2022	Expiry Date
ESOP 2016	8,599	9,717	August 21, 2023
ESOP 2017	10,879	12,687	October 30, 2024
ESOP 2018	46,660	61,780	March 24, 2026
RSU 2018	-	2,232	January 30, 2026
ESOP 2019	26,970	40,362	October 21, 2026
RSU 2019	-	2,084	October 21, 2026
ESOP 2020	49,915	68,795	October 26, 2027
RSU 2020	624	1,092	October 26, 2027
RSU 2021	22,100	30,632	August 10, 2025
PRSU 2021	25,820	28,279	August 10, 2025
RSU 2022	66,656	-	December 27, 2026
PRSU 2022	1,34,721	-	December 27, 2026

Also refer details of the employee stock option plan are provided in Note 40.

(b) Preference share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Preference shares capital		
4,00,000 (as at March 31, 2022 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at March 31, 2022 - 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.

19. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserves (₹4,250 in absolute INR)	#	#
Securities premium	49.22	41.12
General reserve	2,645.79	2,645.79
Share options outstanding account	35.63	24.45
Retained earnings	13,934.48	13,031.60
Total	16,665.12	15,742.96

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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	41.12	31.49
Add : Premium on equity shares issued @	8.10	9.63
Closing balance	49.22	41.12

@ Addition in securities premium represents premium on equity shares under various schemes amounting to ₹3.24 crores (Previous year ₹5.04 crores) and ₹4.86 crores (Previous year ₹4.59 crores) transferred from share option outstanding account on 27,777 equity shares (Previous year 31,724 equity shares) issued and allotted during the year under ESOP scheme. Also refer Note 40.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

19. Other equity (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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	24.45	19.04
Add: Net charge during the year	16.04	10.00
Less: Transferred to securities premium on issue of shares	(4.86)	(4.59)
Closing balance	35.63	24.45
* Also refer note 40		
E Retained earnings		
Opening balance	13,031.60	12,462.15
Add: Profit for the year	2,910.58	2,473.02
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(9.37)	(5.44)
Less: Appropriations		
Final dividend	699.37	699.26
Interim dividend	1,298.96	1,198.87
Total appropriations	1,998.33	1,898.13
Balance at end of year	13,934.48	13,031.60

In respect of the year ended March 31, 2023, the directors propose that a dividend of ₹ 35 per share (March 31, 2022 : ₹ 35 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 699.45 crores (March 31, 2022 : ₹699.34 crores).

Nature and Description

- (i) **Capital reserves:-** The Company had transferred forfeited share application money to Capital reserve in accordance with the provision of the Companies Act, 1956. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) **Securities premium:-** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) **General reserve:-** General Reserves are free reserves of the Company which are kept aside out of Company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (iv) **Share options outstanding account:-** Stock option outstanding account is used to record the impact of employee stock option scheme. Refer note 40 for further detail of this plan.
- (v) **Retained earnings:-** Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

20. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Employee benefits (Refer note (i) below)		
Compensated absences	41.08	34.08
Other employee benefits	13.76	8.91
Sub-total (A)	54.84	42.99
Warranties (Refer note (ii) below)	143.28	135.08
Sub-total (B)	143.28	135.08
Total (A+B)	198.12	178.07
Current		
Employee benefits (Refer note (i) below)		
Compensated absences	9.15	7.68
Other employee benefits	0.72	0.33
Sub-total (A)	9.87	8.01
Warranties (Refer note (ii) below)	165.82	152.41
Sub-total (B)	165.82	152.41
Total (A+B)	175.69	160.42

- (i) The provision for employee benefits includes sick leave, gratuity, earned leave and vested long term service reward.
- (ii) Movement in warranties provisions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	287.49	291.28
Additions during the year	179.40	105.74
Amount utilised during the year	(157.79)	(103.29)
Unwinding of discount and effect of changes in the discount rate	-	(6.24)
Closing balance	309.10	287.49

The provision for warranty claims represents the present value as best estimate of the future economic outflows that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

As at March 31, 2023, this particular provision had a carrying amount of ₹309.10 crores (March 31, 2022: ₹287.49 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹30.91 crores higher or lower (March 31, 2022 - ₹28.75 crores higher or lower).

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

21. Deferred tax (assets)/ liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Property, plant and equipments and intangible assets	469.19	427.79
Financial assets carried at fair value through profit or loss	63.02	71.72
Others	-	3.14
Sub-total (A)	532.21	502.65
Less: Deferred tax assets		
Deferred revenue	55.87	52.34
Accrued expenses deductible on payment	60.00	55.44
Voluntary retirement scheme (VRS) expenses u/s 35DDA	3.03	6.06
Right of use assets and lease liabilities	7.94	5.52
Sub-total (B)	126.84	119.36
Total (A-B)	405.37	383.29

Movement of Deferred tax (assets)/ liabilities as at March 31, 2023

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities				
Property, plant and equipments and intangible assets	427.79	41.40	-	469.19
Financial assets carried at fair value through profit or loss	71.72	(8.70)	-	63.02
Others	3.14	(3.14)	-	-
	502.65	29.56	-	532.21
Less: Deferred tax assets				
Deferred revenue	52.34	3.53	-	55.87
Accrued expenses deductible on payment	55.44	4.56	-	60.00
Voluntary retirement scheme (VRS) expenses u/s 35DDA	6.06	(3.03)	-	3.03
Right of use assets and lease liabilities	5.52	2.42	-	7.94
	119.36	7.48	-	126.84
Deferred tax liabilities (net)	383.29	22.08	-	405.37

Movement of Deferred tax (assets)/ liabilities as at March 31, 2022

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	422.22	5.57	-	427.79
Financial assets carried at fair value through profit or loss	99.33	(27.61)	-	71.72
Others	2.91	0.23	-	3.14
	524.46	(21.81)	-	502.65
Less: Deferred tax assets				
Deferred revenue	67.46	(15.12)	-	52.34
Accrued expenses deductible on payment	39.96	15.48	-	55.44
Voluntary retirement scheme (VRS) expenses u/s 35DDA	9.08	(3.02)	-	6.06
Right of use assets and lease liabilities	3.87	1.65	-	5.52
	120.37	(1.01)	-	119.36
Deferred tax liabilities (net)	404.09	(20.80)	-	383.29

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

22. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables##		
Total outstanding dues of micro and small enterprises (MSME)	1.15	25.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,703.31	4,234.79
Total	4,704.46	4,260.34

Include payables to related parties (refer note 36)

Ageing of trade payables as on 31 March 2023:

Particulars	Outstanding for following periods from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	1.09	0.06	-	-	-	1.15
(2) Others - Trade payables	3,651.11	202.88	5.18	3.83	3.02	3,866.02
(3) Others - Accruals						837.29
Total						4,704.46

Ageing of trade payables as on 31 March 2022:

Particulars	Outstanding for following periods from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	22.91	2.64	-	-	-	25.55
(2) Others - Trade payables	2,942.31	274.45	2.85	1.76	1.30	3,222.67
(3) Others - Accruals						1,012.12
Total						4,260.34

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.

Disclosure in respect of the amounts payable to Micro and Small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	1.15	25.55
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.	-	-

23. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Capital creditors	63.04	34.43
Security deposits dealers and others	66.68	62.93
Unclaimed dividend *	34.25	36.39
Total	163.97	133.75

* Does not include any amounts outstanding as at 31 March 2023 (March 31, 2022: NIL) which are required to be credited to Investor Education and Protection Fund.

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

24. Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory remittances (contributions to provident fund and employee state insurance, withholding taxes, GST etc.)	254.73	167.15
Advance from customers	78.25	112.43
Deferred revenue	221.98	207.98
Others	2.88	4.56
Total	557.84	492.12

Contract balances

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as advance from customers disclosed as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	78.25	112.43
Deferred revenue	221.98	207.98
Total	300.23	320.41

Revenue recognised from amount included in contract liabilities-deferred revenue amounts to ₹ 327.69 crores (previous year ₹ 355.35 crores).

25. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sale of products		
Two wheelers (53.29 lakh units (previous year 49.44 lakh units))	28,115.74	24,275.42
Spare parts	4,835.23	3,933.75
	32,950.97	28,209.17
(b) Income from services		
Dealers support services	73.79	86.81
Dealer program	58.79	50.52
Services - others	322.66	341.24
	455.24	478.57
(c) Other operating revenue		
Duty drawback and other incentives	31.21	43.70
Incentive from State Government	297.41	447.09
Miscellaneous income	70.82	66.94
	399.44	557.73
Total	33,805.65	29,245.47
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	33,602.14	28,709.62
Less: Trade discounts, volume rebates, etc:-	(651.17)	(500.45)
Sale of products	32,950.97	28,209.17

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

26. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest income on financial assets carried at amortised cost		
Tax free bonds, debentures and other instruments classified as debt	105.17	49.52
Deposit with bank and others	150.93	136.77
(b) Dividend income		
Dividend received on investments carried at fair value through profit or loss	0.28	0.15
Dividend income from investments carried at cost	-	14.33
(c) Profit on sale of investments#	111.79	101.37
(d) Gain on investments carried at fair value through profit or loss	191.43	223.82
(e) Other non-operating income		
Exchange fluctuation-net	-	30.33
Profit on sale of property, plant and equipments	5.56	0.62
Total	565.16	556.91

Net off fair value adjustment upto previous year

27. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials and components consumed:		
Opening stock	573.45	848.20
Add: Purchases of raw materials, and components	24,149.90	20,461.87
	24,723.35	21,310.07
Less: Closing stock	677.38	573.45
	24,045.97	20,736.62
Less: Cash discount	26.24	28.55
Consumption of raw materials and components	24,019.73	20,708.07

28. Changes in inventory of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Opening stock (Refer note 14)		
Two wheelers	317.86	370.35
Stock in trade	11.84	23.82
Spare parts	56.19	54.35
Work-in-progress	36.82	46.90
	422.71	495.42
(b) Closing stock (Refer note 14)		
Two wheelers	494.07	317.86
Stock in trade	24.97	11.84
Spare parts	73.35	56.19
Work-in-progress	39.36	36.82
	631.75	422.71
Net (increase)/ decrease	(209.04)	72.71

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

29. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,923.17	1,699.32
Contribution to provident and other funds	130.88	119.39
Employee stock compensation cost (refer note 40)	16.04	10.00
Staff welfare expenses	119.74	106.73
Total	2,189.83	1,935.44

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, 2023	For the year ended March 31, 2022
a) Employer's contribution to provident fund and labour welfare fund	85.74	76.96
b) Employer's contribution to superannuation fund	18.78	17.60
c) Employer's contribution to gratuity fund *	23.50	21.70
d) Employer's contribution to employee state insurance	2.86	3.13
	130.88	119.39

* In addition to this contribution made amounting to ₹ 12.52 crore (previous year : ₹ 7.27 crore) is recognised in other comprehensive income.

B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows:

	Gratuity As at March 31, 2023	Gratuity As at March 31, 2022
Discount rate	7.30%	6.90%
Future salary increase	6.50% p.a.	6.50% 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

29. Employee benefits expense (Contd.)

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	24.74	22.67
Net Interest expense/(income)	(1.24)	(0.97)
Components of defined benefit costs recognised in profit or loss	23.50	21.70
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest)	0.71	(0.36)
Actuarial (gains)/ losses arising from changes in financial assumptions	(12.15)	(5.87)
Actuarial (gains)/ losses arising from experience adjustments	23.96	13.50
Components of defined benefit costs recognised in other comprehensive income	12.52	7.27
Total	36.02	28.97

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present Value of funded defined benefit obligation	427.19	395.90
Fair value of plan assets	427.19	395.90
Net liability arising from defined benefit obligation	-	-

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined obligation	395.90	356.80
Current service cost	24.74	22.67
Interest cost	26.23	23.42
Remeasurement (gains)/losses:		
Actuarial (gains)/ losses arising from changes in financial assumptions	(12.15)	(5.87)
Actuarial (gains)/ losses arising from experience adjustments	23.96	13.50
Benefits paid	(31.48)	(14.62)
Closing defined benefit obligation	427.20	395.90

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets	395.90	356.80
Interest income	27.47	24.38
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.70)	0.37
Contribution	36.01	28.98
Benefit paid	(31.48)	(14.63)
Closing fair value of plan assets	427.20	395.90

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

29. Employee benefits expense (Contd.)

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 ₹ 14.30 crore (increase by ₹ 15.29 crore) (as at March 31, 2022: Decrease by ₹ 13.99 crores (increase by ₹ 14.99 crores)).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 16.04 crores (decrease by ₹ 15.12 crores) (as at March 31, 2022: increase by ₹ 14.98 crores (decrease by ₹ 14.10 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, 2023	As at March 31, 2022
Weighted Average duration of the defined benefit obligation (in years)	8.0 years	9.0 years

The Company expects to make a contribution of ₹ 26.24 crore (as at March 31, 2022 ₹ 24.74 crore) to the defined benefit plans during the next financial year.

Defined benefit liability and employer contribution

The Expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at March 31, 2023	78.07	37.70	97.62	234.09	447.48
As at March 31, 2022	67.24	27.79	97.80	198.79	391.62

30. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest cost on financial liabilities at amortised cost		
-On dealers security deposits	2.83	2.70
-On others	0.12	0.64
-Unwinding of discount on provisions and lease liability	16.92	22.46
Total	19.87	25.80

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

31. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores and tools consumed	83.64	79.46
Packing, forwarding, freight etc.	962.10	940.47
Power and fuel	112.96	108.53
Rent (Refer note 7A)	38.25	35.63
Repairs and maintenance		
- Buildings	25.52	22.20
- Plant and machinery	115.79	113.23
- Others	11.32	9.82
Insurance charges	75.35	73.40
Rates and taxes	17.31	17.56
Advertisement and publicity	863.04	720.45
Donations#	20.00	0.02
Expenditure on corporate social responsibility (Refer note 42)	77.83	87.85
Payment to auditors (Refer below)	1.80	1.97
Exchange fluctuation	19.75	-
Loss on sale of property, plant and equipments	4.72	10.23
Loss allowance on trade receivables	4.80	-
Miscellaneous expenses	1,337.29	893.71
Total	3,771.47	3,114.53

Donation includes ₹20 crore (previous year ₹ Nil) under Section 182 of the Companies Act, 2013.

Payment to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) As Statutory Audit		
- Audit fee	0.95	0.92
- Limited Review of unaudited financial results	0.75	0.75
- Other certifications	0.04	0.09
b) Tax audit fees	-	0.08
c) Out of pocket expenses	0.06	0.13
	1.80	1.97

32. Income tax expense

(a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
In respect of the current year	941.90	797.91
Deferred tax charge		
In respect of the current year	22.08	(20.80)
Total income tax expense recognised in the Statement of profit and loss	963.98	777.11

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligations	3.15	(1.83)
Total income tax benefit recognised in other comprehensive income	3.15	(1.83)

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

32. Income tax expense (Contd.)

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	3,874.56	3,250.13
Income tax expense calculated at 25.168%	975.15	817.99
Effect of income exempt/ taxed on lower/ higher rate	(29.57)	(60.87)
Others	18.40	19.99
Income tax expense recognised in the Statement of profit and loss	963.98	777.11

33. Earnings per share

Particulars	As at March 31, 2023	As at March 31, 2022
Basic earnings per share (in ₹) (A/B)	145.66	123.78
Diluted earnings per share (in ₹) (A / C)	145.52	123.74
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)	2,910.58	2,473.02
Opening Balance	19,98,11,941	19,97,80,217
Effect of share options exercised	13,120	16,722
Weighted average number of equity shares for the purposes of basic earnings per share (B)	19,98,25,061	19,97,96,939
Effect of share options	1,89,104	61,672
Weighted average number of equity shares for the purposes of diluted earnings per share (C)	20,00,14,165	19,98,58,611

34. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Contingent liabilities		
In respect of excise and other matters	-	-

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.

Particulars	As at March 31, 2023	As at March 31, 2022
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to ₹ 122.39 crores (March 31, 2022 ₹ 87.77 crores))	291.36	296.89

c) The Income Tax Authorities ("the Department") had conducted a Search under Section 132 of the Income Tax Act, 1961 on the Company during the month of March 2022. Subsequently, the Company has provided necessary support, cooperation and documents as requested by the Department. Currently, assessment / reassessment proceedings of earlier years by the Department are in progress and appropriate actions will be taken based on the outcome. While uncertainty exists regarding the outcome of the proceedings by the Department, the Company after considering all available information and facts as of date, has not identified the need for any adjustments to the current or prior period financial statements.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

35. The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely automotive segment.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from operations from external customers

	Domestic	Overseas	Total
2022-23	32,654.30	1,151.35	33,805.65
2021-22	27,607.51	1,637.96	29,245.47

Disclosure as per the requirement of Ind AS 115, Revenue:

For the year ended March 31, 2023:

Particulars	India	Outside India	Total
Sale of products	31,816.89	1,134.08	32,950.97
Income from services	437.97	17.27	455.24
Other operating revenue	399.44	-	399.44
Total	32,654.30	1,151.35	33,805.65

For the year ended March 31, 2022:

Particulars	India	Outside India	Total
Sale of products	26,591.50	1,617.67	28,209.17
Income from services	458.28	20.29	478.57
Other operating revenue	557.73	-	557.73
Total	27,607.51	1,637.96	29,245.47

- Domestic segment includes sales and services to customers domiciled in India.
- Overseas segment includes sales and services rendered to customers domiciled outside India.
- There are no material non-current assets and post employment benefits domiciled outside India.
- 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, 2023

(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.

- HMCL Colombia S.A.S.
- HMCL Niloy Bangladesh Limited

Associate of the Company

Hero FinCorp Limited
Ather Energy Private Limited

C. Key management personnel and their relatives

Mr. Pawan Munjal - Executive Chairman & Whole-time Director
Mr. Vikram Sitaram Kasbekar - Executive Director
Mr. Niranjana Kumar Gupta - Chief Executive Officer and Chief Financial Officer
Ms. Neerja Sharma (till 31 January 2022) - Company Secretary
Mr. Dhiraj Kapoor (w.e.f 1 February 2022) - Company Secretary and Compliance Officer

Non Executive and Independent Directors

Mr. Suman Kant Munjal
Mr. Pradeep Dinodia
Mr. M. Damodaran (till 04 May 2022)
Mr. Paul B. Edgerley (till 04 May 2021)
Dr. Jagmohan Singh Raju
Ms. Tina Trikha
Mr. B.S. Dhanoa (appointed w.e.f. 1 October,2020)
Ms. Camille Tang (appointed w.e.f. 19 November 2021)
Mr. Rajnish Kumar (appointed w.e.f 25 November 2021)
Ms. Vasudha Dinodia (appointed w.e.f. 25 November 2021)

Enterprises over which key management personnel and their relatives are able to control:

A. G. Industries Private Limited, A. G. Industries (Bawal) Pvt. Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero Mindmine Institute Private Limited, Hero InvestCorp Private Limited, Hero Solar Energy Private Limited, BML Munjal University, Raman Kant Munjal Foundation, Excellence Enablers Private Limited and Raman Munjal Vidya Mandir.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

36. Related party disclosures under Ind AS 24 (Contd.)

Transactions with the above related parties:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A) PARTIES IN RESPECT OF WHICH THE COMPANY IS AN ASSOCIATE		
Dividend paid		
Brijmohan Lal Om Parkash (Partnership firm)	279.27	265.31
Hero InvestCorp Private Limited	8.74	8.30
Bahadur Chand Investments Private Limited	400.33	380.32
Rental Income		
Brijmohan Lal Om Parkash (Partnership firm)	0.02	-
Hero InvestCorp Private Limited	0.02	-
Bahadur Chand Investment Private Ltd.	0.02	-
B) PARTIES OVER WHICH THE COMPANY HAS CONTROL		
Investment in equity instruments during the year		
Subsidiaries		
HMCL Netherlands B.V.	-	-
Dividend Received		
HMCL Netherlands B.V.	-	9.09
Sales *		
HMCL Colombia S.A.S.	226.97	256.35
HMCL Niloy Bangladesh Limited	353.78	442.86
Hero Tech Center Germany GmbH	-	-
Other operating revenues		
HMCL Colombia S.A.S.	6.55	6.57
HMCL Niloy Bangladesh Limited	10.72	13.72
Purchases of goods/services		
HMC MM Auto Limited	252.16	218.12
Hero Tech Center Germany GmbH	105.91	110.43
Purchase of Assets		
HMC MM Auto Limited	2.25	-
Expenses reimbursed		
HMCL Colombia S.A.S.	18.08	14.94
HMCL Niloy Bangladesh Limited	8.08	10.67

*Net of reimbursements amounting to ₹ 20.93 crore (March 31, 2022: ₹ 6.90 crore)

Balance outstanding at the year end

Particulars	As at March 31, 2023	As at March 31, 2022
-Trade Receivable		
HMCL Colombia S.A.S.	86.31	90.00
HMCL Niloy Bangladesh Limited	107.32	125.81
-Trade Payable		
HMC MM Auto Limited	25.41	32.12
Hero Tech Center Germany GmbH	27.33	26.82

C) ASSOCIATE OF THE COMPANY

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Hero FinCorp Limited		
Lease rental expenses	0.18	2.67
Dividend received	-	5.24
Dividend paid	0.01	0.01
Investment in equity instruments during the year	-	-
Miscellaneous expenses	10.07	12.19
Investment	700.00	-
Ather Energy Private Limited		

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

36. Related party disclosures under Ind AS 24 (Contd.)

Investment (refer note 9)	262.50	150.00
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Balance outstanding at the year end

Particulars	As at March 31, 2023	As at March 31, 2022
- Payable		
Hero FinCorp Limited	-	-

D) KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Managerial Remuneration/Sitting fees		
Mr. Pawan Munjal	99.55	84.35
Mr. Vikram Sitaram Kasbekar	8.13	8.08
Mr. Suman Kant Munjal	0.32	0.36
Mr. Niranjan Kumar Gupta	7.89	6.71
Ms. Neerja Sharma (till 31 January 2022)	-	5.10
Mr. Dhiraj Kapoor (wef 1 February 2022)	1.35	0.15
Dividend paid	5.09	2.93

Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Pradeep Dinodia	1.39	1.43
Mr. M. Damodaran (till 04 May 2022)	0.38	1.28
Mr. Paul B. Edgerley (till 04 May 2021)	-	0.05
Dr. Jagmohan Singh Raju	0.90	0.93
Mr. B. S. Dhanoa	1.04	0.87
Ms. Tina Trikha	0.98	0.95
Ms. Camille Tang (wef 19 Nov 2021)	0.38	0.25
Mr. Rajnish Kumar (wef 25 Nov 2021)	0.38	0.18
Ms. Vasudha Dinodia (wef 25 Nov 2021)	0.32	0.18

Balance outstanding at the year end

Particulars	As at March 31, 2023	As at March 31, 2022
-Payables (including commission)	40.64	30.49

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Managerial remuneration*		
Short-term benefits	110.64	97.82
Post-employment benefits	4.79	4.55
Share-based payments	1.49	2.02

* 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, 2023

(Amount in crores of INR)

36. Related party disclosures under Ind AS 24 (Contd.)

E) ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES ARE ABLE TO EXERCISE CONTROL

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of raw materials and components etc.	1,860.56	2,959.95
Purchase of property, plant and equipments	27.68	26.81
Payment towards services etc.	5.72	6.35
Expenditure towards Corporate Social Responsibility (CSR)	18.34	23.84

Balance outstanding as at the year end

Particulars	As at March 31, 2023	As at March 31, 2022
- Payables	295.95	449.69
- Receivables	-	-

Significant related party transactions included in the above are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of raw materials and components etc.		
A. G. Industries Private Limited	913.52	811.47
Rockman Industries Limited	795.10	2,022.02
A. G. Industries (Bawal) Pvt. Limited	151.94	126.46
Purchase of Assets		
Rockman Industries Limited	12.10	18.54
A.G. Industries Private Limited	15.58	6.11
Hero Solar Energy Private Limited	-	2.16
Payment for service etc.		
BML Munjal University	2.15	1.64
Hero Solar Energy Private Limited	0.34	1.96
A. G. Industries Private Limited	-	-
Rockman Industries Limited	-	-
Cosmic Kitchen Pvt. Limited	3.06	2.74
Excellence Enablers Private Limited	-	-
Raman Munjal Vidya Mandir	0.68	-
CSR		
Raman Kant Munjal Foundation	3.34	3.84
BML Munjal University	15.00	20.00
Rental Income		
Munjal ACME Packaging Systems Pvt. Ltd.	0.02	-

Significant closing balances of related parties are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
- Trade Payables		
A. G. Industries Private Limited	144.91	114.95
Rockman Industries Limited	111.51	319.02
A. G. Industries (Bawal) Pvt. Limited	39.33	14.49

D. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.

37. The Company has declared a Voluntary Retirement Scheme 2023 (VRS) for eligible employees in April 2023. This being a subsequent event, there is no financial impact for the year ended March 31, 2023.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(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, 2023, pending with various authorities:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates to	Dispute 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	Additional Commissioner	FY 2014-15	2.69	0.10	2.59
The Central Excise Act, 1944	Excise Duty	CESTAT	FY 2004-05 to FY 2017-18	58.59	1.61	56.98
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	FY 2017-18	0.09	0.01	0.08
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	Joint commissioner Appeals	FY 2021-22	0.18	0.18	-
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 Appellate Tribunal (ITAT)*	FY 2010-11	2,336.71	350.51	1,986.20
Income-tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	FY 2018-19, FY 2013-14	10.85	0.18	10.67
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	-

* Appeal filed by the Company to ITAT subsequent to the year end.

Above excludes an aggregate amount of ₹50.79 crores in respect of disputes of Income-tax Act, 1961 which are paid in full.

The following matters have been decided in favour of the Company but the department has preferred appeals at higher levels:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates to	Dispute amount	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise Duty	CESTAT	FY 2009-10 to FY 2010-11, FY 2013-14	85.66	-	85.66
The Central Excise Act, 1944	Excise Duty	Supreme Court	FY 2002-03 to FY 2008-09	8.78	-	8.78
Income-tax Act, 1961	Income-Tax	Supreme Court	FY 2005-06	4.10	-	4.10
Income-tax Act, 1961	Income-Tax	High Court	FY 1995-96, FY 1996-97, FY 1997-98, FY 1998-99, FY 2000-01, FY 2002-03, FY 2003-04, FY 2006-07, FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13	7,367.64	-	7,367.64

39. Research and development expenses:

Expenses charged to revenue account

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material consumption	18.19	22.09
Consumables	6.82	5.78
Employee Benefits	285.33	224.91
Depreciation and amortisation	124.34	102.14
Others*	98.20	76.50
Total	532.88	431.42

* Includes intangible asset under development amounting to ₹ 1.40 crore (previous year ₹ Nil crores) expensed off during the year.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

39. Research and development expenses: (Contd.)

Capital expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Building	-	0.20
Equipments	13.99	8.43
Furniture and fixtures	1.16	0.54
Software	3.38	13.07
Vehicles	1.90	1.93
Data processing equipments	3.45	7.00
Intangible assets	86.41	31.28
	110.29	62.45
Capital Work-in-progress	116.77	121.98
Total	227.06	184.43

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

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

40. Share-based payments (Contd.)

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

	Option Plan			
	RSU 2022	PRSU 2022	RSU 2021	PRSU 2021
Weighted Average Fair value of option/RSU/PRSU	2,447	2,328	2,699	2,439
Spot share price	2,760	2,756	2,999	2,797
Exercise price	2	2	2	2
Expected average volatility	32.86%	34.00%	36.11%	33.30%
Option life	4.5 years	4.5 years	4 years	4 years
Dividend yield	4.38%	3.42%	4.22%	3.16%
Average risk-free interest rate	7.49%	7.23%	6.27%	5.16%

Movements in share options during the year

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	Weighted average exercise price ₹	Number of options	Weighted average exercise price ₹
Outstanding at the beginning of the year	1,93,341	2,065	2,67,145	2,044
Granted during the year	-	-	-	-
Forfeited during the year	33,596	2,052	47,913	2,011
Exercised during the year	16,722	1,940	25,891	1,952
Outstanding at the end of year	1,43,023	2,083	1,93,341	2,065
Exercisable at the end of year	94,228	2,131	78,682	2,194

Movements in RSU/PRSU during the year

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of RSU/PRSU	Weighted average exercise price ₹	Number of RSU/PRSU	Weighted average exercise price ₹
Outstanding at the beginning of the year	64,318	2.00	11,241	2.00
Granted during the year	2,15,148	2.00	74,105	2.00
Forfeited during the year	18,491	2.00	15,195	2.00
Exercised during the year	11,055	2.00	5,833	2.00
Outstanding at the end of year	2,49,920	2.00	64,318	2.00
Exercisable at the end of year	3,193	2.00	2,232	2.00

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

40. Share-based payments (Contd.)

Share options exercised during the year

Option Plan	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of options exercised	Weighted Share price at exercise date ₹	No. of options exercised	Weighted Share price at exercise date ₹
ESOP 2014	-	-	-	-
ESOP 2016	-	-	336	2,870
RSU 2016	-	-	-	-
ESOP 2017	-	-	265	2,898
RSU 2017	-	-	2,128	2,786
ESOP 2018	5,590	2,536	10,726	2,852
RSU 2018	2,232	2,362	1,674	2,786
ESOP 2019	6,252	2,644	9,458	2,718
RSU 2019	2,084	2,728	1,563	2,668
ESOP 2020	4,880	2,657	5,106	2,698
RSU 2020	468	2,728	468	2,668
RSU 2021	6,271	2,597	-	-

Share options/RSU/PRSU outstanding at end of the year

Options/RSU/PRSU Plans	Options outstanding as at March 31, 2023	Options outstanding as at March 31, 2022	Remaining contractual life (in Years) as on March 31, 2023	Remaining contractual life (in Years) as on March 31, 2022	Exercise Price ₹
ESOP 2014	-	-	-	-	2,159
ESOP 2016	8,599	9,717	0.39	1.39	2,469
RSU 2016	-	-	0.39	1.39	2
ESOP 2017	10,879	12,687	1.59	2.59	2,818
RSU 2017	-	-	1.59	2.59	2
ESOP 2018	46,660	61,780	2.99	3.98	2,033
RSU 2018	-	2,232	2.84	3.84	2
ESOP 2019	26,970	40,362	3.56	4.56	1,745
RSU 2019	-	2,084	3.56	4.56	2
ESOP 2020	49,915	68,795	4.58	5.58	2,085
RSU 2020	624	1,092	4.58	5.58	2
RSU 2021	22,100	30,632	2.37	3.37	2
PRSU 2021	25,820	28,279	2.37	3.37	2
RSU 2022	66,656	-	3.75	-	2
PRSU 2022	1,34,721	-	3.75	-	2
	3,92,944	2,57,660			

During the year ended March 31, 2023, the Company recorded an employee stock compensation expense of ₹ 16.04 crores (previous year ₹ 10.00 crore) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2023 is ₹ 35.63 crore (March 31, 2022: ₹ 24.45 crore).

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Financial instruments

41.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have debts and meets its capital requirement through equity and internal accruals.

The Company is not subject to any externally imposed capital requirements.

The Management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarises the capital of the Company:

	As at March 31, 2023	As at March 31, 2022
Share capital	39.97	39.96
Equity reserves	16,665.12	15,742.96
Total Equity	16,705.09	15,782.92

Categories of financial instruments

	As at March 31, 2023	As at March 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	3,221.52	1,485.56
Current		
Investments	3,561.63	5,786.61
Financial assets at amortised cost		
Non-current		
Investments	1,378.87	969.51
Loans	19.87	17.43
Others	205.65	41.60
Current		
Investments	76.25	51.05
Trade receivables	2,798.21	2,304.27
Cash and bank balances	345.50	175.12
Loans	23.71	22.81
Other	562.33	454.80
Total	12,193.54	11,308.76
Financial liabilities at amortised cost		
Non-current		
Lease liabilities	134.29	142.32
Other financial liabilities	196.29	155.04
Current		
Lease liabilities	22.02	25.75
Trade payables	4,704.46	4,260.34
Other financial liabilities	163.97	133.75
Total	5,221.03	4,717.20

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:

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Financial instruments (Contd.)

41.2 Fair value measurements (Contd.)

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 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, 2023		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,860.95	-
Investments in equity instruments	59.00	-	-
Investments in preference shares	-	808.47	-
Current			
Investments in Mutual funds	3,561.63	-	-
Particulars	Fair value as at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,315.68	-
Investments in equity instruments	19.88	-	-
Investments in debentures	-	-	150.00
Current			
Investments in mutual funds	5,695.22	91.39	-

Fair value of the Company's financial assets that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial instruments approximate their fair values:

Particulars	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost				
Non-current				
Investments in bonds	1,378.87	1,331.60	969.51	966.95
Current				
Investments in bonds	76.25	81.29	51.05	52.84

Particulars	Fair value hierarchy	
	March 31, 2023 Level 2	March 31, 2022 Level 2
Financial assets at amortised cost		
Non-current		
Investments in bonds	1,331.60	966.95
Current		
Investments in bonds	81.29	52.84

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Financial instruments (Contd.)

41.2 Fair value measurements (Contd.)

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.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current lease liabilities and other current financial liabilities: Fair value approximate their carrying amounts largely due to short-term maturities of these instruments.
- The Company's non current lease liabilities and non current financial assets are measured at amortised cost, which approximates the fair value as on the reporting date.
- Management uses its best judgment 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, 2023 and March 31, 2022

41.3 Financial risk management objectives and Policies

Financial risk management objectives

The Company's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments, diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Company's policies on foreign exchange risk and the investment. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity which impact returns on investments. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including export receivables and import payables. Future specific market movements cannot be normally predicted with reasonable accuracy.

Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Financial instruments (Contd.)

41.3 Financial risk management objectives and Policies (Contd.)

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, 2023	EUR	USD	JPY	GBP	CHF	COP	RMB
Trade Receivables	0.06	3.07	1.19	0.00	0.00	0.47	0.08
Trade Payables	0.30	0.61	-	-	-	-	-
Capital Creditors	0.35	0.00	(1.80)	-	0.00	64.83	-

Foreign currency exposure as at March 31, 2022	USD	EURO	JPY	SGD
Trade Receivables	4.01	-	1.03	-
Trade Payables	0.22	0.34	-	0.59
Capital Creditors	-	0.01	-	-
Forward cover-Bought	-	-	-	-

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	2022-23		2021-22	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	12.63	(12.63)	15.18	(15.18)
JPY	0.04	(0.04)	0.03	(0.03)
EUR	0.26	(0.26)	-	-
GBP	0.01	(0.01)	-	-
CHF	0.01	(0.01)	-	-
COP	0.00	(0.00)	-	-
RMB	0.05	(0.05)	-	-
Trade Payable				
USD	(2.51)	2.51	(0.82)	0.82
EUR	(1.34)	1.34	(1.45)	1.45
SGD	(0.01)	0.01	(0.01)	0.01
THB	(0.00)	0.00	-	-
Capital Creditors				
USD	(0.01)	0.01	-	-
EUR	(1.55)	1.55	(0.03)	0.03
CHF	(0.02)	0.02	-	-
COP	(0.06)	0.06	-	-
JPY	0.06	(0.06)	-	-
Impact on profit or loss as at the end of the reporting period	7.56	(7.56)	12.90	(12.90)
Impact on total equity as at the end of the reporting period	5.68	(5.68)	9.65	(9.65)

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Financial instruments (Contd.)

41.3 Financial risk management objectives and Policies (Contd.)

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.

Movement in the expected credit loss allowance of financial assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the year	116.86	117.05
Add: Provided during the year	24.01	22.24
Less: Reversals of provision	19.21	22.24
Less: Amounts written back	0.40	0.19
Balance at the end of the year	121.26	116.86

Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds/ debentures, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

- profit for the year ended March 31, 2023 would increase/decrease by ₹ 54.23 Crores (for the year ended March 31, 2022 ₹ 71.02 crores).

Interest rate risk

The Company has lease liabilities which have been accounted with incremental borrowing rate and are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Financial instruments (Contd.)

41.3 Financial risk management objectives and Policies (Contd.)

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, 2023			Total
	Less than 1 year	1 year to 5 year	More than 5 year	
(i) Trade payables	4,704.46	-	-	4,704.46
(ii) Other financial liabilities	186.44	173.82	-	360.26
(iii) Lease liabilities	22.02	134.29	-	156.31

Particulars	As at March 31, 2022			Total
	Less than 1 year	1 year to 5 year	More than 5 year	
(i) Trade payables	4,260.34	-	-	4,260.34
(ii) Other financial liabilities	133.75	128.83	45.47	308.05
(iii) Lease liabilities	34.16	121.49	64.29	219.94

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, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	77.11	87.22
Amount of expenditure incurred	77.83	87.85
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)	18.34	23.84
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

43. The Company has sanctioned borrowing facilities, comprising fund based and non-fund based limits from various bankers on unsecured basis.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

44. Following are analytical ratios for the year ended March 31, 2023 and March 31, 2022:

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance
Current ratio	Current assets	Current liabilities	1.61	1.99	-19.42%
Debt equity ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.01	0.01	-12.13%
Debt service coverage ratio	Earnings available for debt service = Net profit after taxes + Depreciation + Finance cost + Loss on sale of property, plant and equipments	Debt service including lease payments during the year	101.74	96.78	5.12%
Return on equity	Net profit after taxes	Average shareholder's equity	17.92%	15.96%	12.23%
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	16.07	16.14%
Trade receivables turnover ratio	Gross sale of products + Gross income from services	Average Trade receivables	16.75	15.51	7.98%
Trade payables turnover ratio	Purchase of stock in trade + Purchase raw material and components - cash discount + Other expenses	Average Trade Payables	6.13	4.91	24.81%
Net capital turnover ratio *	Revenue from operations	Average Working capital (Current assets - current liabilities)	8.00	5.92	35.14%
Net profit ratio	Net profit after taxes	Total income	8.47%	8.30%	2.05%
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + deferred tax liability	22.55%	20.06%	12.46%
Return on investment (ROI)	Income generated from investments carried at FVTPL and amortised cost	Investments carried at FVTPL and amortised cost	5.51%	4.81%	14.59%

* Higher sales in current year and reduction in current investment in comparison to previous year

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

45. Additional information:

- (i) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.
- (iii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (v) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vi) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (viii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one register CIC and one unregistered CIC as part of the Group
- (ix) As required by provisions of Rule 3 of the Companies (Accounts) Rule, 2013, as amended, the Company has taken all back up of the books and papers of the Company maintained in electronic mode in server physically located in India on daily basis during the financial year ended March 31, 2023.

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Place: Tirupati
Date: May 04, 2023

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 in its associates which comprise the Consolidated Balance Sheet as at 31st March 2023, 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 then ended, and a summary of significant 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 associates audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as notified by the Ministry of Corporate affairs ("MCA") 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 consolidated state of affairs of the Group and its associates as at 31 March 2023, and their consolidated profit, their consolidated total comprehensive income/(loss),

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Government Grants</p> <p>The Group obtains grants from Government authorities in connection with the manufacturing and sales of two-wheelers. There are certain specific conditions and approval requirements attached to these grants.</p> <p>At the end of each reporting period, the management evaluates whether the Group has complied with the relevant conditions attached to each grant and whether there is a reasonable assurance that the grants will be received, in order to determine the timing and value of grants to be recognised in the consolidated financial statements.</p> <p>The recognition of Government grants has been considered to be a key audit matter because of the significance of amounts involved, conditions attached towards recognition of respective grants and assessment of its recoverability. (Refer Note 11 of the consolidated financial statements)</p>	<p>Our principal audit procedures performed, among other procedures, included the following:</p> <p>We assessed the appropriateness of the accounting policy for government grants as per the relevant accounting standard.</p> <p>We evaluated the design and implementation of the relevant controls and carried out testing of the operating effectiveness of management's controls around recognition and recoverability of government grants.</p> <p>We inspected the underlying documents relating to the grants given by the Government authorities for identification of the specific conditions and approval requirements attached to the respective grants;</p> <p>We evaluated whether the conditions have been met for recognition of grants and assessed management's judgement around reasonable assurance of its recovery. This included examining, on a sample basis, the terms and conditions of the government scheme, underlying documentation, communication with / by the government authorities and evidence supporting manufacturing of two wheelers and corresponding sales made in respect of such grant.</p> <p>We also assessed the adequacy and appropriateness of the classification and disclosures made in the consolidated financial statements.</p>

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-paragraphs (a) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

Attention is invited to note 36 (c) of the consolidated financial statements, relating to the search carried out by the Income Tax Authorities during the month of March 2022. Since the proceedings are currently in progress, there is an uncertainty of the outcome of the proceedings, and consequently, the impact, if any, cannot be ascertained at present.

Our opinion is not modified in respect of the matter.

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

- ▶ The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion and Analysis, 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 associates 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 associates, 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 Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management 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 Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

Independent Auditor's Report

- 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 ₹ 1253.30 crores as at 31st March, 2023, total revenues of ₹ 1043.24 crores and net cash outflows amounting to ₹ 3.98 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 197.69 crores for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.
- (b) Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

- (c) The Comparative consolidated financial statements of the Parent for the year ended March 31, 2022 prepared in accordance with Ind AS included in these consolidated financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative consolidated financial statements expressed an unmodified opinion.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries and associates referred to in the Other Matters section above we report 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - 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 31st March, 2023 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 are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates Refer Note 36 to the consolidated financial statements;
- ii) The Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer note 42.3 to the consolidated financial statements;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary and associate companies incorporated in India. Refer note 25 to the consolidated financial statement;
- iv) (a) The respective Managements of the Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under

Independent Auditor's Report

the Act, have represented to us and to the other auditors of such subsidiary and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the note 44(vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and associates 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 such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates that, to the best of their knowledge and belief, other than as disclosed in the note 44(vii) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and associates 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 such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates 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 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 compliance with Section 123 of the Act.
- c. The Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries and associates which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Ather Energy Private Limited	U40100KA2013PTC093769	Associate	Clause vii, xviii and xix of Annexure B to the Independent Auditor's report.
Hero FinCorp Limited	U74899DL1991PLC046774	Associate	Clause iii (c), vii (a) and xi (a) of Annexure B to the Independent Auditor's Report

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

Vijay Agarwal
Partner
(Membership No. 094468)
UDIN: 23094468BGY10B3706

Place: Tirupati
Date: May 04, 2023

Annexure “A” to the Independent Auditor’s Report

on the consolidated financial statements of Hero MotoCorp Limited for the period ended 31 March 2023

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Hero MotoCorp Limited (hereinafter referred to as “Parent”) its subsidiary and associate companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by auditors of the subsidiary and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, 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 reports of other auditors referred to in the Other Matters 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, 2023, 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 Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

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

Vijay Agarwal
(Partner)

(Membership No. 094468)
UDIN: 23094468BGYIOB3706

Place: Tirupati
Date: May 04, 2023

Consolidated

Balance Sheet

as at March 31, 2023

CIN - L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,159.42	5,354.34
(b) Capital work-in-progress	6	122.09	149.13
(c) Right of use assets	7	481.28	517.90
(d) Other Intangible assets	7A	518.50	321.30
(e) Intangible assets under development	8	331.62	368.09
(f) Equity accounted investments in associates	9A	2,618.70	2,202.51
(g) Financial assets			
(i) Investments	9B	4,600.38	2,455.05
(ii) Loans	10	19.87	17.43
(iii) Others	11	206.09	42.01
(h) Income tax assets (net)	12	270.69	358.07
(i) Other non-current assets	13	153.06	120.34
Total non-current assets		14,481.70	11,906.17
Current assets			
(a) Inventories	14	1,756.39	1,472.41
(b) Financial assets			
(i) Investments	9B	3,671.85	5,870.31
(ii) Trade receivables	15	2,719.47	2,158.49
(iii) Cash and cash equivalents	16	226.30	181.02
(iv) Bank balances other than (iii) above	17	196.50	118.72
(v) Loans	10	23.71	22.81
(vi) Others	11	571.65	475.00
(c) Other current assets	13	269.46	273.46
Total current assets		9,435.33	10,572.22
Total Assets		23,917.03	22,478.39
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	39.97	39.96
(b) Other equity	19	16,615.60	15,806.69
Equity attributable to owners of the Company		16,655.57	15,846.65
Non-controlling interests	20	125.06	148.05
Total equity		16,780.63	15,994.70
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	20.09	36.17
(ii) Lease liabilities	7	219.67	215.51
(iii) Other financial liabilities	7A	196.29	155.04
(b) Provisions	22	201.94	181.13
(c) Deferred tax liabilities (net)	23	485.79	378.21
Total non-current liabilities		1,123.78	966.06
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	293.15	317.31
(ii) Lease liabilities	7	34.63	36.18
(iii) Trade payables	24		
Total outstanding dues of micro and small enterprises	24	2.44	26.19
Total outstanding dues of creditors other than micro and small enterprises		4,757.70	4,316.90
(iv) Other Financial liabilities	25	169.93	145.58
(b) Other current liabilities	26	562.09	496.32
(c) Provisions	22	192.68	179.15
Total current liabilities		6,012.62	5,517.63
Total equity and liabilities		23,917.03	22,478.39
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: Tirupati
Date: May 04, 2023

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Place: Tirupati
Date: May 04, 2023

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Statement of Profit and Loss

for the year ended March 31, 2023

CIN - L35911DL1984PLC017354

Particulars	Note	Amount in crores of INR unless otherwise stated	
		For the year ended March 31, 2023	For the year ended March 31, 2022
I INCOME			
(a) Revenue from operations	27	34,158.38	29,551.28
(b) Other income	28	569.01	555.01
Total Income		34,727.39	30,106.29
II EXPENSES			
(a) Cost of materials consumed	29	24,060.29	20,845.74
(b) Purchases of stock in trade		47.43	45.95
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	30	(163.69)	28.67
(d) Employee benefits expense	31	2,250.05	1,995.78
(e) Finance costs	32	104.88	53.10
(f) Depreciation and amortisation expenses	5, 7 and 7A	697.39	689.52
(g) Other expenses	33	3,870.53	3,190.37
Total expenses		30,866.88	26,849.13
III Profit before share of profit/ (loss) of associates and tax (I - II)		3,860.51	3,257.16
IV PROFIT/(LOSS) FROM ASSOCIATES			
Share in profit/(loss) of associates, net of tax		3.11	(199.05)
V Profit before tax (III - IV)		3,863.62	3,058.11
VI TAX EXPENSE			
Current tax	34	947.69	805.44
Deferred tax charge/(credit)		116.03	(76.38)
Total tax expense		1,063.72	729.06
VII Net profit after taxes (V - VI)		2,799.90	2,329.05
VIII OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified subsequently to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		(12.64)	(7.22)
Income tax effect		3.15	1.83
Share of Other comprehensive income/(loss) of associates, to the extent not be reclassified to profit or loss		0.60	(0.89)
		(8.89)	(6.28)
Items that will be reclassified to profit or loss:			
Exchange differences in translating the financial statements of foreign operations		(34.43)	7.53
Income tax effect		8.45	(1.85)
		(25.98)	5.68
Other comprehensive income for the year		(34.87)	(0.60)
IX Total comprehensive income for the year, net of tax (VII + VIII)		2,765.03	2,328.45
Net Profit/(loss) for the year attributable to:			
- Owners of the Company		2,809.96	2,316.88
- Non-controlling interests		(10.06)	12.17
		2,799.90	2,329.05
Other comprehensive income for the year attributable to:			
- Owners of the Company		(21.95)	(2.44)
- Non-controlling interests		(12.92)	1.84
		(34.87)	(0.60)
Total comprehensive income for the year attributable to:			
- Owners of the Company		2,788.01	2,314.44
- Non-controlling interests		(22.98)	14.01
		2,765.03	2,328.45
Earnings per share (Nominal Value of ₹ 2 each) in ₹			
(a) Basic	35	140.62	115.96
(b) Diluted		140.49	115.93
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: Tirupati
Date: May 04, 2023

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Place: Tirupati
Date: May 04, 2023

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Statement of Cash Flows

for the year ended March 31, 2023

CIN - L35911DL1984PLC017354

PARTICULARS	Amount in crores of INR	
	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax and share in profit/(loss) of associates	2,799.90	2,329.05
Adjustments for:		
Add: Depreciation and amortisation expense	697.39	689.52
Tax expense	1,063.72	729.06
Loss on property, plant and equipments sold/discarded	4.83	10.23
Finance cost	104.88	53.10
Employee stock compensation cost	16.04	10.00
Loss allowance on advances to supplier	-	52.24
Loss allowance on trade receivables	10.33	0.74
	1,897.19	1,544.89
Less: Interest income on financial assets carried at amortised cost	260.81	189.05
Dividend income	2.28	1.67
Profit on sale of investments	111.80	109.11
Gain on investments carried at fair value through profit or loss	188.51	223.82
Share of profit in associates	3.11	(199.05)
Profit on sale of property, plant and equipments	5.56	0.62
Net Foreign currency translation	34.43	(7.53)
	606.50	317.69
Operating profit before working capital changes	4,090.59	3,556.25
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories	(283.98)	316.86
Trade receivables	(571.31)	115.45
Loans-Current	(0.90)	0.14
Loans-Non-Current	(2.44)	(0.70)
Other financial assets	(277.24)	(66.89)
Other current assets	4.00	(46.25)
Other non-current assets	2.97	3.08
	(1,128.90)	321.69
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	417.05	(921.09)
Other financial liabilities-Current	4.19	3.53
Other current liabilities	65.77	(74.27)
Current provisions	0.89	(3.89)
Non current provisions	20.81	5.56
	508.71	(990.16)
Cash generated from operating activities	3,470.40	2,887.78
Less: Direct taxes paid (net of refund)	856.56	784.08
Net cash generated from operating activities	2,613.84	2,103.70
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	(604.25)	(569.66)
Proceeds from sale of property, plant and equipment	42.88	10.82
Deposits (made) / withdrawn	(79.92)	(9.82)
Sale of investments other than associates	45,336.01	42,437.49
Purchase of investments other than associates	(44,433.15)	(42,105.10)
Dividend income received from associates	-	5.24
Investment in associates	(962.50)	(150.00)
Interest income on financial assets carried at amortised cost	277.32	157.39
Dividend income	2.28	1.67
Net cash (used) in investing activities	(421.33)	(221.97)

CIN - L35911DL1984PLC017354

PARTICULARS	Amount in crores of INR	
	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(104.88)	(52.85)
Payment of lease liabilities	(7.02)	(30.58)
Dividend paid	(1,998.33)	(1,907.27)
Tax on dividend	-	(1.12)
Proceeds from issue of equity share capital (including securities premium)	3.24	5.04
(Repayment) / proceeds of non current borrowings	(16.08)	(9.01)
(Repayment) /proceeds from current borrowings	(24.16)	20.46
Net cash (used) in financing activities	(2,147.23)	(1,975.33)
D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	45.28	(93.60)
Cash and cash equivalents at the beginning of the period	181.02	274.62
Cash and cash equivalents at the end of the period	226.30	181.02

Movement of Borrowings	Non-Current Borrowings	Current Borrowings (including current maturities)	Interest expense on financial liabilities	Total
As on March 31, 2022	36.17	317.31	0.64	354.12
Cash Flows (net)	(16.08)	(24.16)	(104.88)	(145.12)
Non Cash:				
Interest expenses	-	-	104.88	104.88
As on March 31, 2023	20.09	293.15	0.64	313.88

Notes:

- The consolidated statement of cash flow has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 'Statement of Cash Flows' as notified under section 133 of companies act, 2013, read with the relevant rules there under.
- Refer note 33 for the disclosure related to corporate social responsibility expense.
- Also refer to note 7 for reconciliation of cash flows from lease liabilities.

The notes referred to above form an integral part of the consolidated financial statements 1 - 44

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: Tirupati
Date: May 04, 2023

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Niranjn Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Place: Tirupati
Date: May 04, 2023

Tina Tripathi
Chairperson Audit Committee
(Director)
DIN-02778940

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Statements of Changes in Equity

for the year ended March 31, 2023

Amount in crores of INR unless otherwise stated

A. EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2021	19,97,80,217	39.96
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (# in absolute INR 63,448) (Note 41)	31,724	#
Balance as at March 31, 2022	19,98,11,941	39.96
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (in absolute INR 55,554) (Note 41)	27,777	0.01
Balance as at March 31, 2023	19,98,39,718	39.97

B. Other Equity*

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 March 31, 2021	#	31.49	2,676.34	19.04	12,648.70	0.89	15,376.46	143.19	15,519.65
Profit for the year					2,316.88		2,316.88	12.17	2,329.05
Other comprehensive income for the year, net of income tax					(6.28)	3.84	(2.44)	1.84	(0.60)
Total Comprehensive Income for the year	-	-	-	-	2,310.60	3.84	2,314.44	14.01	2,328.45
Transaction with owners, recorded directly in equity									
Charge against share-based payments	-	-	-	10.00	-	-	10.00	-	10.00
Transferred to securities premium on issue of shares	-	4.59	-	(4.59)	-	-	-	-	-
Payment of dividends	-	-	-	-	(1,898.13)	-	(1,898.13)	(9.15)	(1,907.28)
Tax on dividend	-	-	-	-	(1.12)	-	(1.12)	-	(1.12)
Issue of equity shares under employee share option plan	-	5.04	-	-	-	-	5.04	-	5.04
Balance as at March 31, 2022	#	41.12	2,676.34	24.45	13,060.05	4.73	15,806.69	148.05	15,954.74
Profit for the year					2,809.96		2,809.96	(10.06)	2,799.90
Other comprehensive income for the year, net of income tax					(8.89)	(13.06)	(21.95)	(12.92)	(34.87)
Total Comprehensive Income for the year	-	-	-	-	2,801.07	(13.06)	2,788.01	(22.98)	2,765.03

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									
Charge against share-based payments	-	-	-	16.04	-	(0.05)	15.99	(0.01)	15.98
Transferred to securities premium on issue of shares	-	8.10	-	(4.86)	-	-	3.24	-	3.24
Payment of dividends	-	-	-	-	(1,998.33)	-	(1,998.33)	-	(1,998.33)
Tax on dividend	-	-	-	-	-	-	-	-	-
Issue of equity shares under employee share option plan	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	#	49.22	2,676.34	35.63	13,862.79	(8.38)	16,615.60	125.06	16,740.66

*Purpose of each reserve within Other Equity has been disclosed under Note 19.

on shares forfeited (in absolute INR 4,250) and share premium account on forfeited share reissued (in absolute INR 25,500)

The notes referred to above form an integral part of the consolidated financial statements 1-44

As per our report of even date

For and on behalf of the Board of Directors of **Hero MotoCorp Limited**

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson Audit Committee
(Director)
DIN-02778940

Vijay Agarwal
Partner
Membership No: 094468

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Place: Tirupati
Date: May 04, 2023Place: Tirupati
Date: May 04, 2023

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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, 2023 were approved by the Board of Directors and authorised for issue on May 04, 2023.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The consolidated financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 issued thereunder and other relevant provisions of the companies Act, 2013 (the Act) as amended from time to time.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments, net defined benefit asset/ liability and liabilities for equity settled share based payment arrangement that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

These financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional currency. All amounts have been rounded-off to the nearest crores, upto 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 realisation in cash or cash equivalents, the Group and its associates have determined its operating cycle as less than 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company 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

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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.

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, 2023	March 31, 2022
HMCL Americas Inc.	Subsidiary	United States of America	Company	100%	100%
HMC MM Auto Limited	Subsidiary	India	Company	60%	60%
HMCL Netherlands B.V.	Subsidiary	Netherlands	Company	100%	100%
HMCL Colombia SAS	Subsidiary	Colombia	HMCL Netherlands BV	68%	68%
HMCL Niloy Bangladesh Limited	Subsidiary	Bangladesh	HMCL Netherlands BV	55%	55%
Hero TechCenter 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

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.

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 loss recognised forms part of the carrying amount

Notes forming part of the Financial Statements

for the year ended March 31, 2023

of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a

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, 2023	March 31, 2022
Hero FinCorp Limited	Associate	India	Company	41.19%	41.19%
Ather Energy Private Limited	Associate	India	Company	36.54%	37.65%

3. Significant 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.
- 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 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.

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.

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.

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)

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the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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

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

The right-of-use assets are initially 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 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

Notes forming part of the Financial Statements

for the year ended March 31, 2023

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.

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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.

Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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Depreciation is charged on a pro-rata basis at the straight line method as per estimated economic useful lives prescribed in the Schedule II to the Act other than moulds and dies which are depreciated over a period of 3-8 years grouped under property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

3.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure

incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from 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

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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):

- 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

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- 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 intends either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially 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

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that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.17 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, interest rate including foreign exchange forward contracts, option contracts, etc.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.19 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.20 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, which are described in note 3, the management of the Group are required to make 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 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.

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(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent gain are not 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, 2023 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

Recent accounting pronouncements 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement

The Group will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(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, 2021	186.47	2,987.25	6,427.22	58.83	62.84	91.28	253.08	10,066.97
Additions	-	85.09	280.06	3.43	11.08	11.69	33.49	424.84
Disposals	11.32	-	101.57	0.25	13.38	0.62	21.31	148.45
Foreign currency translation reserve	-	-	4.18	-	-	-	-	4.18
At March 31, 2022	175.15	3,072.34	6,609.89	62.01	60.54	102.35	265.26	10,347.54
Additions	-	-	403.95	3.15	12.67	4.88	36.60	461.25
Disposals	0.19	36.22	71.14	1.23	7.50	1.36	6.12	123.76
Foreign currency translation reserve	-	-	(31.84)	-	-	-	-	(31.84)
At March 31, 2023	174.96	3,036.12	6,910.86	63.93	65.71	105.87	295.74	10,653.19
Accumulated depreciation								
At April 1, 2021	-	541.76	3,658.33	31.00	38.33	59.77	187.11	4,516.30
Depreciation expenses	-	92.38	464.66	4.66	5.97	11.40	24.78	603.85
Adjustments	-	-	(95.59)	(0.23)	(11.40)	(0.58)	(20.22)	(128.02)
Foreign currency translation reserve	-	-	1.07	-	-	-	-	1.07
At March 31, 2022	-	634.14	4,028.47	35.43	32.90	70.59	191.67	4,993.20
Depreciation expenses	-	94.65	448.79	4.60	6.23	10.17	27.47	591.91
Adjustments	-	-	(66.72)	(1.15)	(6.45)	(1.29)	(6.00)	(81.61)
Foreign currency translation reserve	-	-	(9.73)	-	-	-	-	(9.73)
At March 31, 2023	-	728.79	4,400.81	38.88	32.67	79.46	213.15	5,493.77
Net carrying amount								
At March 31, 2022	175.15	2,438.20	2,581.42	26.58	27.64	31.76	73.59	5,354.34
At March 31, 2023	174.96	2,307.33	2,510.05	25.05	33.04	26.41	82.59	5,159.42

6. Capital work-in-progress*

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	122.09	149.13
	122.09	149.13

Ageing of capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as on March 31, 2023	87.88	31.65	1.40	1.16	122.09
Projects in progress as on March 31, 2022	78.51	51.77	11.81	7.04	149.13

* 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, 2023

(Amount in crores of INR)

7. Right of use of assets

Particulars	Leasehold land right	Right of use assets (Buildings)	Total
Gross carrying amount			
At April 1, 2021	277.25	331.85	609.10
Additions	-	40.28	40.28
Foreign currency translation reserve	-	0.88	0.88
At March 31, 2022	277.25	373.01	650.26
Additions	-	14.48	14.48
Disposals	-	(4.85)	(4.85)
Foreign currency translation reserve	-	(14.82)	(14.82)
At March 31, 2023	277.25	367.82	645.07
Accumulated depreciation			
At April 1, 2021	6.61	91.25	97.86
Depreciation expense during the year	3.17	31.07	34.24
Foreign currency translation reserve	-	0.26	0.26
At March 31, 2022	9.78	122.58	132.36
Depreciation expense during the year	3.18	35.11	38.29
Adjustments	-	(1.77)	(1.77)
Foreign currency translation reserve	-	(5.09)	(5.09)
At March 31, 2023	12.96	150.83	163.79
Net carrying amount			
At March 31, 2022	267.47	250.43	517.90
At March 31, 2023	264.29	216.99	481.28

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	34.63	36.18
Non-current lease liabilities	219.67	215.51
Total	254.30	251.69

The following is the movement in lease liabilities:

Particulars	Amount
At April 1, 2021	241.99
Additions	40.28
Finance cost accrued during the period	19.22
Payment of lease liabilities during the period	(49.31)
Foreign Currency Translation Reserve	(0.49)
At March 31, 2022	251.69
Additions/Deletions	43.75
Finance cost accrued during the period	26.25
Payment of lease liabilities during the period	67.59
Foreign Currency Translation Reserve	0.20
At March 31, 2023	254.30

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	47.97	46.65
One to five years	201.46	183.13
More than five years	73.77	113.01
Total	323.20	342.79

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

7. Right of use of assets (Contd.)

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases is ₹ 41.83 crores during year ended March 31, 2023 (previous year- ₹ 38.22 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, 2021	1,033.52	201.92	2,912.50	4,147.94
Additions	37.15	17.20	-	54.35
Foreign Currency Translation reserve	-	(0.13)	-	(0.13)
At March 31, 2022	1,070.67	218.99	2,912.50	4,202.16
Additions	259.90	6.37	-	266.27
Foreign Currency Translation reserve	-	(0.43)	-	(0.43)
At March 31, 2023	1,330.57	224.93	2,912.50	4,468.00
Accumulated depreciation				
At April 1, 2021	791.49	133.83	2,904.14	3,829.46
Amortisation expenses	28.58	21.17	1.68	51.43
Foreign Currency Translation reserve	-	(0.03)	-	(0.03)
At March 31, 2022	820.07	154.97	2,905.82	3,880.86
Amortisation expenses	46.83	20.45	1.68	68.96
Foreign Currency Translation reserve	-	(0.32)	-	(0.32)
At March 31, 2023	866.90	175.10	2,907.50	3,949.50
Net carrying amount				
At March 31, 2022	250.60	64.02	6.68	321.30
At March 31, 2023	463.67	49.83	5.00	518.50

* Related to non current financial liabilities of ₹ 196.29 crores (previous year ₹ 155.04 crores)

8. Intangible Assets under Development**

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible Assets Under Development	331.62	368.09
Total	331.62	368.09

Ageing of intangible assets under development:

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as on March 31, 2023	106.78	63.29	48.32	113.23	331.62
Projects in progress as on March 31, 2022	137.24	93.45	83.22	54.18	368.09

** Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	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 Private Limited						
Equity Shares of Face Value of ₹ 1 each	1,098	1,098	-	0.20	-	0.20
Preference shares of face value of ₹ 10 each (Compulsorily Convertible into equity instruments)#	2,64,006	1,79,696	-	916.87	-	504.38
Add: Group's share of profit/(loss)@			-	(509.77)	-	(317.45)
			-	407.30	-	187.13
Hero FinCorp Limited						
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
Add: Group's share of profit (net off dividend received)**			-	742.36	-	546.34
			-	2,211.40	-	2,015.38
Investment in equity instruments			-	2,618.70	-	2,202.51

** 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

including Goodwill on acquisition ₹ 183.06 crores (Previous Year ₹ 166.52 Crores)

including Goodwill on acquisition of interest ₹ 51.64 crores (Previous Year ₹ 51.64 Crores)

@ includes gain on dilution of stake ₹ 112.86 crores (Previous Year ₹ Nil)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
9B INVESTMENTS				
Category-wise investments				
Investment in equity instruments	33.97	552.10	32.64	19.88
Investment in preference shares	-	808.46	-	-
Investment in debentures / bonds	76.25	1,378.87	51.05	1,119.49
Investment in mutual funds	3,561.63	1,860.95	5,786.62	1,315.68
	3,671.85	4,600.38	5,870.31	2,455.05

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Investments carried at fair value through profit or loss (FVTPL)						
Quoted investments						
Investment in equity instruments of Other Entities						
Bombay Stock Exchange Limited						
Face Value of ₹ 2 each	2,10,600	2,10,600	-	9.08	-	19.88
Gogoro Inc.						
Face Value of USD 0.0001 each	15,00,000	-	-	49.92	-	-
Face value of Bangladesh Takas 10 each						
ACME Pesticides Ltd.	50,000	-	0.14	-	-	-
Bangladesh Export Import Company Ltd.	30,500	-	0.27	-	-	-
Baraka Patenga Power Limited	1,40,000	1,40,000	0.32	-	0.40	-
Baraka Power Limited	1,15,000	1,15,000	0.19	-	0.25	-
BBS Cables Limited	1,30,511	83,297	0.50	-	0.42	-
BD Thai Food & Beverage	-	26	-	-	0.00	-
Beximo Green-Sukuk al Istisna's	2,89,085	2,89,085	1.90	-	2.24	-
British American Tobacco Bangladesh Company Ltd.	2,000	-	0.08	-	-	-
Coppertech Industries Ltd.	52,000	-	0.15	-	-	-
Delta Brac Housing Finance Corp.	44,000	44,000	0.20	-	0.25	-
DBH First Mutual Fund	12,60,695	12,60,695	0.67	-	0.83	-

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Export Import (Exim) Bank of Bangladesh Ltd.	18,64,261	18,64,261	1.50	-	2.05	-
GPH Ispat Ltd.	2,08,890	1,29,000	0.73	-	0.62	-
Grameenphone Ltd.	2,18,078	1,07,336	4.84	-	3.11	-
Green Delta Mutual Fund	15,00,000	15,00,000	0.80	-	1.02	-
IFAD Autos Limited	3,20,250	3,05,000	1.09	-	1.23	-
IFIC Bank Ltd.	11,73,500	10,70,000	1.05	-	1.29	-
Jamuna Bank Ltd.	6,64,539	3,33,518	1.10	-	0.67	-
JMI Hospital Requisite Manufacturing Ltd.	52	52	0.00	-	0.00	-
LafargeHolcim Bangladesh Ltd.	1,15,000	-	0.58	-	-	-
Lankabangla Finance Ltd.	75,000	75,000	0.15	-	0.21	-
LR Global Bangladesh Mutual Fund One	8,80,000	8,80,000	0.44	-	0.52	-
Mercantile Bank Limited	7,57,000	3,40,000	0.80	-	0.51	-
Mercantile Insurance Company Limited	20	-	0.00	-	-	-
Navana CNG Ltd.	1	-	0.00	-	-	-
Navana Pharmaceuticals Ltd.	46	-	0.00	-	-	-
National Credit and Commerce Bank Ltd.	31,41,200	26,30,000	3.36	-	3.57	-
National Tubes Ltd.	1,05,133	1,05,133	0.65	-	0.80	-
One Bank Limited	4,72,500	3,00,000	0.37	-	0.35	-
Power Grid Company of Bangladesh Ltd.	70,000	-	0.28	-	-	-
Premier Bank Ltd.	9,27,000	-	0.96	-	-	-
Prime Bank Ltd.	1,50,000	-	0.22	-	-	-
Ring Shine Textiles Ltd.	2,800	2,800	0.00	-	0.00	-
Robi Axiata Ltd.	2,55,000	2,55,000	0.59	-	0.75	-
Rupali Bank Ltd.	6,22,200	6,10,000	1.21	-	1.52	-
Runner Automobiles Ltd.	1,51,800	81,800	0.57	-	0.37	-
Singer Bangladesh Ltd.	52,999	52,299	0.62	-	0.78	-
Southeast Bank Limited	9,38,400	7,10,000	1.00	-	0.89	-
Square Pharmaceuticals Ltd.	1,00,000	1,00,000	1.63	-	1.93	-
The City Bank Limited	12,22,414	10,86,591	2.07	-	2.48	-
United Power Generation & Distribution Company Limited	1,28,964	1,28,964	2.34	-	2.88	-
Walton Hi-Tech Industries Ltd.	7,392	7,392	0.60	-	0.70	-
Investments carried at fair value through profit or loss (FVTPL)			33.97	59.00	32.64	19.88

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Investments in equity instruments carried at cost						
Unquoted investments						
Zero Motorcycles Inc.						
Face Value of USD 0.001 each	55,81,395	-	-	493.10	-	-
Investments in equity instruments carried at cost			-	493.10	-	-
Investment in preference shares						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Hero FinCorp Limited						
Preference shares (Financial Instrument) at the face value of ₹550 each	1,27,27,272	-	-	808.46	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Investment in preference shares			-	808.46	-	-
Investment in debentures						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Ather Energy Private Limited						
Compulsorily convertible debentures at the face value of ₹100 each	-	30,658	-	-	-	150.00
Investment in debentures			-	-	-	150.00
Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Quoted Investments						
Investments carried at amortised cost						
Face Value of ₹ 1000 each						
7.34% HUDCO -Maturity-16.02.2023	-	2,50,000	-	-	25.22	-
7.18% IRFC -Maturity-19.02.2023	-	2,50,000	-	-	25.83	-
8.18% NHPC Tax Free Bonds-Maturity-02.11.2023	1,61,050	1,61,050	17.42	-	-	17.42
8.51% HUDCO Tax Free Bonds-Maturity-13.01.2024	2,50,000	2,50,000	25.45	-	-	25.45
8.18% PFC Tax Free Bonds-Maturity-16.11.2023	3,23,890	3,23,890	33.38	-	-	33.38
Face Value of ₹ 10,00,000 each						
8.50% SBI Series II BD Perpetual-Maturity-22.11.2024	250	250	-	25.83	-	25.87
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	250	250	-	25.51	-	25.53
7.73% State Bank Of India SR II BD Perpetual -Maturity-24.11.2025	250	250	-	25.93	-	26.03
7.99% LIC Housing Finance Limited -Maturity-12.07.2029	500	500	-	54.49	-	54.69
6.83% Housing Development Finance Corporation Ltd. -Maturity-08.01.2031	500	500	-	49.37	-	49.25
6.65% Food Corporation Of India Sr. IX -Maturity-23.10.2030	500	500	-	49.84	-	49.69
7.92% REC Limited Series 189-Maturity-31.03.2030	350	350	-	36.05	-	36.16
7.79% REC Limited Series 198B-Maturity-21.05.2030	150	150	-	16.41	-	16.45
6.39% National Bank For Agriculture And Rural Development-Maturity-19.11.2030	250	250	-	24.69	-	24.61
6.42% National Bank For Agriculture And Rural Development -Maturity-25.11.2030	200	200	-	19.77	-	19.71
Shriram Transport Finance Company Limited SR PPMLY 02 BR NCD-Maturity-27.04.2023	-	250	-	-	-	27.20
7.25% Housing Development Finance Corporation Ltd. Series X-006-Maturity-17.06.2030	500	500	-	52.87	-	52.87
7.54% National Highways Authority Of India Series VIII-Maturity-27.01.2030	500	500	-	51.70	-	51.82
Muthoot Fincorp Limited Sr VIII BR NCD-Maturity-22.03.2023	-	250	-	-	-	27.28
7.05% LIC Housing Finance Limited-Maturity-21.12.2030	250	250	-	25.45	-	25.45
7.70% LIC Housing Finance Limited Sr 2-Maturity-10.03.2031	250	250	-	26.00	-	26.08
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	500	500	-	51.13	-	51.13
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.30	-	26.32
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.30	-	26.32
7.10% Tata Capital Financial Services Limited SR H-Maturity-29.09.2031	500	500	-	51.45	-	51.43

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.91	-	25.90
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	500	500	-	50.43	-	50.37
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.88	-	25.86
7.05% Housing Development Finance Corporation Ltd. SR AA-Maturity-01.12.2031	250	250	-	25.14	-	25.10
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.30	-	15.33
7.79% REC Limited Series 198B-Maturity-21.05.2030	100	100	-	11.02	-	11.06
6.80% REC Limited SR 203A-Maturity-20.12.2030	200	200	-	19.96	-	19.92
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.83	-	25.81
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	350	-	-	36.91	-	-
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	350	-	-	15.82	-	-
7.34% National Housing Bank-Maturity-07.08.2025	250	-	-	26.48	-	-
6.50% Power Finance Corporation Ltd. SR 208-Maturity-17.09.2025	350	-	-	35.49	-	-
8.39% Power Finance Corporation Ltd. SR-130C-Maturity-19.04.2025	250	-	-	25.52	-	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	-	-	26.00	-	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	250	-	-	26.00	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	-	-	25.29	-	-
6% Housing Development Finance Corporation Ltd. Z-001-Maturity-29.05.2026	250	-	-	25.03	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	-	-	25.33	-	-
5.70% National Bank For Agriculture And Rural Development SR22D-Maturity-31.07.2025	250	-	-	25.08	-	-
7.90% LIC Housing Finance Limited TR 421-Maturity-23.06.2027	500	-	-	53.01	-	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	250	-	-	30.37	-	-
6% Housing Development Finance Corporation Ltd. Z-001-Maturity-29.05.2026	250	-	-	25.08	-	-
7.40% Housing Development Finance Corporation Ltd. SR AA-006-Maturity-02.06.2025	250	-	-	26.42	-	-
6.01% LIC Housing Finance Limited TR 409-Maturity-19.05.2026	100	-	-	10.05	-	-
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	-	-	26.01	-	-
7.95% ICICI Home Finance Company Limited SRHDB Nov221 TR 2-Maturity-24.11.2025	250	-	-	25.67	-	-
L&T Finance Limited SR K BR-Int payable on Maturity-27.12.2024	250	-	-	25.66	-	-
Investment in debentures/ bonds			76.25	1,378.87	51.05	969.49

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
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	92.88	-	87.75	-
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	41.14	-	38.86	-
Credit Risk Fund -Direct Plan -Growth	-	3,89,04,433	-	-	105.63	-
Aditya Birla Sunlife Mutual Fund						
Fixed Term Plan-Series RC (1295 days)-Direct Growth	-	5,00,00,000	-	-	65.31	-
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	-	-	358.67	-	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	5,97,25,194	122.91	-	178.20	-
Corporate Bond Fund -Direct Plan Growth Plan	98,39,711	-	51.28	-	-	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
FMP-Sr.33-Plan D (1273 Days)-Direct Sub Plan Growth	-	2,00,00,000	-	-	26.08	-
SBI Mutual Fund						
Savings Fund - Direct-Growth	-	7,03,45,757	-	-	250.16	-
Conservative Hybrid Fund Direct Plan Growth	43,82,290	43,82,290	26.57	-	25.06	-
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	-	-	204.49	-	-
Credit Risk Fund -Direct Plan- Growth	-	5,82,19,209	-	-	156.70	-
HDFC Mutual Fund						
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	58.52	-	55.47	-
Credit Risk Debt Fund -Direct -Growth	8,55,79,216	10,06,33,738	184.78	-	207.54	-
Axis Mutual Fund						
Short Term - Direct Plan - Growth	2,03,55,074	2,03,55,074	57.04	-	54.31	-
Edelweiss Mutual Fund						
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	-	-	867.70	-	-
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	238.48	-	225.66	-
Money Market Fund Direct Plan Growth	34,00,869	48,90,393	110.29	-	150.08	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	266.80	-	252.37	-
Money Manager Fund-Growth- Direct Plan	56,23,024	57,17,703	177.80	-	170.91	-
Nippon India Mutual Fund						
ETF NIFTY SDL-2026 Maturity-30.04.2026-INF204KC1022	3,85,00,000	-	-	430.09	-	-
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	57.50	-	54.55	-
Money Market Fund Direct Plan Growth	-	7,46,566	-	-	250.14	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Term Fund-Direct Plan Growth	3,13,044	6,26,087	103.10	-	198.19	-
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	8,15,166	153.30	-	188.17	-

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	Quantity As at March 31, 2023	Quantity As at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Current	Non Current	Current	Non Current
Corporate Bond Fund - Direct Plan Growth	1,39,843	1,39,843	39.73	-	38.25	-
Kotak Mutual Fund						
Corporate Bond Fund Direct Growth	-	1,48,253	-	-	46.45	-
Low Duration Fund Direct Growth	3,80,566	3,80,566	116.48	-	110.43	-
Money Market Fund-Direct Plan-Growth	-	7,73,516	-	-	280.07	-
Axis Mutual Fund						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	102.80	-	98.24	-
HDFC Mutual Fund						
Money Market Fund Direct Plan Growth	2,03,805	-	100.31	-	-	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	7,30,675	16,10,258	192.52	-	401.08	-
TATA Mutual Fund						
Money Market Fund Direct Plan Growth	2,47,900	-	100.35	-	-	-
Edelweiss Mutual Fund						
Edelweiss Mutual Bharat Bond ETF	30,00,000	30,00,000	368.72	-	-	351.13
Edelweiss Mutual Bharat Bond ETF	-	88,96,795	-	-	-	964.55
Equity fund						
Units of the face value of ₹ 10 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Arbitrage Fund - Direct Growth Plan Growth Option	-	13,88,19,753	-	-	316.90	-
Aditya Birla Sunlife Mutual Fund						
Aditya Birla Sun Life Arbitrage Fund -Growth -Direct Plan (Formerly known as Aditya Birla Sun Life Enhanced Arbitrage Fund)	-	11,33,38,345	-	-	257.89	-
Edelweiss Mutual Fund						
Arbitrage Fund -Direct Plan Growth	3,07,32,730	21,35,72,159	53.63	-	352.04	-
Kotak Mutual Fund						
Equity Arbitrage Fund- Direct Plan-Growth	-	4,90,65,078	-	-	155.38	-
UTI Mutual Fund						
Arbitrage Fund Direct Growth Plan Growth	-	6,91,17,262	-	-	205.43	-
TATA Mutual Fund						
Arbitrage Fund- Direct Plan-Growth	-	17,14,52,455	-	-	205.49	-
Axis Mutual Fund						
Arbitrage Fund- Direct Growth	-	9,40,59,220	-	-	152.25	-
Invesco Mutual Fund						
Arbitrage Fund - Direct Plan Growth	2,71,92,928	-	78.74	-	-	-
Liquid/Overnight fund						
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Overnight Fund Direct plan Growth	-	87,26,308	-	-	100.01	-
Nippon India Mutual Fund						
Overnight Fund Direct plan Growth	-	87,65,763	-	-	100.04	-
Units of the face value of ₹ 1000 each						
Axis Mutual Fund						
Liquid Fund- Direct Growth	7,04,167	-	176.10	-	-	-
Aditya Birla Sunlife Mutual Fund						
Overnight Fund Direct plan Growth	-	5,21,932	-	-	60.01	-
HDFC Mutual Fund						
Overnight Fund- Direct Plan- Growth Option	3,00,667	-	100.08	-	-	-
Kotak Mutual Fund						
Overnight Fund-Direct Plan-Growth	25,97,869	7,93,871	310.65	-	90.01	-
Investment in mutual funds			3,561.63	1,860.95	5,786.62	1,315.68
Total Investments*			3,671.85	4,600.38	5,870.31	2,455.05

*All shares are fully paid-up

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Aggregate book value of quoted investments	110.22	1,437.87	83.69	989.36
Aggregate market value of quoted investments	115.26	1,390.60	85.48	986.83
Aggregate carrying value of unquoted investments	3,561.63	5,781.21	5,786.62	3,668.19

Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Unquoted				
Investment in Mutual Funds	3,561.63	1,860.95	5,786.62	1,315.68
Investment in debentures	-	-	-	150.00
Investment in preference shares	-	808.46	-	-
Investment in equity instruments	-	493.10	-	-
Quoted				
Investment in equity instruments	33.97	59.00	32.64	19.88
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	76.25	1,378.87	51.05	969.49

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, 2023	As at March 31, 2022
Hero FinCorp Limited	Non-Banking Financial Company	India	41.19%	41.19%
Ather Energy Private Limited	Business of designing and manufacturing smart electric vehicles and associated charging infrastructure	India	36.54%	37.65%

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 Limited	As at March 31, 2023	As at March 31, 2022
Non-financial assets	734.36	731.89
Financial assets	42,716.85	33,667.16
Non-financial liabilities	(131.16)	(113.41)
Financial liabilities	(38,072.22)	(29,515.66)
Non-controlling interests	(4.39)	(2.46)

Hero FinCorp Limited 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

9. Investments (Contd.)

Hero FinCorp Limited	For the year ended March 31, 2023	For the year ended March 31, 2022
Total revenue	6,401.60	4,738.66
Profit / (Loss) for the year	479.93	(191.90)
Other Comprehensive income for the year	0.92	(1.69)
Total Comprehensive income for the year	480.86	(193.59)
Dividends received from the associate during the year	-	5.24

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, 2023	As at March 31, 2022
Total assets of the associate	5,243.44	4,767.52
Proportion of the Group's ownership interest in the associate	41.19%	41.19%
Group's ownership interest in the associate	2,159.76	1,963.74
Add: Goodwill on acquisition	51.64	51.64
Carrying amount of the Group's interest in the associate	2,211.40	2,015.38

Ather Energy Private Limited	As at March 31, 2023	As at March 31, 2022
Non-current assets	668.50	526.00
Current assets	1,308.30	292.60
Non-current liabilities	(343.60)	(199.40)
Current liabilities	(1,019.50)	(394.30)

Ather Energy Private Limited	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue	1,783.60	408.50
Loss for the year	(864.50)	(344.10)
Other Comprehensive income for the year	0.60	(0.50)
Total Comprehensive income for the year	(863.90)	(344.60)

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, 2023	As at March 31, 2022
Net assets of the associate	613.70	224.90
Compulsory Convertible Debentures investment by the company accounted as per IND AS 109 (refer note 9B)	-	(150.00)
Total	613.70	74.90
Proportion of the Group's ownership interest in the associate	36.54%	37.65%
Group's ownership interest in the associate	224.24	28.20
Add: Goodwill on acquisition	183.06	166.52
Less: Other Adjustments	-	(7.59)
Carrying amount of the Group's interest in the associate	407.30	187.13

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

10. Loans (financial assets)

Particulars	As at March 31, 2023	As at March 31, 2022
NON - CURRENT		
Unsecured, considered good		
Loans to employees	19.87	17.43
Total	19.87	17.43
CURRENT		
Unsecured, considered good		
Loans to employees	23.71	22.81
Total	23.71	22.81

Note: These financial assets are carried at amortised cost, unless otherwise stated.

Note: The Company's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 42.

11. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
NON - CURRENT		
Unsecured, considered good		
Security Deposits	37.93	42.01
Accrual of incentive from State Government	185.06	-
Less: Loss allowance	(16.90)	-
Accrual of incentive from State Government (Net)	168.16	-
Total	206.09	42.01
CURRENT		
Unsecured, considered good		
Interest accrued on deposits	19.28	35.79
Accrual of incentives from State Government	504.72	395.12
Security Deposit	7.01	10.47
Other recoverables	40.64	33.62
Total	571.65	475.00

Note: These financial assets are carried at amortised cost, unless otherwise stated.

Note: The Company's exposure to credit and currency risks, and impairment allowances related to other financial assets is disclosed in Note 42.

12. Income tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax	1,249.40	1,194.67
Less: Provision for taxation	978.71	836.60
Total	270.69	358.07

13. Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
NON-CURRENT		
Unsecured, considered good		
Capital advances	123.70	88.01
Prepaid expenses	9.93	9.91
Balance with government authorities		
- Excise duty and others	9.43	13.16
- VAT/ sales tax	10.00	9.26
Total	153.06	120.34

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

13. Other assets (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
CURRENT		
Unsecured, considered good		
Prepaid expenses	51.55	71.05
Advance to suppliers	213.83	134.58
Less: Loss allowance	(55.25)	(59.24)
Advance to suppliers (Net)	158.58	75.34
Other advances	8.17	3.88
Balance with government authorities		
- Sales tax/ VAT/ Employee state insurance	37.55	84.80
- Goods and service tax (GST)	1.36	1.20
- Export incentive receivable	12.25	37.19
Total	269.46	273.46

14. Inventories

(lower of cost or net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components	665.94	566.54
Goods in transit of raw materials and components	51.61	28.97
Work in progress (Two Wheelers)	40.09	42.44
Finished goods		
Two wheelers	744.58	618.79
Spare parts	103.64	76.52
Stock In Trade	24.97	11.84
Stores and spares	102.53	103.77
Loose tools	23.03	23.54
Total	1,756.39	1,472.41

The mode of valuation of inventories has been stated in note no. 3.12

The value of inventories above is stated after provisions (net of reversals) ₹ 14.27 Crores (Previous Year ₹ 11.67 Crores) for write down to net realisable value and provision for slow moving and obsolete items.

15. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables considered good- (Secured) **	41.87	37.50
Trade receivables considered good- (Unsecured) **	2,677.60	2,120.99
Trade receivables considered doubtful	121.47	116.90
	2,840.94	2,275.39
Less: Allowance for expected credit loss	121.47	116.90
Total	2,719.47	2,158.49

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 42.

** Include receivables from related parties (refer note 38)

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

15. Trade receivables (Contd.)

Trade receivables ageing as on 31 March 2023:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,168.24	1,487.57	63.16	0.50	-	-	2,719.47
Undisputed Trade Receivables - credit impaired	0.58	20.93	7.07	9.33	9.50	37.03	84.44
Disputed Trade Receivables - credit impaired	0.01	-	0.09	0.18	1.71	35.04	37.03
Total							2,840.94

Trade receivables ageing as on 31 March 2022:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,237.84	910.99	7.13	2.07	0.10	0.36	2,158.49
Undisputed Trade Receivables - credit impaired	1.80	22.85	1.67	8.29	18.40	24.87	77.88
Disputed Trade Receivables - credit impaired	-	0.82	0.29	1.32	17.20	19.39	39.02
Total							2,275.39

16. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.09	0.06
Balances with banks		
In current accounts	226.21	179.52
In deposit accounts	-	1.44
Cash and cash equivalents	226.30	181.02

17. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In dividend current accounts (earmarked accounts)	34.23	36.37
In deposit accounts*	162.27	82.35
Total	196.50	118.72

* Includes fixed deposits aggregating ₹ 25.00 crores with Dena Bank on February 18, 2014. Subsequent thereto, it was brought to the notice of the Company that money had been fraudulently withdrawn by pledging fictitious copies of such fixed deposit receipts with concerned bank by some individuals. The Company has filed a recovery suit which is pending in the honorable Delhi High Court against the bank. In the interim, the Bank has renewed the deposits (along with interest earned thereon).

18. Share capital

(a) Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Equity shares capital		
250,000,000 (as at March 31, 2022 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
Total	50.00	50.00
Issued, subscribed and fully paid up		
199,839,718 (as at March 31, 2022: 199,811,941) Equity shares of ₹ 2 each	39.97	39.96
Total	39.97	39.96

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

18. Share capital (Contd.)

(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, 2023		As at March 31, 2022	
	Nos.	INR in crores	Nos.	INR in crores
Opening Balance	19,98,11,941	39.96	19,97,80,217	39.96
Issued during the year ₹55,554 (previous year ₹63,448) under Employee Stock Option Plan (refer note 41)	27,777	0.01	31,724	#
Closing Balance	19,98,39,718	39.97	19,98,11,941	39.96

in absolute INR

(ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
Ms. Renu Munjal *	93,09,018	4.66%	93,09,019	4.66%
Mr. Suman Kant Munjal *	93,09,018	4.66%	93,09,019	4.66%
Mr. Pawan Munjal *	93,09,022	4.66%	93,09,020	4.66%
M/s. Bahadur Chand Investments (P) Ltd.	4,00,33,238	20.03%	4,00,33,238	20.04%
Life Insurance Corporation of India	2,24,35,838	11.23%	2,20,37,338	11.03%

* Hold shares on behalf of Brijmohan Lal Om Prakash (partnership firm)

Shares held by promoters at the end of March 31, 2023

Promoter name	No. of shares	% of total shares	% change during the Year
Pawan Munjal	43,364	0.02%	0.00%
Pawan Munjal (As Karta of Huf)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal and Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.98%	0.00%
Renu Munjal	1,11,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of Huf)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt. Ltd.	4,00,33,238	20.03%	0.00%
Hero Investcorp 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, 2022

Promoter name	No. of shares	% of total shares	% change during the Year
Pawan Munjal	43,364	0.02%	0.00%
Pawan Munjal (As Karta of Huf)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal and Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.98%	0.00%
Renu Munjal	1,11,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of Huf)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt. Ltd.	4,00,33,238	20.04%	0.00%
Hero Investcorp Private Limited	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	1,58,000	0.08%	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, 2023

(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, 2023	As at March 31, 2022	Expiry Date
ESOP 2016	8,599	9,717	August 21, 2023
ESOP 2017	10,879	12,687	October 31, 2024
ESOP 2018	46,660	61,780	March 25, 2026
RSU 2018	-	2,232	January 31, 2026
ESOP 2019	26,970	40,362	October 22, 2026
RSU 2019	-	2,084	October 22, 2026
ESOP 2020	49,915	68,795	October 27, 2027
RSU 2020	624	1,092	October 27, 2027
RSU 2021	22,100	30,632	August 10, 2025
PRSU 2021	25,820	28,279	August 10, 2025
RSU 2022	66,656	-	December 27, 2026
PRSU 2022	1,34,721	-	December 27, 2026

Also refer details of the employee stock option plan are provided in Note 41.

(b) Preference share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Preference shares capital		
4,00,000 (as at March 31, 2022 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at March 31, 2022 - 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.

19. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserves (#₹4,250 in absolute INR)	#	#
Securities premium	49.22	41.12
General reserve	2,676.34	2,676.34
Share options outstanding account	35.63	24.45
Foreign currency translation reserve	(8.38)	4.73
Retained earnings	13,862.79	13,060.05
Total	16,615.60	15,806.69

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 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

19. Other equity (Contd.)

- (vi) **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.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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	41.12	31.49
Premium on equity shares issued during the year @	8.10	9.63
Closing balance	49.22	41.12

@ Addition in securities premium represents premium on equity shares under various schemes amounting to ₹ 3.24 crores (Previous year ₹ 5.04 crores) and ₹ 4.86 crores (Previous year ₹ 4.59 crores) transferred from share option outstanding account on 27,777 equity shares (Previous year 31,724 equity shares) issued and allotted during the year under ESOP scheme. Also refer note 41.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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	24.45	19.04
Add: Net charge during the year	16.04	10.00
Less: Transferred to securities premium on issue of shares	(4.86)	(4.59)
Closing balance	35.63	24.45
* Also refer note 41.		
E. Foreign currency translation reserve		
Opening balance	4.73	0.89
Exchange differences in translating the financial statements of foreign operations	(17.37)	5.12
Income tax effect	4.26	(1.28)
Closing balance	(8.38)	4.73
F. Retained earnings		
Opening balance	13,060.05	12,648.70
Add: Profit for the year	2,809.96	2,316.88
Adjustment on account of change in controlling interest		
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(8.89)	(6.28)
Less: Appropriations		
Final dividend	699.37	699.26
Interim dividend	1,298.96	1,198.87
Corporate dividend tax	-	1.12
Closing Balance	13,862.79	13,060.05

In respect of the year ended March 31, 2023, the directors propose that a dividend of ₹ 35 per share (March 31, 2022 : ₹ 35 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 699.45 crores (March 31, 2022 : ₹ 699.34 crores).

20. Non-controlling interests

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	148.05	143.19
Additions/adjustment during the year	(0.01)	-
Dividend paid during the year	-	(9.15)
Share of profit/(loss) for the year	(22.98)	14.01
Closing non-controlling interest	125.06	148.05

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

21. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
NON-CURRENT		
Unsecured - at amortised cost		
Term loan from Banks	19.89	36.17
Secured - at amortised cost		
Term loan from Banks	0.20	-
	20.09	36.17
CURRENT		
Unsecured - at amortised cost		
Other loans from banks	266.48	296.53
Term loan from Banks	26.60	20.66
Secured - at amortised cost		
Term loan from Banks	0.07	0.12
	293.15	317.31

Lender	As at March 31, 2023	As at March 31, 2022	Repayment terms
Unsecured - Non current			
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).	19.89	36.17	14 equal quarterly instalments beginning from 26 September 2021
Total	19.89	36.17	
Secured - Non current			
Loan from ICICI Bank (Secured by charge on vehicles) (Rate of interest - 7.85%) (Previous year - 8.90%)	0.20	-	48 equal monthly instalments beginning from 01 August 2022
Total	0.20	-	
Unsecured - current			
Rate of Interest - range I-MCLR three month + 60 basis points or RBI Repo rate + spread ranging 1.35% to 2.7%, MCLR three month + 45 basis points or One month Tbill + spread ranging from 1.3% to 2.25% or RBI Repo Rate + spread 2.50% (Previous year: I-MCLR three month + 60 basis points or MCLR three month + 45 basis points or 4% over one year MCLR)	102.42	72.00	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).	26.53	20.66	14 equal quarterly instalments beginning from 26 September 2021
Loan from Standard Chartered Bank Rate of interest - LIBOR + 2.9% (Previous year - LIBOR + 2.9%)	-	37.78	Repayable within a period of 90 days
Loan from Commercial Bank of Ceylon PLC Rate of interest - LIBOR + 2.5% (Previous year - LIBOR + 2.5%)	-	32.08	Repayable within a period of 90 days
Loan from Hongkong & Shanghai Banking Corporation Rate of interest - LIBOR + 2.9%	32.43	27.42	Repayable within a period of 90 days
Short term Loan from Standard Chartered Bank Rate of Interest- 6.5%	-	26.43	Repayable within a period of 90 days
Loan from City Bank (Rate of Interest -LIBOR +2.50%) (Previous year- Nil)	0.69	-	Repayable within a period of 180 days
Short term loan from Hongkong and Shanghai Banking Corporation (Rate of Interest -4.50%) (Previous year- Nil)	10.07	-	Repayable within a period of 90 days
Loan from Bancolumbia Rate of Interest - LIBOR + 5.0% to 5.7% (Previous year: LIBOR + 4.3% to 6.0%)	120.15	98.14	Repayable within a period of 180 days
Loan from Bancolumbia Rate of Interest- Nil (Previous year: DTF + 5.4%)	-	2.68	Repayable on demand
Loan from Banco de Bogota Rate of Interest - INR + 5.5% (Previous year: Nil)	0.79	-	Repayable on demand
Total	293.08	317.19	
Secured - Current			
Loan from ICICI Bank (Secured by charge on vehicles) (Rate of interest - 7.85%) (Previous year - 8.90%)	0.07	0.12	48 equal monthly instalments beginning from 01 August 2022
Total	0.07	0.12	

The Group has not defaulted in repayment of any loan and interest thereon.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

22. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Employee benefits (Refer note (i) below)		
Compensated absences	42.22	35.00
Gratuity	1.14	0.92
Other employee benefits	13.76	8.91
Sub-total (A)	57.12	44.83
Warranties (Refer note (ii) below)	144.82	136.30
Sub-total (B)	144.82	136.30
Total (A+B)	201.94	181.13
Current		
Employee benefits (Refer note (i) below)		
Compensated absences	9.60	8.03
Gratuity	0.64	0.52
Other employee benefits	1.83	1.49
Sub-total (A)	12.07	10.04
Warranties (Refer note (ii) below)	180.61	169.11
Sub-total (B)	180.61	169.11
Total (A+B)	192.68	179.15

- (i) The provision for employee benefits includes compensated leaves, gratuity and vested long term service reward.
- (ii) Movement in warranties provisions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	305.41	306.36
Additions during the year	183.92	111.50
Amount utilised during the year	(163.11)	(106.94)
Unwinding of discount and effect of changes in the discount rate	(0.79)	(5.51)
Closing balance	325.43	305.41

The provision for warranty claims represents the present value as best estimate of the future economic outflow that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. As at March 31, 2023, this particular provision had a carrying amount of ₹ 325.43 crores (March 31, 2022: ₹ 305.41 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹ 32.54 crores higher or lower (March 31, 2022 - ₹ 30.54 crores higher or lower).

23. Deferred tax (assets)/ liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Property plant and equipments and intangible assets	430.17	431.08
Financial assets carried at fair value through profit and loss	71.72	71.72
Investments in associate	156.74	111.97
Others	23.01	7.74
Sub-total (A)	681.64	622.51
Less: Deferred tax assets		
Deferred revenue	52.34	52.34
Accrued expenses deductible on payment	55.44	56.15
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	6.06	6.06
Right of use assets and lease liabilities	5.64	5.53
Others	76.37	124.22
Sub-total (B)	195.85	244.30
Total (A-B)	485.79	378.21

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

23. Deferred tax (assets)/ liabilities (net) (Contd.)

A. Movement of Deferred tax (assets)/ liabilities

For the year ended March 31, 2023

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	431.08	(0.91)	-	430.17
Financial assets carried at fair value through profit and loss	71.72	-	-	71.72
Investments in associate	111.97	44.76	-	156.73
Others	7.74	15.27	-	23.01
	622.51	59.12	-	681.63
Deferred tax assets				
Deferred revenue	52.34	-	-	52.34
Accrued expenses deductible on payment	56.15	(0.71)	-	55.44
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	6.06	-	-	6.06
Right of use assets and lease liabilities	5.53	0.11	-	5.64
Others	124.22	(56.31)	8.45	76.36
	244.30	(56.91)	8.45	195.84
Deferred tax liabilities (net)	378.21	116.03	(8.45)	485.79

For the year ended March 31, 2022

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	425.32	5.76	-	431.08
Financial assets carried at fair value through profit and loss	99.33	(27.61)	-	71.72
Investments in associate	130.68	(18.71)	-	111.97
Others	6.31	1.43	-	7.74
	661.64	(39.13)	-	622.51
Deferred tax assets				
Deferred revenue	67.46	(15.12)	-	52.34
Accrued expenses deductible on payment	40.52	15.63	-	56.15
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	9.08	(3.02)	-	6.06
Right of use assets and lease liabilities	3.88	1.65	-	5.53
Others	87.96	38.11	(1.85)	124.22
	208.90	37.25	(1.85)	244.30
Deferred tax liabilities (net)	452.74	(76.38)	1.85	378.21

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, 2023		As at March 31, 2022	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses from HMC MM Auto Limited (will expire from March 31, 2022 to March 31, 2029) (previous year: Will expire from March 31, 2023 to March 31, 2028)	38.54	10.02	39.15	10.18
Unabsorbed depreciation losses from HMC MM Auto Limited (can be carried forward for indefinite period)	63.19	16.43	45.12	11.73
Tax losses from HMCL Columbia SAS (tax losses amounting to ₹ 69.33 crores will be carried forward indefinitely, tax losses for ₹ 127.88 crores will expire in the next 12 years) (previous year: tax losses amounting to ₹ 72.66 crores will be carried forward indefinitely, tax losses for ₹ 141.47 crores will expire in the next 12 years)	197.21	65.08	213.39	70.42

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

24. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables ##		
Total outstanding dues of micro enterprises and small enterprises (MSME)	2.44	26.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,757.70	4,316.90
Total	4,760.14	4,343.09

Include payables to related parties (refer note 38)

The Company's exposure to currency and liquidity risk related to the above trade payables is disclosed in Note 42.

Ageing of trade payables as on 31 March 2023:

Particulars	Outstanding for following periods from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	2.38	0.06	-	-	-	2.44
(2) Others	3,471.99	368.23	72.21	4.56	3.76	3,920.72
(3) Others- Accruals	836.98	-	-	-	-	836.98
Total						4,760.14

Ageing of trade payables as on 31 March 2022:

Particulars	Outstanding for following periods from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	23.42	2.77	-	-	-	26.19
(2) Others	2,930.68	319.38	3.80	2.30	2.55	3,258.71
(3) Others- Accruals	1,058.19	-	-	-	-	1,058.19
Total						4,343.09

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, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	2.44	26.19
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 MSMED Act, 2006	-	-
The amount of interest accrued for unpaid principal at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

25. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Capital creditors	63.34	41.09
Security deposits dealers and others	67.51	63.59
Unclaimed dividend *	34.25	36.39
Derivatives instruments carried at fair value (forward contracts)	4.83	4.51
Total	169.93	145.58

* Does not include any amounts outstanding as at March 31, 2023 which are required to be credited to Investor Education and Protection Fund.

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 42.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

26. Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory remittances (contributions to provident fund, employee state insurance, withholding taxes, goods and service tax etc.)	257.97	170.37
Advance from customers	79.25	113.41
Deferred revenue	221.98	207.98
Others	2.89	4.56
Total	562.09	496.32

Contract balances

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as advance from customers disclosed as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers – current	79.25	113.41
Deferred revenue	221.98	207.98

Revenue recognised from amount included in contract liabilities- deferred revenue amounts to ₹ 327.69 crores (previous year ₹ 313.77 crores).

27. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sale of products		
Two wheelers	28,400.38	24,544.13
Spare parts	4,899.80	3,975.13
	33,300.18	28,519.26
(b) Income from services		
Dealers support services	73.41	86.92
Goodlife program for customers	58.79	50.52
Services - others	305.34	320.94
	437.54	458.38
(c) Other operating revenue		
Duty drawback and other incentives	31.21	43.70
Incentive from State Governments	297.41	447.09
Miscellaneous income	92.04	82.85
	420.66	573.64
Total	34,158.38	29,551.28

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	33,956.13	29,049.12
Less: Trade discounts, volume rebates, etc.	(655.95)	(529.86)
Sale of products	33,300.18	28,519.26

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

28. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest income on financial assets carried at amortised cost		
Tax free bonds, debentures and other instruments classified as debt	105.17	49.52
Deposit with bank and others	155.64	139.53
(b) Dividend income		
Dividend received on investments carried at fair value through profit or loss	2.28	1.67
(c) Profit on sale of investments#	111.80	109.11
(d) Gain on investments carried at fair value through profit or loss	188.51	223.82
(e) Other non-operating income		
Exchange fluctuation (net)	0.05	30.74
Profit on sale of property, plant and equipments	5.56	0.62
Total	569.01	555.01

Net of fair value adjustment upto previous year

29. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials and components consumed:		
Opening stock	594.76	884.54
Add: Purchase of raw materials, components and packing material	24,208.89	20,585.25
	24,803.65	21,469.79
Less: Closing stock	717.12	595.51
	24,086.53	20,874.28
Less: Cash discount	26.24	28.54
Consumption of raw materials and components	24,060.29	20,845.74

30. Changes in inventory of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock		
Two wheelers	618.79	643.21
Stock in trade	11.84	23.82
Spare parts	76.52	63.23
Work-in-progress	42.44	48.00
	749.59	778.26
Closing stock		
Two wheelers	744.58	618.79
Stock in trade	24.97	11.84
Spare parts	103.64	76.52
Work-in-progress	40.09	42.44
	913.28	749.59
Net (increase)/ decrease in inventory	(163.69)	28.67

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

31. Employee benefit expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,967.00	1,743.99
Contribution to provident and other funds	143.26	131.75
Employee stock Compensation Cost (refer note no 41)	16.04	10.00
Staff welfare expenses	123.75	110.04
Total	2,250.05	1,995.78

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, 2023	For the year ended March 31, 2022
a) Employer's contribution to provident fund and labour welfare fund	97.78	89.05
b) Employer's contribution to superannuation fund	18.78	17.60
c) Employer's contribution to gratuity fund *	23.84	21.97
d) Employer's contribution to employee state insurance	2.86	3.13
	143.26	131.75

* In addition to this contribution made amounting to ₹ 12.64 crores (previous year - ₹ 7.22 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.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Funded	
	Gratuity As at March 31, 2023	Gratuity As at March 31, 2022
Discount rate	7.30%	6.90%
Future salary increase	6.50% p.a.	6.50% 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 Ult. (2006-08)	Indian Assured Lives Mortality Ult. (2006-08)

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

31. Employee benefit expenses (Contd.)

Principal assumptions	Un-Funded	
	Gratuity As at March 31, 2023	Gratuity As at March 31, 2022
Discount rate	7.39%	7.26%
Future salary increase	5.50% p.a.	5.50% 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 Ult. (2012-14)	Indian Assured Lives Mortality Ult. (2012-14)

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	Gratuity-funded		Gratuity-unfunded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost				
Current service cost	24.74	22.67	0.24	0.19
Net Interest expense/(income)	(1.24)	(0.97)	0.10	0.08
Components of defined benefit costs recognised in profit or loss	23.50	21.70	0.34	0.27
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	0.71	(0.37)	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	(12.15)	(5.87)	(0.01)	(0.05)
Actuarial (gains)/ losses arising from experience adjustments	23.96	13.51	0.13	(0.00)
Components of defined benefit costs recognised in other comprehensive income	12.52	7.27	0.12	(0.05)
Total	36.02	28.97	0.46	0.22

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, 2023	As at March 31, 2022
Present Value of funded defined benefit obligation	427.21	395.90
Fair value of plan assets	427.21	395.90
Net liability arising from defined benefit obligation	-	-
Present Value of unfunded defined benefit obligation	1.78	1.44
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	1.78	1.44

Net liability disclosed as follows (under Provisions - Note -22):

Particulars	Gratuity			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Other employee benefits	0.64	1.14	0.52	0.92

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

31. Employee benefit expenses (Contd.)

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity- funded		Gratuity- unfunded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined obligation	395.90	356.80	1.44	1.31
Current service cost	24.74	22.67	0.24	0.19
Interest cost	26.23	23.42	0.05	0.08
Remeasurement (gains)/losses:				
Actuarial (gains)/ losses arising from changes in financial assumptions	(12.15)	(5.87)	(0.01)	(0.05)
Actuarial (gains)/ losses arising from experience adjustments	23.97	13.51	0.14	(0.00)
Benefits paid	(31.48)	(14.63)	0.08	(0.10)
Closing defined benefit obligation	427.21	395.90	1.78	1.44

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets	395.90	356.80
Interest income	27.49	24.38
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.71)	0.37
Contribution	36.01	28.98
Benefit paid	(31.48)	(14.63)
Closing fair value of plan assets	427.21	395.90

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 ₹ 14.36 crore (increase by ₹ 15.24 crore) (as at March 31, 2022: Decrease by ₹ 14.03 crores (increase by ₹ 15.04 crores)).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 16.10 crores (decrease by ₹ 15.06 crores) (as at March 31, 2022: increase by ₹ 15.02 crores (decrease by ₹ 14.15 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, 2023	As at March 31, 2022
Average duration of the defined benefit obligation (in years)	8.0 years	9.0 years

The Group expects to make a contribution of ₹ 26.24 crore (as at March 31, 2022 ₹ 24.74 crore) to the defined benefit plans during the next financial year.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

31. Employee benefit expenses (Contd.)

The Expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at March 31, 2023	78.07	37.70	97.62	234.09	447.48
As at March 31, 2022	67.77	27.81	98.07	199.34	392.99

32. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest cost on financial liability at amortised cost		
- on dealers security deposits	2.83	2.70
- on borrowings	82.72	25.05
- on others	1.31	1.67
Unwinding of discount on provisions and lease liabilities	18.02	23.68
Total	104.88	53.10

33. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores and tools consumed	84.50	80.09
Packing, forwarding, freight etc.	970.25	948.29
Power and fuel	114.56	109.72
Rent (Refer note 7A)	41.83	38.22
Repairs and maintenance		
- Buildings	25.59	22.30
- Plant and machinery	117.59	114.60
- Others	11.49	10.09
Insurance charges	76.20	74.28
Rates and taxes	17.49	17.65
Royalty	5.87	3.50
Advertisement and publicity	891.76	750.45
Donations #	20.30	0.26
Expenditure on corporate social responsibility (Refer below)	77.83	87.85
Payment to auditors (Refer below)	3.64	3.07
Exchange fluctuation	47.35	12.60
Loss on sale of property, plant and equipment	4.83	10.23
Loss allowance on trade receivables	10.33	0.74
Miscellaneous expenses	1,349.12	906.43
Total	3,870.53	3,190.37

#Donations includes ₹ 20 crores (Previous year ₹ Nil) under Section 182 of the Companies Act, 2013

Payment to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) As Statutory Audit		
- Audit fee (including audit fees for the auditors of other entities of Group)*	2.70	1.93
- Limited Review of unaudited financial results	0.81	0.81
- Other certifications	0.04	0.09
b) Tax audit fees	0.02	0.10
c) Out of pocket expenses	0.07	0.14
	3.64	3.07

* Paid to other auditors ₹ 0.89 crores (Previous year - ₹0.85 crores).

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

33. Other expenses (Contd.)

Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the company during the year	77.11	87.22
Amount of expenditure incurred	77.83	87.85
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)	18.34	23.84

34. Income tax expense

(a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
In respect of the current year	947.69	805.44
Deferred tax charge		
In respect of the current year	116.03	(76.38)
Total income tax expense recognised in the Statement of profit and loss	1,063.72	729.06

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Arising on income and expenses recognised in other comprehensive income		
Re-measurement of defined benefit obligations	3.15	1.83
Others	8.45	(1.85)
Total income tax benefit recognised in other comprehensive income	11.60	(0.02)

(c) The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	3,863.62	3,058.11
Income tax expense calculated at 25.168%	972.40	769.67
Effect of income exempt/ taxed on lower/ higher rate	(26.93)	(61.77)
Effect of unused tax losses of subsidiaries not recognised as deferred tax assets	55.78	3.30
Others	62.47	17.86
Income tax expense recognised in the Statement of profit and loss	1,063.72	729.06
Income Tax recognised in the Statement of profit and loss	1,063.72	729.06

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

35. Earnings per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (in ₹) (A/B)	140.62	115.96
Diluted earnings per share (in ₹) (A/C)	140.49	115.93
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)	2,809.96	2,316.88
Opening Balance	19,98,11,941	19,97,80,217
Effect of share options exercised	13,120	16,722
Weighted average number of equity shares for the purposes of basic earnings per share (B)	19,98,25,061	19,97,96,939
Effect of share options	1,89,104	61,672
Weighted average number of equity shares for the purposes of diluted earnings per share (C)	20,00,14,165	19,98,58,611

36. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Contingent liabilities		
In respect of excise and other matters#	128.89	123.36

including proportionate share of contingent liability from associate companies

- b) Ather Energy Private Limited has received a show cause notice ("SCN") dated March 29, 2023 from IFCL Limited ("ICFI") on behalf of the Ministry of Heavy Industries ("MHI") seeking reply in relation to certain matters under the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India ("FAME") Scheme II and Phased Manufacturing Program guidelines. Ather Energy Private Limited has submitted a detailed response to Automobile Research Association of India ("ARAI") dated April 12, 2023.

Ather Energy Private is under discussion with the MHI and ARAI and believes that the submitted response adequately addresses the contentions raised in the SCN. Ather Energy Private Limited does not expect any significant penalties/ fines/ demand arising out of above.

The above matter 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 Group.

Additionally, the Group 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 Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

Particulars	As at March 31, 2023	As at March 31, 2022
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to ₹ 123.68 crores (March 31, 2022 ₹ 88.01 crores))	836.14	535.72

- c) The Income Tax Authorities ("the Department") had conducted a Search under Section 132 of the Income Tax Act, 1961 on the Holding Company during the month of March 2022. Subsequently, the Holding Company has provided necessary support, cooperation and documents as requested by the Department. Currently, assessment / reassessment proceedings of earlier years by the Department are in progress and appropriate actions will be taken based on the outcome. While uncertainty exists regarding the outcome of the proceedings by the Department, the Holding Company after considering all available information and facts as of date, has not identified the need for any adjustments to the current or prior period consolidated financial statements.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

37. Segment Reporting

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Holding Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Group's business activity fall within a single operating segment, namely automotive segment.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from operations	India	Outside India	Total
2022-23	32,669.84	1,488.54	34,158.38
2021-22	27,617.36	1,933.92	29,551.28

Disclosure as per the requirement of Ind AS 115, Revenue:

For the year ended March 31, 2023:

Particulars	India	Outside India	Total
Sale of products	31,832.66	1,467.52	33,300.18
Income from services	437.54	-	437.54
Other operating revenue	399.64	21.02	420.66
Total	32,669.84	1,488.54	34,158.38

For the year ended March 31, 2022:

Particulars	India	Outside India	Total
Sale of products	26,601.00	1,918.26	28,519.26
Income from services	458.38	-	458.38
Other operating revenue	557.98	15.66	573.64
Total	27,617.36	1,933.92	29,551.28

Non current segment assets	India	Outside India	Total
As at March 31, 2023	6,758.13	278.53	6,972.06
As at March 31, 2022	6,520.18	310.92	6,831.10

- Domestic segment includes sales and services to customers domiciled in India.
- Overseas segment includes sales and services rendered to customers domiciled outside India.
- There are no material non-current assets and post employment benefits domiciled outside India.
- There is no major individual customers whose revenue exceeds more than 10% of the Group's revenue.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

38. Related party disclosures under Ind AS 24

A. Parties in respect of which the Holding Company is an associate

Brijmohan Lall Om Prakash (Partnership firm)
Bahadur Chand Investments Private Limited- Core Investment Company

B. Parties in respect of which the other Group Companies are associate

Marelli Europe S.p.A.
Marelli UM Electronics Systems Pvt. Ltd.
(Formerly known as Magneti Marelli UM Electronics Systems Pvt. Ltd.)
Marelli Powertrain India Private Limited
Marelli (India) Pvt. Ltd.
Marelli (China) Co. Ltd.
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda
Niloy Motors Limited; Bangladesh
Nitol Motors Limited; Bangladesh
Nitol Electronics Ltd.; Bangladesh
Nitol Machineries Ltd; Bangladesh
Nitol Insurance Company Ltd.; Bangladesh
Woven Holdings LLC

C. Associate of the Group

Hero FinCorp Limited
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

Mr. Pawan Munjal	-	Executive Chairman & Whole-time Director
Mr. Vikram Sitaram Kasbekar	-	Executive Director
Mr. Niranjan Kumar Gupta	-	Chief Executive Officer and Chief Financial Officer
Ms. Neerja Sharma (till January 31, 2022)	-	Company Secretary
Mr. Dhiraj Kapoor (w.e.f. February 1, 2022)	-	Company Secretary and Compliance Officer

Non Executive and Independent Directors

Mr. Suman Kant Munjal
Mr. Pradeep Dinodia
Mr. M. Damodaran (till May 4, 2022)
Mr. Paul B. Edgerley (till May 4, 2021)
Dr. Jagmohan Singh Raju
Ms. Tina Trikha
Mr. B.S. Dhanoa (appointed w.e.f. October 1, 2020)
Ms. Camille Tang (appointed w.e.f. November 19, 2021)
Mr. Rajnish Kumar (appointed w.e.f. November 25, 2021)
Ms. Vasudha Dinodia (appointed w.e.f. November 25, 2021)

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(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 control:

A.G. Industries Private Limited, A.G Industries (Bawal) Pvt. Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero Mindmine Institute Private Limited, Hero Investcorp Private Limited, Hero Solar Energy Private Limited, BML Munjal University, Raman Kant Munjal Foundation, Excellence Enablers Private Limited and Raman Munjal Vidya Mandir.

Transactions with the above related parties:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A) PARTIES IN RESPECT OF WHICH THE GROUP IS AN ASSOCIATE		
Dividend paid		
Brijmohan Lal Om Prakash (Partnership firm)	279.27	265.31
Hero Investcorp Limited	8.74	8.30
Bahadur Chand Investments Private Limited	400.33	380.32
Rental Income		
Brijmohan Lal Omprakash	0.02	0.00
Bahadur Chand Investments Private Limited	0.02	0.00
Hero Investcorp Private Limited	0.02	0.00
Marelli Europe S.p.A.		
Purchase of goods	-	0.82
Payment of development fee	3.11	3.32
Royalty	5.23	4.26
Expenses reimbursed	1.18	1.63
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda		
Purchase of goods	21.92	22.21
Development Fee	0.11	-
Warranty Recovery	-	0.03
Marelli Powertrain India Private Limited		
Purchase of goods	82.05	54.73
Development Fee	-	0.11
Expense Reimbursement	0.50	-
Warranty Recovery	-	0.01
Sale of goods		
Niloy Motors Limited*	634.46	750.51
Purchase of goods/services		
Nitol Machineries Ltd.	0.11	0.88
Nitol Insurance Company Ltd.	0.37	0.49
Nitol Motors Ltd.	0.09	0.35
Nitol Electronics Limited	-	0.84
Others		
Nitol Motors Limited	0.41	0.43
Niloy Motors Limited	36.98	35.06

* Including taxes and duties

Balance outstanding at the year end

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Trade Payable		
Marelli Europe S.p.A.	6.08	5.74
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda	3.27	1.07
Marelli Powertrain India Private Limited	5.85	8.06
Nitol Motors Ltd.	0.06	0.03
- Trade Receivable		
Marelli (China) Co. Ltd.	0.28	0.28
Niloy Motors Limited	62.11	32.62
Nitol Machineries Ltd.	1.37	1.45

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

38. Related party disclosures under Ind AS 24 (Contd.)

B) ASSOCIATES OF THE HOLDING COMPANY

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Hero FinCorp Limited		
Lease rental expenses	0.18	2.67
Dividend received	-	5.24
Dividend paid	0.01	0.01
Miscellaneous Expenses	10.07	12.19
Investment	700.00	-
Ather Energy Private Limited		
Investment	262.50	150.00

C) KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Managerial Remuneration/Sitting fees		
Mr. Pawan Munjal	99.55	84.35
Mr. Vikram Sitaram Kasbekar	8.13	8.08
Mr. Suman Kant Munjal	0.32	0.36
Mr. Niranjana Kumar Gupta	7.89	6.71
Ms. Neerja Sharma (till January 31, 2022)	-	5.10
Mr. Dhiraj Kapoor (wef February 1, 2022)	1.35	0.15
Dividend paid	5.09	2.93

Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Pradeep Dinodia	1.39	1.43
Mr. M. Damodaran (till May 4, 2022)	0.38	1.28
Mr. Paul B. Edgerley	-	0.05
Dr. Jagmohan Singh Raju	0.90	0.93
Mr. B. S. Dhanoa	1.04	0.87
Ms. Tina Trikha	0.98	0.95
Ms. Camille Tang (w.e.f. November 19, 2021)	0.38	0.25
Mr. Rajnish Kumar (w.e.f. November 25, 2021)	0.38	0.18
Ms. Vasudha Dinodia (w.e.f. November 25, 2021)	0.32	0.18

Balance outstanding at the year end

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
-Payables (including commission)	40.64	30.49

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Managerial remuneration		
Short-term benefits	110.64	97.82
Post-employment benefits	4.79	4.55
Share-based payments	1.49	2.02

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

38. Related party disclosures under Ind AS 24 (Contd.)

D) ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES ARE ABLE TO EXERCISE CONTROL

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of raw materials and components etc.	1,860.56	2,959.95
Purchase of property, plant and equipments	27.68	26.81
Payment towards services etc.	5.65	6.35
Expenditure towards Corporate Social Responsibility (CSR)	18.34	23.84

Balance outstanding as at the year end

Particulars	As at March 31, 2023	As at March 31, 2022
- Payables	295.95	449.69

Significant related party transactions included in the above are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of raw materials and components etc.		
A. G. Industries Private Limited	913.52	811.47
Rockman Industries Limited	795.10	2,022.02
A. G. Industries (Bawal) Pvt. Limited	151.94	126.46
Purchase of Assets		
Rockman Industries Limited	12.10	18.54
A. G. Industries Private Limited	15.58	6.11
Hero Solar Energy Private Limited	-	2.16
Payment for service etc.		
BML Munjal University	2.15	1.64
Hero Solar Energy Private Limited	0.34	1.96
Cosmic Kitchen Pvt. Limited	3.06	2.74
Raman Munjal Vidya Mandir	0.68	-
CSR		
Raman Kant Munjal Foundation	3.34	3.84
BML Munjal University	15.00	20.00
Rent Received		
Munjal ACME Packaging Systems Pvt. Ltd.	0.02	-

Significant closing balances of related parties are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Payables		
A. G. Industries Private Limited	144.91	114.95
Rockman Industries Limited	111.51	319.02
A. G. Industries (Bawal) Pvt. Limited	39.34	14.49

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, 2023

(Amount in crores of INR)

39. Research and development expenses

Expenses charged to revenue account

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material consumption	18.19	22.09
Consumables	6.82	5.78
Employee benefits	288.97	227.68
Depreciation and amortisation	124.34	102.14
Others*	102.62	78.58
Total	540.94	436.27

* Includes intangible asset under development amounting to ₹ 1.40 crores (previous year ₹ Nil) expensed off during the year.

Capital expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Building	-	0.20
Equipments	14.18	8.66
Furniture and fixtures	1.22	0.57
Software	3.58	13.50
Vehicles	1.90	1.98
Data processing equipments	3.51	7.24
Intangible assets	88.97	31.76
	113.36	63.91
Capital work in progress and intangible assets under development	117.48	124.83
Total	230.84	188.74

40. The Holding Company has declared a Voluntary Retirement Scheme 2023 (VRS) for eligible employees in April 2023. Considering it to be a subsequent event, there is no financial impact for the year ended March 31, 2023.

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.

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

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Share-based payments (Contd.)

Plan	Number of Options/ RSU/ PRSU	Grant date	Expiry date	Exercise Price ₹	Weighted Average Fair value of the Options at grant date ₹
ESOP 2019	98,750	22-Oct-19	21-Oct-26	1,745	1067
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

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 2022	PRSU 2022	RSU 2021	PRSU 2021
Weighted Average Fair value of option/RSU/PRSU	2,447	2,328	2,699	2,439
Spot share price	2,760	2,756	2,999	2,797
Exercise price	2	2	2	2
Expected average volatility	32.86%	34.00%	36.11%	33.30%
Option life	4.5 years	4.5 years	4 years	4 years
Dividend yield	4.38%	3.42%	4.22%	3.16%
Average risk-free interest rate	7.49%	7.23%	6.27%	5.16%

Movements in share options during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	Weighted average exercise price ₹	Number of options	Weighted average exercise price ₹
Outstanding at the beginning of the year	1,93,341	2,065	2,67,145	2,044
Granted during the year	-	-	-	-
Forfeited during the year	33,596	2,052	47,913	2,011
Exercised during the year	16,722	1,940	25,891	1,952
Outstanding at the end of year	1,43,023	2,083	1,93,341	2,065
Exercisable at the end of year	94,228	2,131	78,682	2,194

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

41. Share-based payments (Contd.)

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	64,318	2.00	11,241	2.00
Granted during the year	2,15,148	2.00	74,105	2.00
Forfeited during the year	18,491	2.00	15,195	2.00
Exercised during the year	11,055	2.00	5,833	2.00
Outstanding at the end of year	2,49,920	2.00	64,318	2.00
Exercisable at the end of year	3,193	2.00	2,232	2.00

Share options exercised during the year

Option Plan	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of options exercised	Weighted Share price at exercise date ₹	No. of options exercised	Weighted Share price at exercise date ₹
ESOP 2014	-	-	-	-
ESOP 2016	-	-	336	2,870
RSU 2016	-	-	-	-
ESOP 2017	-	-	265	2,898
RSU 2017	-	-	2,128	2,786
ESOP 2018	5,590	2,536	10,726	2,852
RSU 2018	2,232	2,362	1,674	2,786
ESOP 2019	6,252	2,644	9,458	2,718
RSU 2019	2,084	2,728	1,563	2,668
ESOP 2020	4,880	2,657	5,106	2,698
RSU 2020	468	2,728	468	2,668
RSU 2021	6,271	2,597	-	-

Share options/RSU/PRSU outstanding at end of the year

Options/RSU/PRSU Plans	Options outstanding as at March 31, 2023	Options outstanding as at March 31, 2022	Remaining contractual life (in Years) as on March 31, 2023	Remaining contractual life (in Years) as on March 31, 2022	Exercise Price ₹
ESOP 2014	-	-	-	-	2,159
ESOP 2016	8,599	9,717	0.39	1.39	2,469
RSU 2016	-	-	0.39	1.39	2
ESOP 2017	10,879	12,687	1.59	2.59	2,818
RSU 2017	-	-	1.59	2.59	2
ESOP 2018	46,660	61,780	2.99	3.98	2,033
RSU 2018	-	2,232	2.84	3.84	2
ESOP 2019	26,970	40,362	3.56	4.56	1,745
RSU 2019	-	2,084	3.56	4.56	2
ESOP 2020	49,915	68,795	4.58	5.58	2,085
RSU 2020	624	1,092	4.58	5.58	2
RSU 2021	22,100	30,632	2.37	3.37	2
PRSU 2021	25,820	28,279	2.37	3.37	2
RSU 2022	66,656	-	3.75	-	2
PRSU 2022	1,34,721	-	3.75	-	2
	3,92,944	2,57,660			

During the year ended March 31, 2023, the Company recorded an employee stock compensation expense of ₹ 16.04 crores (previous year ₹ 10.00 crore) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2023 is ₹ 35.63 crore (March 31, 2022: ₹ 24.45 crore)

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

42. Financial instruments

42.1 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Management reviews the capital structure of the Group on a regular basis. As part of this review, the Management considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarises the capital of the Group:

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (Borrowings including current maturity)	313.24	353.48
Share capital	39.97	39.96
Equity reserves	16,615.60	15,806.69
Total Equity	16,655.57	15,846.65
Gearing Ratio	1.88%	2.23%

Categories of financial instruments:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	2,728.41	1,485.56
Current		
Investments	3,595.59	5,819.26
Financial assets at amortised cost		
Non-current		
Investments	1871.97	969.49
Loans	19.87	17.43
Others	206.09	42.01
Current		
Investments	76.25	51.05
Trade receivables	2,719.47	2,158.49
Cash and bank balances	422.80	299.74
Loans	23.71	22.81
Other financial assets	571.65	475.00
Total	12,235.81	11,340.83
Financial liabilities at amortised cost		
Non-current		
Borrowings	20.09	36.17
Lease liabilities	219.67	215.51
Other financial liabilities	196.29	155.04
Current		
Borrowings	293.15	317.31
Lease liabilities	34.63	36.18
Trade payables	4,760.14	4,343.09
Other financial liabilities	169.93	145.58
Total	5,693.90	5,248.88

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(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, 2023		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,860.95	-
Investments in equity instruments	59.00	-	493.10
Investments in preference shares	-	-	808.46
Current			
Investments in mutual funds	3,561.63	-	-
Investments in equity instruments	33.97	-	-
Particulars	Fair value as at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,315.68	-
Investments in equity instruments	-	-	150.00
Investments in other instruments	19.88	-	-
Current			
Investments in mutual funds	5,695.23	91.39	-
Investments in equity instruments	32.64	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

42. Financial instruments (Contd.)

42.2 Fair value measurements (Contd.)

Fair value of the Group's financial assets that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial instruments approximate their fair values:

Particulars	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost				
Non-current				
Investments in bonds	1,378.87	1,331.60	969.49	966.95
Current				
Investments in bonds	76.25	81.29	51.05	52.84
			Fair value hierarchy	
			March 31, 2023 Level 2	March 31, 2022 Level 2
Financial assets at amortised cost				
Non-current				
Investments in bonds			1,331.60	966.95
Current				
Investments in bonds			81.29	52.84

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.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current lease liabilities, current borrowings and other current financial liabilities: Fair value approximate their carrying amounts largely due to short-term maturities of these instruments.
- The Company's non current lease liabilities, non current borrowings and non current financial assets are measured at amortised cost, which approximates the fair value as on the reporting date.
- Management uses its best judgment 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, 2023 and March 31, 2022.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

42. Financial instruments (Contd.)

42.3 Financial risk management objectives and Policies

Financial risk management objectives

The Group's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments, diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Group's policies on foreign exchange risk and the investment. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity which impact returns on investments. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk including export receivables and import payables. Future specific market movements cannot be normally predicted with reasonable accuracy.

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, 2023	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	3.07	0.06	1.19
Trade Payables	0.61	0.30	-
Capital Creditors	-	0.35	(1.80)

Foreign currency exposure as at March 31, 2023	Amount in GBP	Amount in CHF	Amount in COP	Amount in RMB
Trade Receivables	0.00	0.00	0.47	0.08
Capital Creditors	0.00	0.00	64.83	-

Foreign currency exposure as at March 31, 2022	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	4.01	-	1.03
Trade Payables	0.55	0.45	0.47
Capital Creditors	-	0.01	-
Forward cover-Bought	2.73	-	-

Foreign currency exposure as at March 31, 2022	Amount in SGD	Amount in COP	Amount in Chinese Yuan (RMB)
Trade Payables	-	0.59	0.07

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

42. Financial instruments (Contd.)

42.3 Financial risk management objectives and Policies (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, 2023		As at March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	12.63	(12.63)	15.18	(15.18)
JPY	0.04	(0.04)	0.03	(0.03)
EUR	0.26	(0.26)	-	-
GBP	0.01	(0.01)	-	-
CHF	0.01	(0.01)	-	-
RMB	0.05	(0.05)	-	-
Payable				
USD	(2.51)	2.51	(2.08)	2.08
JPY	-	-	(0.01)	0.01
EUR	(1.34)	1.34	(1.88)	1.88
SGD	(0.01)	0.01	(0.01)	0.01
RMB	-	-	(0.04)	0.04
COP	-	-	(0.60)	0.60
Capital Creditors				
USD	(0.01)	0.01	(0.01)	0.01
EUR	(1.55)	1.55	(0.03)	0.03
CHF	(0.02)	0.02	-	-
COP	(0.06)	0.06	-	-
JPY	0.06	(0.06)	-	-
Borrowings				
USD	-	-	(1.03)	1.03
Impact on profit or loss as at the end of the reporting period	7.54	(7.54)	9.51	(9.51)
Impact on total equity as at the end of the reporting period	5.66	(5.66)	7.11	(7.11)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/ in future years.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Group result in material concentrations of credit risks."

The Group write off the receivable in case of certainty of the irrecoverability.

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

42. Financial instruments (Contd.)

42.3 Financial risk management objectives and Policies (Contd.)

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no 15 above.

The Group has used a practical expedient and analysed the recoverable amount of receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience.

Movement in the expected credit loss allowance of trade receivables

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the year	116.90	117.64
Add: Provided during the year	24.01	22.98
Less: Reversals of provision	19.04	23.53
Less: Amounts written back	0.40	0.19
Balance at the end of the year	121.47	116.90

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, 2023 would increase/decrease by ₹ 68.17 crores (for the year ended March 31, 2022: increase/decrease by ₹ 75.09 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, 2023	As at March 31, 2022
Borrowings	313.24	353.48

The profit for the year ended March 31, 2023 would increase/decrease by ₹3.33 crores (for the year ended March 31, 2022: increase/decrease by ₹3.48 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, 2023

(Amount in crores of INR)

42. Financial instruments (Contd.)

42.3 Financial risk management objectives and Policies (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, 2023			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Borrowing	293.15	20.09	-	313.24
(ii) Trade payables	4,760.14	-	-	4,760.14
(iii) Other financial liabilities	192.40	173.82	-	366.22
(iv) Lease liabilities	34.63	201.46	18.20	254.30

Particulars	As at March 31, 2022			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Borrowing	317.31	36.17	-	353.48
(ii) Trade payables	4,343.09	-	-	4,343.09
(iii) Other financial liabilities	145.58	83.37	90.95	319.90
(iv) Lease liabilities	46.65	183.13	113.01	342.64

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 (₹ in crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in crores)	As % of other comprehensive income	Amount (₹ in crores)	As % of total comprehensive income	Amount (₹ in crores)	
Parent	Hero MotoCorp Limited	95.90%	16,705.09	100.99%	2,910.57	26.42%	(9.37)	101.92%	2,901.20
Subsidiaries	Indian								
	HMCL MM Auto Limited	0.08%	13.62	-0.35%	(10.20)	0.34%	(0.12)	-0.36%	(10.32)
	Foreign								
	HMCL Netherlands B.V.	2.15%	373.92	-0.03%	(0.87)	-1.04%	0.37	-0.02%	(0.50)
	HMCL Colombia S.A.S.	0.09%	15.03	-1.23%	(35.54)	12.93%	(4.59)	-1.41%	(40.13)
	HMCL Niloy Bangladesh Limited	1.39%	242.31	0.41%	11.96	71.46%	(25.34)	-0.47%	(13.38)
	HMCL Americas Inc.	0.15%	25.63	0.00%	(0.01)	-4.23%	1.50	0.05%	1.49
	HMCL TechCenter Germany GmbH	0.24%	43.84	0.21%	6.10	-5.87%	2.08	0.29%	8.18
	Total	100.00%	17,419.44	100.00%	2,882.01	100.00%	(35.47)	100.00%	2,846.54
	Adjustments arising out of consolidation		(3,257.51)		(40.46)		-		(40.46)
Non controlling interest		(125.06)		10.06		12.92		22.99	
Associates *	Indian								
	Hero FinCorp Limited	13.28%	2,211.40	5.37%	150.88	-1.73%	0.38	5.43%	151.26
	Ather Energy Private Limited	2.45%	407.30	-6.85%	(192.53)	-1.00%	0.22	-6.90%	(192.31)
	Total		16,655.57		2,809.96		(21.95)		2,788.01

* Investments accounted as per equity method

Notes forming part of the Financial Statements

for the year ended March 31, 2023

(Amount in crores of INR)

44. Additional information

- 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.
- None of the entities within the Group and its associates have been declared as wilful defaulter by any bank or financial institution or other lender.
- The group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 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.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 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:
 - 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
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 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:
 - 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
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one register CIC and one unregistered CIC as part of the Group.

For and on behalf of the Board of Directors of Hero MotoCorp Limited

Pawan Munjal
Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha
Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta
Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Dhiraj Kapoor
Company Secretary &
Compliance Officer

Place: Tirupati
Date: May 04, 2023

Consolidated
For 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 Limited		HMCL Americas Inc		HMCL Netherlands B.V.		HMCL Colombia S.A.S. ³		HMCL Niloy Bangladesh Limited ³		HMCL Tech Center Germany GmbH	
Reporting period/Year	Year ended March 31, 2023		Year ended March 31, 2023		Year ended March 31, 2023		Year ended March 31, 2023		Year ended March 31, 2023		Year ended March 31, 2023	
Reporting Currency	INR	INR	USD	INR	USD	INR	COP ⁴	INR	BDT ⁴	INR	EURO	
Exchange Rate	1.00	82.18	1.00	82.18	1.00	0.02	1.00	0.77	1.00	89.47	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 MN	
Share Capital	80.00	28.76	3.50	371.52	45.21	110.96	62.76	76.04	981.30	22.64	2.53	
Reserve	(66.38)	(3.13)	(0.38)	2.40	0.29	(95.93)	(54.26)	166.27	2,145.73	21.21	2.37	
Total Assets	221.15	25.64	3.12	374.34	45.55	339.12	191.81	452.64	5,841.25	61.56	6.88	
Total Liabilities ²	221.15	25.64	3.12	374.34	45.55	339.12	191.81	452.64	5,841.25	61.56	6.88	
Investment	-	-	-	365.64	44.49	-	-	33.97	438.34	-	-	
Turnover ⁵	267.75	0.07	0.01	3.81	0.46	385.60	218.10	540.69	6,977.56	113.61	12.70	
Profit/(Loss) Before Taxation	(10.20)	(0.01)	(0.00)	2.84	0.35	(34.74)	(19.65)	15.20	196.11	7.61	0.85	
Provision for Taxation	-	-	-	-	-	-	-	(3.90)	(50.32)	(1.07)	(0.12)	
Profit/(Loss) after Taxation	(10.20)	(0.01)	(0.00)	2.84	0.35	(34.74)	(19.65)	11.30	145.78	6.53	0.73	
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	
% age holding	60%	100%		100%		68%		55%		100%		

Note

- Financial information has been extracted from the standalone audited financial statements for the year ended March 31, 2023, and have been translated at the exchange rate prevailing on March 31, 2023.
- Total liabilities are inclusive of share capital and reserves.
- HMCL Colombia SAS and HMCL Niloy Bangladesh Ltd. are subsidiaries of HMCL Netherlands B.V.
- COP- Colombian Peso; BDT - Bangladesh Taka.
- Turnover includes other income and other operating revenue.
- There are no subsidiaries which have been liquidated or sold during the year.

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 Limited	Ather Energy Private Limited
1	Latest audited Balance Sheet Date	Year ended March 31, 2023	Year ended March 31, 2023
2	Shares of Associate held by the company on the year end No.	5,24,31,893	2,65,104
	Amount of Investment in Associates (₹ in crores)	1,469.04	917.07
	Extend of Holding %	41.19%	36.54%
3	Description of how there is significant influence	Equity holding more than 20% but less than 50%	Equity holding more than 20% but less than 50%
4	Reason why the associate is not consolidated	-	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crores)	2,159.76	224.24
6	Profit / (Loss) for the year*		
	i. Considered in Consolidation	196.02	(192.31)
	ii. Not Considered in Consolidation**	284.84	(671.59)

* 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**

Pawan Munjal

Executive Chairman &
Whole-time Director
DIN-00004223

Tina Trikha

Chairperson - Audit Committee
(Director)
DIN-02778940

Niranjan Kumar Gupta

Chief Executive Officer &
Chief Financial Officer

Pradeep Dinodia

Non-Executive Director
DIN-00027995

Dhiraj Kapoor

Company Secretary &
Compliance Officer

Place: Tirupati

Date: May 04, 2023

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

Ernst & Young LLP

Ground Floor 67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana, India
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
MUFG Bank
State Bank of India

Registered and Corporate Office

The Grand Plaza,
Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase-II,
New Delhi - 110 070, India
Tel: 011-4604 4220
Fax: 011-4604 4399

Registrar and Share Transfer Agent

KFin Technologies Ltd.
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana, India - 500 032.
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: 0124-289 4200, 237 2123
Fax: 0124-237 3141/42

Dharuhera Plant

69 km Stone, Delhi-Jaipur Highway,
Dharuhera, Distt. Rewari - 123 110
Haryana, India
Tel: 01274-264 000
Fax: 01274-267 018

Haridwar Plant

Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar - 249 403, Uttarakhand, India
Tel: 01334-238 500, 239 514-16
Fax: 01334-239 512/13

Neemrana Plant

SP 101-103, 108 & 109,
RIICO Industrial Area,
Phase - II, Delhi-Jaipur Highway,
Neemrana, District Alwar,
Rajasthan - 301 705, India
Tel: 01494-2673000

Global Parts 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: 02675-229114

Tirupati Plant

Sy No.1, Industrial Park
Madanapalem Village
Satyavedu-Cherivi Road
Satyavedu Mandal
Tirupati District
Andhra Pradesh - 517588

R&D Centre

Centre for Innovation & Technology
SPL-1, RIICO Industrial Area, Kukas,
Phase-II, NH-11C, Jaipur,
Rajasthan - 302 028, India
Tel: 0142-643000

Colombia Plant

HMCL Colombia S.A.S
KM 24, via Cali - Santender De Quilichao
Zona Franca Permanente Conjunto
Industrial Parque Sur, Villa Rica, Cauca
Lote 6A, Colombia
Tel: +572 3120662

Colombia Branch Office

HMCL Sucursal Colombia
Calle 13 No 100-35 of 117,
Colombia-Call

Bangladesh Plant

HMCL Niloy Bangladesh Ltd.
Padmabilla, Shakharigati,
Kotwali, Jessore, Bangladesh
Tel: +8809601505541

Hero Tech Center Germany GmbH

Kronstaudener Weg 1, D-83071
Stephanskirchen, Germany



Hero MotoCorp Limited
(CIN:L35911DL1984PLC017354)

The Grand Plaza,
Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase - II,
New Delhi – 110 070, India
Tel: 011-4604 4220
Fax: 011-4604 4399

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