# ANNUAL REPORT

## 2024-25

| Board of Directors |
|---|
| Mr. Pankaj Munjal<br>***Chairman, Non-Executive and Non-Independent Director*** |
| Mr. Amit Gupta<br>***Managing Director and CEO*** |
| Mr. Abhishek Munjal<br>***Whole time Director*** |
| Dr. Andrew Charles Palmer<br>***Non-Executive and Independent Director*** |
| Mr. Ashok Kumar Taneja<br>***Non-Executive and Independent Director*** |
| Ms. Jyoti Arora<br>***Non-Executive and Independent Director*** |
| Mr. Keshav Misra<br>***Non-Executive and Non- Independent Director*** |
| Mr. Kulbir Singh<br>***Non-Executive and Independent Director*** |
| Ms. Pratibha Goyal<br>***Non-Executive and Independent Director*** |
| Mr. Sridhar Narayan<br>***Non-Executive Nominee Director*** |

| Key Managerial Personnel |
|---|
| Mr. Amit Gupta<br>***Managing Directors and CEO*** |
| Mr. Abhishek Munjal<br>***Whole-Time Director*** |
| Mr. Utkarsh Sanghi<br>***Chief Financial Officer*** |
| Ms. Esha Gupta<br>***Company Secretary and Compliance Officer*** |

| Registered office & Corporate office |
|---|
| **Registered Office**: Hero Nagar, G.T. Road Ludhiana, 141 003 Punjab, India |
| **Corporate Office**: Max Square Office level, 7th Floor, Plot No. C3-C, Jaypee Wishtown, Sector 129, Noida, Uttar Pradesh 201 304, India<br>**Email**: Investorrelations@heromotors.com |

| Registrar and Transfer Agent |
|---|
| KFin Technologies Limited<br>301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai 400070 Maharashtra, India<br>***Tel**: +91 40 6716 2222*<br>***E-mail**: einward.ris@kfintech.com*<br>***Website**: www.kfintech.com* |

**Hero Motors Limited**
CIN: U29299PB1998PLC039602
**Registered Office:** Hero Nagar, G.T. Road, Ludhiana-141003
**Corporate Office:** C3-C, 7th Floor, Max Square Building, Sector 129, Noida-201304
**Website:** www.heromotors.com | **Email:** investorrelations@heromotors.com
**Tel.:** + 91 120 4412 000

## NOTICE

Notice is hereby given that 26th Annual General Meeting ("AGM") of the Members of Hero Motors Limited ("the Company") will be held on Thursday, September 25, 2025 at 03:00 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") deemed to be held at the Registered Office of the Company at Hero Nagar G.T. road, Ludhiana, Punjab, India, 141003 to transact the following as businesses:

### ORDINARY BUSINESS

1. **To adopt Financial Statements & Reports**

To receive, consider and adopt:

(a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2025, together with the reports of the Board of Directors and Auditors thereon; and

(b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025 and the report of the Auditors thereon.

2. **To appoint Mr. Amit Gupta and Mr. Abhishek Munjal as a Directors liable to retire by rotation**

To appoint Directors in place of Mr. Amit Gupta (DIN: 02990732), Managing Director & CEO and Mr. Abhishek Munjal (DIN: 05355274), Whole Time Director who retires by rotation and being eligible, offers themselves for re-appointment.

### SPECIAL BUSINESS

3. **Ratification of Remuneration to be paid to M/s. Ramanath Iyer & Co., Cost Accountants, Cost Auditors of the Company**

**To consider and if thought fit, to pass the following resolutions, with or without modification, as an Ordinary Resolution:**

"**RESOLVED THAT** in accordance with the provisions of section 148 (3) of the Companies Act, 2013 read with Rules made thereunder, and recommendation of Audit Committee, the remuneration payable to M/s Ramanath Iyer & Co., Cost Accountants (Registration No. 000019) as the Cost Auditors to conduct audit of cost records for Financial Year 2025-26 at mutually agreed remuneration of Rs. 1,80,000/- (Rupees One Lakh Eighty Thousand Only) plus GST and re-imbursement of out-of-pocket expenses, as approved by Board of Directors be and is hereby ratified.

**RESOLVED FURTHER THAT** any Director(s) and/or Company Secretary and Compliance Officer of the Company be and is hereby severally authorized to submit the necessary intimation in Form CRA-

2 to the Central Government for appointment of Cost Auditors by the Company and to do all such other acts, deeds, matters and things as may be necessary from time to time to make the resolution effective."

By Order of the Board of Directors
*For* **Hero Motors Limited**

**Esha Gupta**
**Company Secretary**
**Mem. No. A23608**

**Dated:** August 12, 2025
**Place:** Noida

**NOTES:**

1. Ministry of Corporate Affairs ("MCA"), vide its General Circular No. 09/2024 dated 19th September 2024 read with other previous MCA General Circulars No. 09/2023 dated 25th September 2023, 10/2022 dated 28th December 2022, 02/2022 dated 5th May 2022, No. 20/2020 dated 5th May 2020, No. 17/2021 dated 13th April 2021 and No. 14/2021 dated 8th April 2021 (collectively referred to as "**MCA Circulars**"), has permitted Companies to hold their Annual General Meetings through Video Conference (VC) or Other Audio Visual Means (OAVM). Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Members are requested to notify changes if any, in their address, email ID nominations etc. to the Company.
3. Notice of the AGM is being sent electronically to the Members whose email IDs are registered with the Company/ Depository Participant unless any member has requested for a physical copy of the same. Members whose email ID is not registered with the Company / Depository Participant can do so by sending a request addressed to Company Secretary at C3-C, 7th Floor, Max Square Building, Sector 129, Noida-201304 or by sending a duly signed request letter to investorrelations@heromotors.com (the signature should match with the specimen signature as per Company records) or update their e-mail ID with their Depository Participant.
4. The deemed venue for AGM shall be the Corporate Office of the Company at C3-C, 7th Floor, Max Square Building, Sector 129, Noida-201304. Members may note that Notice has been uploaded on the website of the Company at www.heromotors.com.
5. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
6. In case of joint holders, a member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. In terms of the provisions of Section 113 of the Act read with the MCA Circulars, Corporate Members/ Institutional (i.e. other than individuals / HUF,) are entitled to appoint their authorized representatives via resolution to attend the AGM through VC on their behalf and participate there, including cast votes by electronic means. The said resolution is mandatorily required to be sent to the Company by email through its registered email address to investorrelations@heromotors.com.
8. The proceedings of the Meeting will be recorded as required under Companies Act, 2013 read with rules made and circulars issued thereunder. The Company shall maintain a recorded transcript of the meeting in safe custody.
9. The following statutory registers shall be made available at corporate office at C3-C, 7th Floor, Max Square Building, Sector 129, Noida-201304:
   i) Register of contracts or arrangements in which Directors are interested under section 189 of the Act.
   ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.
10. In accordance with the MCA Circulars, the said registers including other documents as referred to in the Notice and Explanatory Statement of AGM will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member upto and during the continuance of the meeting and the same can be accessed by sending a request to the Company at investorrelations@heromotors.com.
11. Members who need technical assistance any query and/or grievance, in respect of AGM before or during the AGM can contact at investorrelations@heromotors.com.

12. The Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto. The Board of Directors have considered and resolved that Special Business items are unavoidable in nature.

**INSTRUCTIONS FOR ATTENDING/JOINING THE AGM:**

Members will be able to attend the AGM through VC/OAVM by following procedure:

1. The link for AGM will be made available on the Email IDs of the members as registered with the company/ Depository Participant. Enter the login credentials i.e. User ID and password mentioned in your email. After entering the details appropriately, click on LOGIN.
2. Members are advised that facility of joining the AGM through VC shall be kept open 15 minutes before the time scheduled for the AGM and shall not be closed till the expiry of 15 minutes after scheduled time. The video-conference shall allow for two-way teleconferencing for the ease of participation of the members and the participants.
3. Members are requested to cast their vote by a show of hands in the meeting unless demand for poll is made by any Member or Chairman.
4. Members are encouraged to join the meeting through Laptops/Desktops for better experience.
5. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
6. While all efforts will be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

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

**Resolution No. 3**

The Board of Directors of the Company at their meeting held on 25th June, 2025, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Ramanath Iyer & Co., Cost Accountants (Registration No. 000019) to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2026. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel(s) of the Company or their relatives are in any way, concerned or interested either financially or otherwise, in the said resolution.

Accordingly, the Board recommends passing of the resolution as Ordinary Resolution as set out in the accompanying notice.

By Order of the Board of Directors
*For* **Hero Motors Limited**

**Esha Gupta**
**Company Secretary**
**Mem. No. A23608**

**Dated:** August 12, 2025
**Place:** Noida

## ABOUT THE COMPANY AND STATE OF COMPANY'S AFFAIRS

Hero Motors Limited is a leading Indian automotive technology company specializing in the design, development, and manufacturing of advanced powertrain solutions for global OEMs across the US, Europe, India, and the ASEAN region. We offer fully integrated powertrain systems, serving both electric and non-electric vehicle platforms, with applications across two-wheelers, e-bikes, performance and hybrid vehicles, off-road and heavy-duty vehicles, and emerging categories like electric vertical take-off and landing (eVTOLs).

Our solutions span from component-level gears and transmissions to system-level integrated electric drive units. We are a recognized innovation-driven player, investing significantly in in-house R&D and global technology partnerships. Notably, we are the first Indian company to manufacture and export CVT hubs and integrated electric powertrain products for e-bikes, establishing a strong first-mover advantage in the e-mobility space.

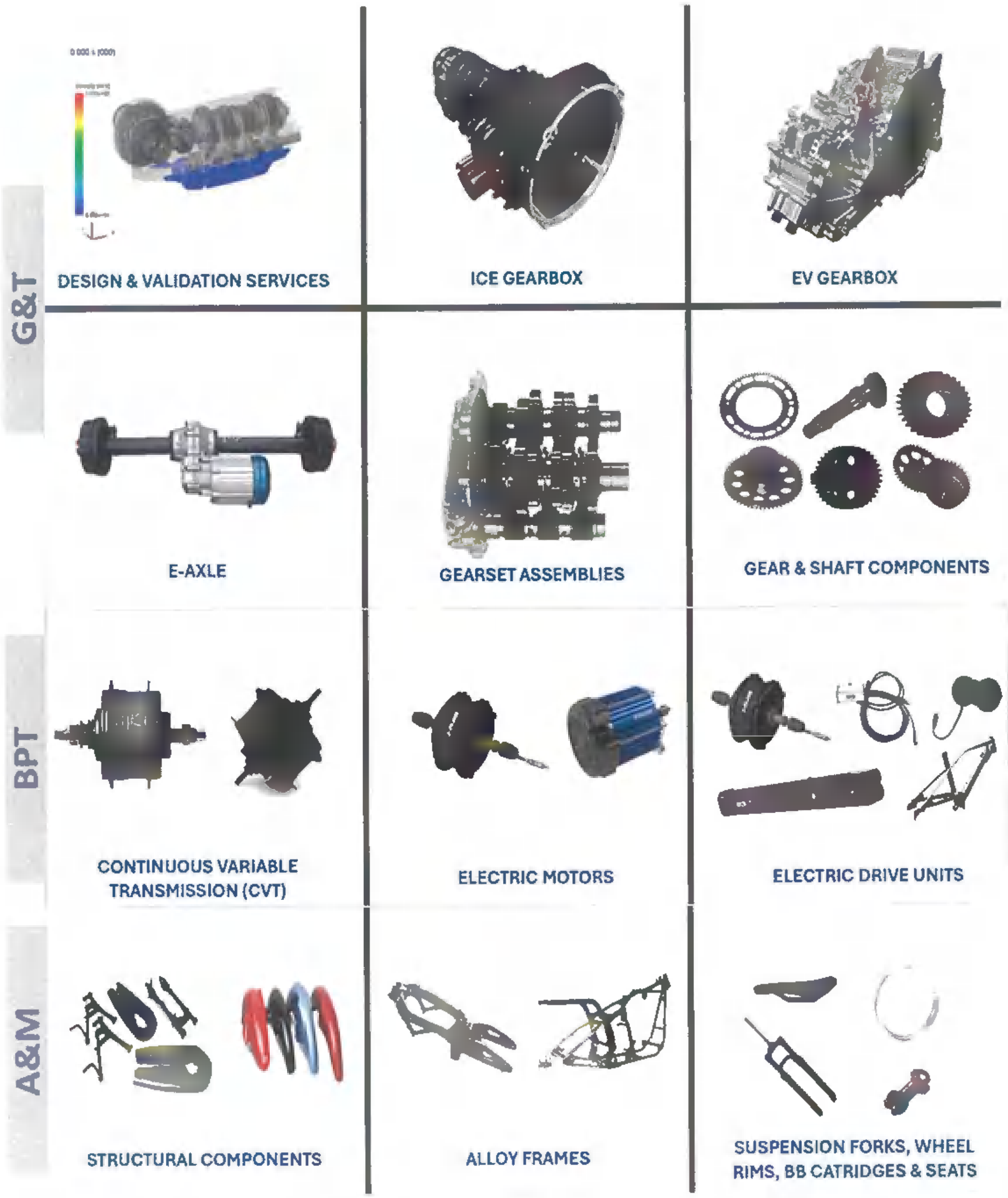
Hero Motors Limited operates through following main business segments:

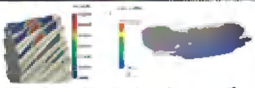
- **Powertrain Solutions: Gears & Transmissions (G&T)** – We provide end-to-end transmission system solutions for two-wheelers, cars, commercial vehicles, aerospace, marine, off-road vehicles, and specialty EVs. Through key partnerships, we have strengthened our capabilities in motorsports and performance segments. In 2023, we established a state-of-the-art gearbox assembly facility in Thailand to serve global ICE and EV markets, with a premium German OEM as the anchor customer.
- **Powertrain Solutions: Bike Powertrain (BPT)** – Focused exclusively on the EV space, BPT offers CVT systems, electric motors, and integrated electric drive units (EDUs) for micro-mobility. Since 2019, we have expanded through key collaborations, including enviolo and a joint venture with Yamaha Motors, to deliver custom-designed CVP hubs and advanced EDU systems for the global e-bike market.
- **Alloys & Metallics (A&M)** – Our powertrain-neutral A&M business manufactures a wide range of components for the automotive and two-wheeler segments, including both ICE and EV platforms. Operating from India, we offer high-precision parts supported by robust capabilities in welding, machining, and painting. Our focus is on lightweight alloy components, premium customer relationships, and cost optimization.

With a focus on high-performance, lightweight, and technologically advanced systems, we continue to expand our global footprint by delivering innovative and sustainable mobility solutions.

We offer a diversified product portfolio that serves both electric vehicles (EVs) and internal combustion engine (ICE) vehicles. Our Gears & Transmissions (G&T) and Alloys & Metallics (A&M) segments are powertrain neutral, designed to support EVs, ICEs, and hybrid platforms alike. Meanwhile, our Bike Powertrain (BPT) segment focuses exclusively on the fast-growing EV market, in line with global electrification trends.

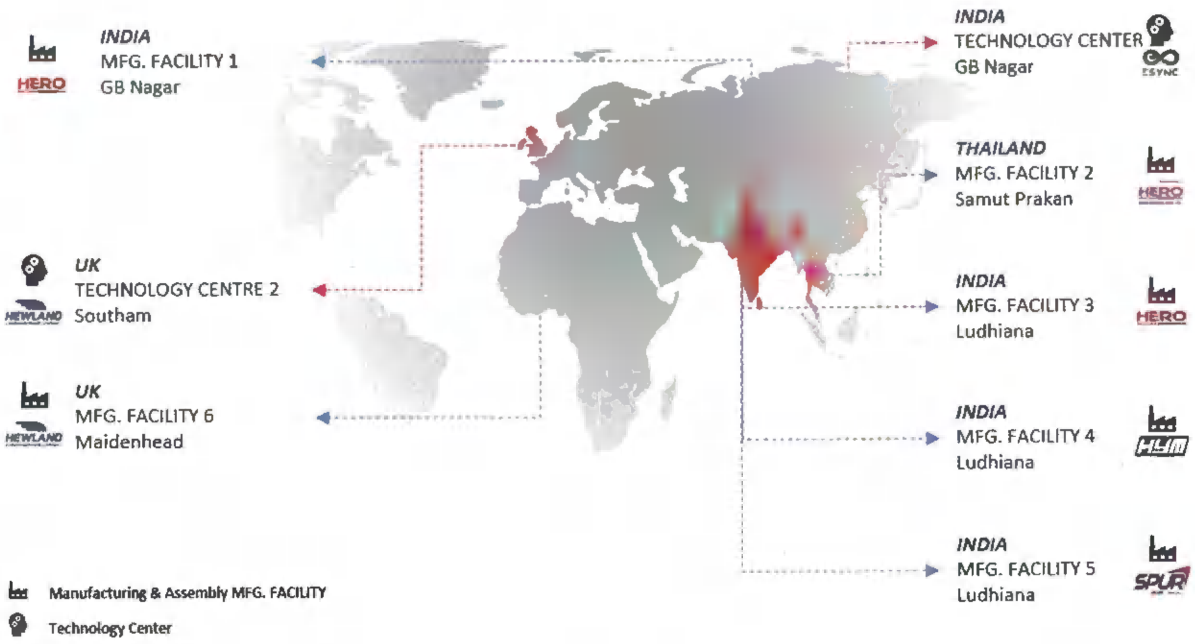
The table below outlines our key product offerings across these segments.


G&T
BPT
A&M
DESIGN & VALIDATION SERVICES
ICE GEARBOX
EV GEARBOX
E-AXLE
GEARSET ASSEMBLIES
GEAR & SHAFT COMPONENTS
CONTINUOUS VARIABLE TRANSMISSION (CVT)
ELECTRIC MOTORS
ELECTRIC DRIVE UNITS
STRUCTURAL COMPONENTS
ALLOY FRAMES
SUSPENSION FORKS, WHEEL RIMS, BB CATRIDGES & SEATS

| | | Product Segments | Applicability | E-Bikes | Bikes | Two Wheelers | Three Wheelers | Passenger Cars | Commercial vehicles | Off-road/ specialty vehicles | Aerospace/ Marine |
|---|---|---|---|---|---|---|---|---|---|---|---|
| POWETRAIN SOLUTIONS | G&T |  Gears, Shafts & Gear-set Assemblies | ICE Applicability | | | ✓ | | | ✓ | ✓ | |
| | | | EV Applicability | | | ✓ | ✓ | ✓ | | ✓ | |
| | |  Gearbox Assembly & EDUs | ICE Applicability | | | ✓ | | ✓ | | | |
| | | | EV Applicability | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| | |  Design, Prototyping and Validation Services | ICE Applicability | | | ✓ | | ✓ | | ✓ | |
| | | | EV Applicability | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| | BPT |  CVT Systems (Micromobility) | EV Applicability | ✓ | | | | | | | |
| | |  Motors & E-Drive Units (Micromobility) | EV Applicability | ✓ | | | | | | | |
| A&M | |  Alloys & Metallic solutions | ICE Applicability | ✓ | ✓ | ✓ | | | | | |
| | | | EV Applicability | | | | | | | | |

✓ Currently Serving | ICE Applicability | EV Applicability

The Company along with its subsidiaries operates six manufacturing facilities across India, the UK, and Thailand, strategically located for customer proximity and cost efficiency. We also operate two technology centers in the UK and India, supporting our position as one of the few Indian companies with an international design and development center. Our facilities are equipped with advanced R&D, prototyping, and validation capabilities, enabling end-to-end product development.




## OPERATIONAL AND FINANCIAL HIGHLIGHTS

During the period under review, on a consolidated basis, the company achieved revenue of Rs. 1,08,959.39 lakhs for the FY 2024-25 as compared to Rs. 1,06,438.59 lakhs in FY 2023-24. The profit before tax (PBT) from continuing operations stood at Rs. 3,907.80 lakhs as against Rs. 2,431.41 lakhs. Similarly, the profit after tax (PAT) was recorded at Rs. 3,279.78 as against Rs. 1,703.63 lakhs in the last year.

On a standalone basis, the company achieved revenue of Rs. 89,787.05 lakhs for the FY 2024-25 as compared to Rs. 89,119.88 lakhs in FY 2023-24. The profit before tax (PBT) from continuing operations stood at Rs.3,307.24 lakhs as against Rs. 2,416.11 lakhs. Similarly, the profit after tax (PAT) was recorded at Rs. 2,361.04 as against Rs. 1,896.99 lakhs in the last year.

## BOARDS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 26th Annual Report on the business and operations of your Company along with the audited standalone financial statements for the year ended March 31, 2025. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

### 1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY (STANDALONE & CONSOLIDATED)

The Company's financial results are as under:

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | For the financial year ended | | For the financial year ended | |
| | **March 31, 2025** | **March 31, 2024** | **March 31, 2025** | **March 31, 2024** |
| Revenue from Operations | 89,787.05 | 89,119.88 | 1,08,959.39 | 1,06,438.59 |
| Other Income | 1,913.15 | 2,056.16 | 2,163.99 | 1,903.27 |
| **Total Income** | **91,700.20** | **91,176.04** | **1,11,123.38** | **1,08,341.86** |
| Profit/Loss Before Depreciation, Finance Costs, Exceptional items and Tax Expenses | 8,098.51 | 6,472.13 | 11,014.34 | 8,280.97 |
| Less: Depreciation & Amortisation Expenses | 1,893.59 | 1,489.40 | 3,794.42 | 2855.14 |
| Profit/Loss Before Finance Costs, Exceptional items and Tax Expenses | 6,204.92 | 4,982.73 | 7,219.92 | 5,425.83 |
| Less: Financial Costs | 2,897.68 | 2,566.62 | 3312.12 | 2994.42 |
| Profit/Loss Before Exceptional items and Tax Expenses | 3,307.24 | 2,416.11 | 3,907.80 | 2,431.41 |
| Add/(less): Exceptional items | NIL | NIL | NIL | NIL |
| Share of profit/(loss) of associate | NIL | NIL | NIL | NIL |
| **Profit Before Tax (PBT)** | **3,307.24** | **2,416.11** | **3,907.80** | **2,431.41** |
| Less: Taxes (Current & Deferred) | 946.20 | 519.12 | 628.02 | 727.78 |

| | | | | |
|---|---|---|---|---|
| **Profit after Tax (PAT)** | **2,361.04** | **1,896.99** | **3,279.78** | **1,703.63** |
| **Other Comprehensive Income/Loss** | -22.78 | 70.23 | 950.82 | -935.42 |
| **Total Comprehensive Income/Loss** | **2,338.26** | **1,967.22** | **4,230.61** | **768.21** |
| **Earnings Per Equity Share (₹)** | | | | |
| Basic | 0.63 | 0.51 | 0.67 | 0.36 |
| Diluted | 0.62 | 0.50 | 0.66 | 0.35 |

## 2. DIVIDEND

The Board of Directors have not recommended any Dividend for the financial year 2024-25

## 3. DIVIDEND DISTRIBUTION POLICY

The Board of Directors of your Company had approved and adopted the Dividend Distribution Policy containing all the necessary details as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") at Board meeting held on August 12, 2024. The said policy forms part of Board Report and is also available on the website at **www.heromotors.com**.

## 4. TRANSFER TO RESERVES

The provision of the Companies Act, 2013 does not mandate any transfer of profits to General Reserve. Your Company has transferred the amount of Rs. 1,396.21 lakhs to general reserve out of the profits of the year.

## 5. SHARE CAPITAL STRUCTURE

During the period under review, the Authorised and Paid up share capital of the Company are as follows:

**Authorised Capital**
The Authorized share capital of the Company is Rs. 6,79,50,00,000/- (Rupees Six Hundred Seventy Nine Crore and Fifty Lakh Only) divided into 58,00,00,000 (Fifty Eight Crore) equity shares of Rs. 10/- (Rupees Ten Only) each and 9,95,00,000 (Nine Crore and Ninety Five Lakh) preference shares of Rs.10/- (Rupees Ten Only) each.

**Paid up share capital**
The Paid share capital of the Company is Rs. 3,57,38,44,910/- (Rupees Three Hundred Fifty Seven Crore Thirty Eight Lakh Forty Four Thousand Nine hundred and Ten Only) divided into 35,73,84,491 (Thirty Five Crore Seventy Three Lakh Eighty Four Thousand Four Hundred and Ninety One) equity shares of Rs. 10/- (Rupees Ten Only) each and 2,09,71,941 (Two Crore Nine Lakh Seventy One Thousand Nine Hundred and Forty One) preference shares of Rs.10/- (Rupees Ten Only) each.

After the closure of Financial Year i.e. March 31, 2025, the Company has made the following allotment:

By way of exercise of 9,51,528 stock options by Mr. Amit Gupta, Managing Director & CEO of the Company and allotment of equity shares in relation thereof, the paid up share capital has increased to Rs. 3,79,30,79,600 (Rupees Three Hundred Seventy Nine Crore Thirty Lakh Seventy Nine Thousand

and Six hundred) divided into 37,93,07,960 (Thirty Seven Crore Ninety Three Lakh Seven Thousand Nine hundred and Sixty) equity shares of Rs. 10/- (Rupees Ten) each.

## 6. EMPLOYEE STOCK OPTION PLAN

Our Company, pursuant to the resolutions passed by the Board on December 1, 2022 and the Shareholders' on December 2, 2022 has adopted the "Hero Motors Employees Stock Option Plan 2022" ("ESOP 2022"). The ESOP 2022 was last amended pursuant to the resolutions passed by the Board on July 16, 2024 and the Shareholders' on August 12, 2024.

The objective of ESOP 2022 is (i) to reward the eligible employees of the Company and its subsidiary company(ies) in India and abroad for their performance and motivate them to contribute to the growth and profitability of the Company; (ii) to attract and retain talents in the organization; and (iii) to enable employees to get a share in the value they create for the Company in the future. The ESOP 2022 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 .

As on the date of June 30, 2025, under ESOP 2022, an aggregate of 21,230,763 options have been granted, of which 534,509 options have either lapsed, been forfeited or cancelled, 15,938,615 options are outstanding, 4,903,855 options have been vested and 4,757,639 options have been exercised.

| Particulars | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | From April 1, 2024 to December 31, 2024 | From January 1, 2025 till June 30, 2025 |
|---|---|---|---|---|---|
| Options granted | NIL | 19,567,794 | 734,775 | 806,358 | 121,836 |
| Options vested (excluding options that have been exercised) | | NIL | 3,568,179 | 1,036,991 | 298,685 |
| Options exercised | | NIL | NIL | 3,806,111 | 951,528 |
| Exercise price of options | | NIL | NIL | ₹ 10 | ₹ 10 |
| Options forfeited/lapsed/cancelled | | NIL | 232,045 | 137,847 | 164,617 |
| Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options) | | 19,567,794 | 200,70,524 | 1,69,32,924 | 1,5938,615 |
| Variation of terms of options | | None | None | None | None |
| Money realized by exercise of options during the year/period | | NIL | NIL | 38,061,110 | 95,15,280 |
| Total number of options in force | | 19,567,794 | 20,070,524 | 1,69,32,924 | 1,59,38,615 |

| Particulars | Employee wise details of options granted to Details | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fiscal 2022 | Fiscal 2023 | | Fiscal 2024 | | For the period ended December 31, 2024 | | From January 1, 2025 till June 30, 2025 | |
| | | Name of employee | Total no. of options granted | Name of employee | Total no. of options granted | Name of employee | Total no. of options granted | Name of employee | Total no. of options granted |
| Key Managerial Personnel (KMPs) of the Company | Nil | Amit Gupta | 14,458,789 | Nil | | Esha Gupta | 23,346 | Utkarsh Sanghi | 41,655 |
| Senior Management Personnel (SMPs) of the Company | | Ajay Sood | 98,302 | Holger Jens Pries | 20,011 | Ajay Sood | 50,000 | Raghu Nandan Chawla | 38,183 |
| | | Anil Rathi | 276,535 | Agnes Germaine Madeleine Ragondet | 20,136 | Anil Rathi | 50,000 | | |
| | | Chandra Shekhar Mittal | 189,739 | | | Chandra Shekhar Mittal | 50,000 | | |
| | | Gopinath Mayavu Kalyana Muhunthan | 31,179 | | | Sanjay Singh Suryavanshi | 50,000 | | |
| | | Sanjay Singh Suryavanshi | 115,294 | | | Ashish Narukulla | 50,000 | | |
| | | Amardip Kumar | 33,351 | | | Andrew Theo Marinus Morley | 50,000 | | |
| | | Ashish Narukulla | 100,443 | | | Gopinath Mayavu Kalyana Muhunthan | 50,000 | | |
| | | Andrew Theo Marinus Morley | 105,611 | | | | | | |

<table>
<tr><th colspan="6">Employee wise details of options granted to</th></tr>
<tr><th rowspan="2">Particulars</th><th colspan="5">Details</th></tr>
<tr><th>Fiscal 2022</th><th>Fiscal 2023</th><th>Fiscal 2024</th><th>For the period ended December 31, 2024</th><th>From January 1, 2025 till June 30, 2025</th></tr>
<tr><td>Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Nil</td><td>Nil</td><td>Nil</td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Anuj Kumar Singh</td><td>50,000</td></tr><tr><td>Mark Ingraham</td><td>50,000</td></tr></table></td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Anuj Thakur</td><td>16,120</td></tr><tr><td>Prem Narayan Chauhan</td><td>25,183</td></tr></table></td></tr>
<tr><td>Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td>Nil</td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Amit Gupta</td><td>14,458,789</td></tr><tr><td>Keshav Misra</td><td>3,954,809</td></tr></table></td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>

| Other Particulars | Details |
|---|---|
| Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals | Not applicable, since the fair value using Black Scholes model has been used for calculating employee compensation cost. |

| | |
|---|---|
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option | The fair value of option granted is estimated using the Black Scholes Option Pricing model. |
| Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years | Company has complied with the accounting standard issued by the Institute of Chartered Accountants of India which is in line with the SEBI SBEB & SE Regulations. |
| Intention of key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer | None |
| Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | None |

## 7. CONVERSION OF COMPULSORILY CONVERTIBLE PREFERENCE SHARES

During the year under review, your Company has not converted compulsorily convertible preference share into equity shares.

Also, during the period under review, your Company has not bought back any of its securities / has not issued any sweat equity shares / has not issued any bonus shares, except as stated above has not provided any Stock Option Scheme to its employees, and has not issued any equity shares with differential rights.

## 8. INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company was not required to transfer any funds to Investor Education and Protection Funds (IEPF).

## 9. DEPOSITS

During the year under review, your Company has not accepted any deposits from the public under Section 73 and 76 of the Companies Act, 2013 ("Act") and rules made thereunder and no amount of principal or interest was outstanding as at the end of Financial Year 2024-25. There were no unclaimed or unpaid deposits lying with your Company. Hence, reporting of any non- compliance with the requirement of Chapter-V of Act "Acceptance of Deposits by Companies" is not applicable on your Company.

## 10. CHANGE IN THE NATURE OF BUSINESS

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

## 11. CONSOLIDATION OF FINANCIALS

In compliance with provisions of Section 129 (3) of the Companies Act, 2013 read with Companies Accounts) Rules, 2014, your Company has prepared Consolidated Financial Statements as per the Accounting Standards on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Further, a statement containing salient features of the financial statements of the subsidiary Company is disclosed separately and forms part of this Board Report.

## 12. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on date of this report, your Company has following Subsidiaries:

### a) HEL

**Hewland Engineering Ltd. ("HEL")** is a 51% Subsidiary of your Company.

HEL is engaged in the business of designing and manufacturing of high-performance transmission and drivetrain components for performance automotive, motorsport, EV and aerospace industries. It also provides custom engineering solutions and invests in research and development to enhance its product offerings.

HEL reported a net Profit of 1,264,790 GBP in F.Y. 2024-25 (previous year net Profit: 7,71,136 GBP).

### b) HMTL

Hero Motors Thai Ltd. ("HMTL") is a 100% Subsidiary of your Company.

Hero Thai is engaged in the business of manufacturing, trading, and exporting vehicle parts, engine system parts, gearbox, transmission parts including parts or spare parts related to such products for motorcycles and vehicles.

HMT reported a net profit of 27.11 THB in F.Y. 2024-25 (previous year net profit- 91.50 THB).

### c) Hero EDU

**Hero Edu Systems Private Limited ("Hero EDU")** is a 100% Subsidiary of your Company.

Hero EDU is engaged in the business of procuring, manufacturing, assembling, integrating, producing, buying, selling, distributing, trading, importing, exporting, repairing, refurbishing, dealing in all types of electric and allied components, sub- components, including electronic drive systems, e-bikes, other similar e-vehicles, and related products such as motors, batteries, controllers, sensors, displays, chargers, throttles, wire harness, diagnostic / EOL tools, software applications, components and spare parts thereof, PCBs, cell, etc, whether made from ferrous and/or non-ferrous materials or any other materials used in the industry, including substitutes and replacements for such products. Furthermore, to design, develop, prototype, test, integrate, validate e-components and e-systems for, electric vehicles (e- bikes, E 2 wheelers, E 3 wheelers etc), and similar vehicles; to provide comprehensive after-sales services including customer support, maintenance, repair, and refurbishment services; and to offer technical assistance, troubleshooting, and upgrades for such products and systems.

Hero EDU reported a net loss of Rs. 83.12 lakhs in F.Y. 2024-25 (previous year net loss: Rs. 5.77 lakhs).

**d) STPL**

Spur Technologies Private Limited ("STPL") is a 100% Subsidiary of your Company.

STPL is engaged in the business of manufacturing, assembly, buying, selling distributing, importing and exporting of cycles, tricycles and carriages of all kinds and of all articles and things used for the manufacture, maintenance and working thereof, to buy, repair, alter and deal in apparatus, machinery materials and articles of all kinds which shall be capable of being used for the purpose of any business herein mentioned or likely to be required by customers of any such business, as authorized under the objects clause of its memorandum of association. Further, it is also engaged in carrying on the business of manufacturing, assembling, producing, buying, selling, distributing, importing, exporting, research and development of auto components whether made from ferrous and/or non-ferrous materials or any other materials as may be used in the industry for the purpose of business of STPL.

STPL reported a loss of Rs. 124.23 lakhs in F.Y. 2024-25 (previous year net loss: of Rs. 536.42 lakhs).

**e) HYM Drive**

HYM Drive Systems Private Limited ("HYM") is a 90% Subsidiary of your Company.

HYM is engaged in the business of manufacturing, procuring and selling high-quality hub motors for e-bikes (where e-bikes mean two or three-wheeled vehicles having a rear drive wheel solely human-powered or a two or three-wheeled vehicle with fully operable pedals, seat and electric motor) targeting the Indian and global e-bike market.

HYM entered into a joint venture agreement dated October 27, 2021 with Yamaha Motor Co. Ltd., to establish our Subsidiary, HYM.

HYM Drive reported a loss of Rs. 649.42 lakhs in F.Y. 2024-25 (previous year net loss: Rs. 314.07 lakhs).

After the date of this report i.e. March 31, 2025, the Company has made the following investment.

**f) MSIPL**

Munjal STP Industries Private Limited ("MSIPL") is a 51% subsidiary of your Company

Pursuant to the Joint Venture Agreement dated March 07, 2025, entered into between Vermögensverwaltung Plettenberg GmbH & Co. KG ("**STP Group**") and Hero Motors Limited ("**HML**"), STP Group and HML agreed to jointly set up a joint venture company, MSIPL, to develop, manufacture, and sell forging components for the automotive sector and such other components and materials.

Pursuant to said agreement, your Company acquired 51.00% of the total paid-up equity share capital of MSIPL, thereby making MSIPL its subsidiary.

MSIPL was incorporated by way of certificate of Incorporation issued by Registrar of Company-Central Registration Centre dated July 22, 2025.

MSIPL is yet to commence its operations.

There were no other Companies which became or ceased to be its Subsidiaries, joint ventures or associate companies during the year.

A statement containing the salient features of the Financial Statement of the Subsidiary in the prescribed format AOC-1 forms part of the Consolidated Financial Statements of your Company.

None of the above named Subsidiary company declared any Dividend during the Financial Year 2024-25.

The Company's Policy for determining Material Subsidiaries is available on the website of the Company and can be accessed at www.heromotors.com.

## 13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186

Particulars of loans, guarantees given and investments made during the year in accordance with Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements. All the loans, guarantees & securities are given, and investments are made for the Business purpose.

## 14. PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES (RELATED PARTY TRANSACTION)

All related party transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained which are foreseen and are repetitive in nature. Further, any related party transactions which are in ordinary course and at arm's length are also placed before the Board for approval.

All the related party transactions were in the ordinary course of business and are on arm's length basis except as disclosed in Form AOC-2 forms part of this Board Report.

For details on Related Party Transactions, you may refer Notes to financial statements forming part of the Financial Statements.

## 15. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Except as disclosed in the Board Report, in the opinion of the Board, there have been no material changes and commitments, affecting the financial position of your Company which have occurred between the end of the financial year of your Company to which the financial statements relate and the date of the report.

Your Company is planning to go for the initial public offer and in this regard, your Company has filed its Draft Red Herring Prospectus dated June 30, 2025 with Securities and Exchange Board of India, the BSE Limited and National Stock Exchange of India Limited.

## 16. CORPORATE GOVERNANCE REPORT

Your Company strives to ensure that best corporate governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder value. A detailed report on corporate governance forms an integral part of Board Report and is set out as separate section therein.

## 17. BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

Your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and Independent Directors including two women Directors. The details of Board of Directors are provided later in the Report. The Board provides strategic guidance and direction to your Company in achieving its business objectives and protecting the interest of the stakeholders. Your Board is also supported by Statutory Committees viz. Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, CSR Committee and Stakeholders' Relationship Committee of Board of Directors.

At least one meeting of the Board of Directors is held in each quarter. Additional meetings of the Board/ Committees are convened as may be necessary for proper management of the business operations of your Company.

The Agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. The Board of Directors of your Company met 7 (seven) times during the Financial Year 2024-25 on the dates as mentioned in "Corporate Governance Report" annexed hereto.

Details of attendance of Directors at Board Meetings of your Company held during the year under review are as follows:

| Name of the Director | Category | Nos. of meetings attended |
|---|---|---|
| Mr. Pankaj Munjal | Chairman, Non-Executive and Non-Independent Director | 6 out of 7 |
| Mr. Abhishek Munjal | Whole-time Director | 6 out of 7 |
| Mr. Amit Gupta | Managing Director and Chief Executive Officer | 7 out of 7 |
| Mr. Keshav Misra | Non-Executive and Non-Independent Director | 7 out of 7 |
| Mr. Sridhar Narayan | Nominee Non-Executive Director | 7 out of 7 |
| Ms. Pratibha Goyal | Non-Executive and Independent Director | 6 out of 7 |
| Mr. Kulbir Singh | Non-Executive and Independent Director | 6 out of 7 |
| *Mr. Gaurav Dalmia | Non-Executive and Independent Director | 1 out of 2 |
| Mr. Ashok Kumar Taneja | Non-Executive and Independent Director | 3 out of 4 |
| Dr. Andrew Charles Palmer | Non-Executive and Independent Director | 4 out of 5 |
| **Ms. Jyoti Arora | Non-Executive and Independent Director | 0 out of 1 |

** Mr. Gaurav Dalmia was appointed on August 12, 2024 and has resigned from the post of directorship of your Company w.e.f. November 06, 2024.*

***Ms. Jyoti Arora has been appointed as Non-Executive and Independent Director of the Company w.e.f. January 28, 2025.*

The necessary quorum was present in all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013.

An update on the Board & its Committees, composition thereof, number of meetings held during Financial Year 2024-25 and attendance of the Directors at such meeting is provided in the Report on Corporate Governance.

Further, considering the Company is a Public Company and is also going for its initial public offering, therefore, the Board was reconstituted to ensure compliance with the Companies Act, 2013, along with the rules made thereunder, each as amended, along with the corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Consequently, during the year under review, following directors were appointed and resigned.

| Name of the Director | Designation | Date of appointment/ change in designation/ cessation | Nature of change (Appointment/ Change in designation/ Cessation) | Term |
|---|---|---|---|---|
| Dr. Andrew Charles Palmer | Non-Executive and Independent Director | July16, 2024; July 26, 2024 | Appointment in Board meeting and Regularisation at General meeting | 5 years |
| Mr. Ashok Kumar Taneja | Non-Executive and Independent Director | August 12, 2024; August 13, 2024 | Appointment in Board meeting and Regularisation at General meeting | 5 years |
| Mr. Gaurav Dalmia | Non-Executive and Independent Director | August 12, 2024; August 13, 2024 | Appointment in Board meeting and Regularisation at General meeting | 5 years |
| Mr. Gaurav Dalmia | Non-Executive and Independent Director | November 06, 2024 | Cessation due to resignation | - |
| Ms. Jyoti Arora | Non-Executive and Independent Director | January 28, 2025; March 12, 2025 | Appointment in Board meeting and Regularisation at General meeting | 2 years |

## 18. APPOINTMENT AND DECLARATION OF INDEPENDENT DIRECTOR OF THE COMPANY UNDER SECTION 149(6)

During the Financial Year under review, Mr. Gaurav Dalmia (ceased to be director during FY 2024-25), Dr. Andrew Charles Palmer, Mr. Ashok Kumar Taneja & Ms. Jyoti Arora had been appointed as Independent Directors on the Board.

As on date of this report, the Board of your Company comprises of 10 (Ten) Directors, out of which 8 (eight) Directors are Non-Executive Directors and 5 (Five) out of 8 (eight) Non-Executive Directors are Independent Directors. All the Independent Directors are appointed on the Board of your Company in compliance with the applicable provisions of the Companies Act, 2013. Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of Independence under sub-section (6) of section 149 of the Act and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their continued registration in the databank as maintained by the Indian Institute of Corporate Affairs ("IICA") in line with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Also, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act and have confirmed that they are in compliance with the Code of Conduct for Directors and Senior Management personnel formulated by the Company.

In the opinion of the Board, there has been no change in the circumstances, which may affect their status as Independent Director of the Company and the Board is satisfied with the integrity, expertise, experience including proficiency of all the Independent Directors on the Board.

**Separate Meeting of Independent Directors**

Pursuant to Schedule IV to the Act and SEBI Listing Regulations 1 (one) meeting of Independent Directors dated February 17, 2025 was held during the year, without the attendance of non- independent Directors and members of Management.

**Directors Liable to Retire by Rotation**

In accordance with the provisions of the Act, not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be Directors liable to retire by rotation except Independent Directors. Accordingly, pursuant to the Act read with Articles of Association of your Company.

Further, Mr. Amit Gupta and Mr. Abhishek Munjal, Directors of the Company have been longest in office.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Amit Gupta & Mr. Abhishek Munjal will retire by rotation at the ensuing Annual General Meeting and have offered themselves for re-appointment.

## 19. COMMITTEES OF THE BOARD

### a) AUDIT COMMITTEE

Your Company has a duly constituted Audit Committee in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. During the year under review, the Audit Committee was re-constituted on August 12, 2024 with Mr. Kulbir Singh appointed as its Chairperson.

As on March 31, 2025 and as on date of this report, the Committee comprised of 3 (Three) Non-Executive Director viz. Mr. Kulbir Singh, Mr. Sridhar Narayan and Ms. Pratibha Goyal.

The Audit Committee met 6 (six) times during the Financial Year 2024-25 on the dates as mentioned in "Corporate Governance Report" annexed hereto.

The Committee comprises of the following three Directors as on the date of this report:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Mr. Kulbir Singh | Chairperson | Non-Executive and Independent Director |
| Mr. Sridhar Narayan | Member | Non-Executive and Nominee Director |
| Ms. Pratibha Goyal | Member | Non-Executive and Independent Director |

All members of Audit Committee are financially literate and two members have financial management expertise.

During the year under review, the Board has accepted all recommendation made by the Audit Committee of the Company.

The terms of reference of Audit Committee are enumerated under the "Corporate Governance Report" annexed hereto.

### b) NOMINATION AND REMUNERATION COMMITTEE

Your Company has a duly constituted Nomination and Remuneration Committee in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. During the year under review, the Nomination and Remuneration Committee was re-constituted on August 12, 2024 with Ms. Pratibha Goyal appointed as its Chairperson.

As on March 31, 2025 and as on date of this report, the Committee comprised of 3 (Three) Non-Executive Director viz. Ms. Pratibha Goyal, Mr. Sridhar Narayan and Mr. Kulbir Singh.

The Nomination and Remuneration Committee met 2 (two) times during the Financial Year 2024-25 on the dates as mentioned in "Corporate Governance Report" annexed hereto.

The Committee comprises of the following three Directors as on the date of this report:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Ms. Pratibha Goyal | Chairperson | Non-Executive and Independent Director |
| Mr. Sridhar Narayan | Member | Non-Executive and Nominee Director |
| Mr. Kulbir Singh | Member | Non-Executive and Independent Director |

During the year under review, the Board has accepted all recommendation made by the Nomination and Remuneration Committee of the Company.

The terms of reference of Nomination and Remuneration Committee is enumerated under the "Corporate Governance Report" annexed hereto.

### c) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company has a duly constituted Corporate Social Responsibility Committee ("CSR") as per with the provisions of the Companies Act, 2013.

The Board of Directors have adopted a CSR policy which is in line with the provisions of the Act. The CSR Policy of your Company lays down the philosophy and approach of your Company towards its CSR commitment.

As on March 31, 2025 and as on date of this report, the Committee comprised of 2 (Two) Non-Executive Director viz. Ms. Pratibha Goyal and Mr. Keshav Misra and 2 (Two) Executive Director viz. Mr. Amit Gupta and Mr. Abhishek Munjal. This Committee looks after the functions as enumerated u/s 135 of the Companies Act, 2013.

As on date of this report, this Committee comprises of the following Directors:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Mr. Amit Gupta | Member | Managing Director & CEO |
| Mr. Abhishek Munjal | Member | Whole time Director |
| Ms. Pratibha Goyal | Member | Non-Executive and Independent Director |
| Mr. Keshav Misra | Member | Non-Executive, Non-Independent Director |

The CSR Committee met 1 (one) time during the Financial Year 2024-25 on the date as mentioned in "Corporate Governance Report" annexed hereto.

### d) STAKEHOLDER RELATIONSHIP COMMITTEE

Your Company has a duly constituted Stakeholder Relationship Committee in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. During the year under review, the Stakeholder Relationship Committee was re-constituted on August 12, 2024 with Ms. Pratibha Goyal appointed as its Chairperson.

As on March 31, 2025 and as on date of this report, the Committee comprised of 2 (Two) Non-Executive Director viz. Ms. Pratibha Goyal and Mr. Keshav Misra and 2 (Two) Executive Director viz. Mr. Amit Gupta and Mr. Abhishek Munjal.

As on date of this report, this Committee comprises of the following Directors:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Ms. Pratibha Goyal | Chairperson | Non-Executive and Independent Director |
| Mr. Amit Gupta | Member | Managing Director & CEO |
| Mr. Abhishek Munjal | Member | Whole time Director |
| Mr. Keshav Misra | Member | Non-Executive, Non-Independent Director |

The Stakeholder Relationship Committee looks into the redressal of the shareholders complaints in respect of any matter including transfer of shares, non -receipt of annual report, non -receipt of declared dividend etc.

The Stakeholder Relationship Committee met 1 (one) time during the Financial Year 2024-25 on the date as mentioned in "Corporate Governance Report" annexed hereto.

The terms of reference of said Committee is enumerated under the "Corporate Governance Report" annexed hereto.

### e) RISK MANAGEMENT COMMITTEE

Your Company has a duly constituted Risk Management Committee in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations. During the year under review, the Risk Management Committee was re-constituted on August 12, 2024 with Mr. Amit Gupta appointed as its Chairperson.

As on March 31, 2025 and as on date of this report, the Committee comprised of 1 (One) Executive Director viz. Mr. Amit Gupta and 3 (Three) Non - Executive Director viz. Ms. Pratibha Goyal, Mr. Keshav Misra and Mr. Sridhar Narayan.

As on date of this report, the Committee comprises of the following members:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Mr. Amit Gupta | Chairperson | Managing Director & CEO |
| Ms. Pratibha Goyal | Member | Non-Executive and Independent Director |
| Mr. Keshav Misra | Member | Non-Executive, Non-Independent Director |
| Mr. Sridhar Narayan | Member | Nominee Non-Executive Director |

The Risk Management Committee is responsible for inter-alia, identification of internal and external risks, mitigation plans, business continuity plans etc.

Till the date of this report, no meeting of the Risk Management Committee was held.

The terms of reference of said Committee is enumerated under the "Corporate Governance Report" annexed hereto.

### f) INITIAL PUBLIC OFFER COMMITTEE ('IPO COMMITTEE')

Your Board has constituted the IPO Committee, at Board meeting held on July 16, 2024, which undertakes matter related to Initial Public Offer of your Company. The composition of the IPO Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Mr. Abhishek Munjal | Chairperson | Whole time Director |
| Mr. Amit Gupta | Member | Managing Director and CEO |
| Mr. Keshav Misra | Member | Non-Executive, Non-Independent Director |
| Mr. Sridhar Narayan | Member | Nominee Non-Executive Director |

One meeting of IPO Committee was held during the Financial year 2024-25 on August 23, 2024.

## 20. KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, as on date of this report, the KMPs of the Company are Mr. Abhishek Munjal, Mr. Amit Gupta, Mr. Utkarsh Sanghi, and Ms. Esha Gupta and there were following changes during the financial year under review and upto date of this report:

| Name of the KMP | Designation | Date of Appointment/ Cessation | Nature of change (Appointment/ / Cessation) |
|---|---|---|---|
| Ms. Sheeba Dhamija | Company Secretary | July 19, 2024 | Cessation |
| Ms. Sakshi Dureja | Company Secretary and Compliance Officer | August 12, 2024 | Appointment |
| Ms. Sakshi Dureja | Company Secretary and Compliance Officer | December 12, 2024 | Cessation |
| Ms. Esha Gupta | Company Secretary and Compliance Officer | December 12, 2024 | Appointment |
| Mr. Ritesh Kumar Agrawal | Chief Financial Officer | June 25, 2025 | Cessation |
| Mr. Utkarsh Sanghi | Chief Financial Officer | June 25, 2025 | Appointment |

## 21. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Your Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

The Board of your Company administered the CSR operations during the Financial Year 2024-25.

Your Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of your Company. The composition of CSR committee is as stated elsewhere in this report.

### CSR POLICY

The Board of Directors has adopted a CSR policy in line with the provisions of the Companies Act, 2013. The CSR Policy of your Company lays down the philosophy and approach of your Company towards its CSR commitment. The CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, its guiding principles, thrust areas, responsibilities of the CSR Committee, implementation plan and reporting framework.:

Annual Report on Corporate Social Responsibility Activities of the Company forms a part of this report.

## 22. VIGIL MECHANISM POLICY

The Company has a Vigil Mechanism Policy which provides a vigil mechanism for dealing with instances of fraud and mismanagement. The Vigil Mechanism Policy has also been uploaded on the website of the Company at www.heromotors.com.

## 23. NOMINATION AND REMUNERATION POLICY

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

## 24. BOARD AND DIRECTOR'S ANNUAL EVALUATION

Pursuant to the provisions of the Act, Annual evaluation of the Board, its Committees and individual directors has been carried out. To facilitate the evaluation process, Board and its Committee's self-evaluation questionnaires were circulated to the Board members and respective Committee members and an online link was also provided to the Board members and respective Committee members wherein an option was provided to the Board and committee members to fill in the said questionnaires online. The results of the Board Evaluation for the Financial year 2024-25 was discussed by the Independent Directors and the Board at their respective meetings.

## 25. RISK MANAGEMENT

While the business risk associated with operating environment, ownership structure, Management, System & Policy, the financial risk lies in Asset Quality, Liquidity, Profitability and Capital Adequacy. Your company recognizes these risks and makes best effort to mitigate them in time and ensure that the Company accepts risks based on the risk appetite of the organisation. Risk Management is also an integral part of your Company's business strategy.

Your Company's management monitors and manages key financial risk relating to operations by analysing exposures by degree and magnitude of risk. The risks include credit risk, liquidity risk, interest rate risk and inflation risk. Your Board of Directors has overall responsibility for the establishment and oversight of our risk management framework.

## 26. CREDIT RATING

Your Company has received a long-term rating of CRISIL A+/ Stable and the short-term rating of CRISIL A1 from CRISIL Limited.

## 27. ADEQUACY OF INTERNAL CONTROLS SYSTEMS AND COMPLIANCE WITH LAWS

Your Company has an adequate system of internal controls commensurate with the nature of its business and the size and complexity of its operations. These controls have been designed to provide a reasonable assurance over effectiveness and efficiency of operations, prevention and detection of frauds and errors, safeguarding assets from unauthorised use or losses, compliance with applicable laws and regulations, accuracy and completeness of the accounting records, timely preparation of reliable financial information. Your Company has an independent internal audit function supported by dedicated outsourced teams. In order to supplement the Internal Control process, your Company has engaged the services of M/s Grant Thornton Bharat LLP, Chartered Accountants, to function as Internal Auditors.

## 28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There has been no significant and material order passed by any regulator, courts or tribunals impacting the going concern status and operations of your Company in future.

## 29. ANNUAL RETURN

The Annual Return of your Company for the FY 2024-25 shall be placed on the website at www.heromotors.com and the Annual Return for the FY 2023-24 is available on the website at https://www.heromotors.com/cpage.aspx?mpgid=30&pgidtrail=32.

## 30. AUDITORS & AUDITORS' REPORT

**a) Statutory Auditors**

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

**b) Statutory Auditors' Report**

Auditors' observations are self-explanatory, which do not call for any further clarifications. There has been no qualification, reservation or adverse remarks made by the Auditor in their report for the financial year ended March 31, 2025. The Auditor's Report is unmodified i.e. it does not contain any qualification.

**c) Internal Auditors**

Pursuant to the provision of Section 138 of the Companies Act, 2013, your Company is required to appoint Internal Auditor in the Company. Accordingly, M/s Grant Thornton Bharat LLP, Chartered Accountants, were appointed as Internal Auditors of the Company for the Financial Year 2024-25.

**d) Cost Audit & Cost Auditors**

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost accounting records and get them audited every year. Accordingly, such cost records are made, maintained and audited.

The Board of Directors appointed M/s Ramanath Iyer & Co., Cost Accountants (Registration No. 000019) as Cost Auditors to audit the cost accounts of your Company at their meeting held on July 16, 2024 for the Financial Year 2024-25. The Cost Audit Report for the Financial Year 2024-25 will be filed by the Company with the Ministry of Corporate Affairs, as per the applicable timelines.

**e) Secretarial Auditor & Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at their meeting held on July 16, 2024 had appointed M/s. Neelam Gupta & Associates, a practicing Company Secretary firm (Firm Registration No. S2006UP86800) to conduct the Secretarial Audit of your Company for the financial year 2024-25.

The Company has annexed to this Board Report the Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

## 31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 134(3)(m) forms part of this Board Report .

## 32. HUMAN RESOURCES

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent culture to nurture this asset.

Your Company recognizes people as its most valuable asset and your Company has kept a sharp focus on Employee Engagement. Your Company's Human Resources is commensurate with the size, nature and operations of your Company. As on March 31, 2025, your Company had 1105 permanent employees on its payroll and engaged 410 contract labourers.

Your Company's human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. Your Company schedule learning and development programs for its employees. Your Company has also recruited engineering trainees through campus and direct recruitment. Your Company train employees in its manufacturing operations, including machine utilization, operations flow, quality management and work safety. Your Company also focus on employee engagement. In addition to compensation that includes salary and allowances, our employees receive statutory benefits (including employees provident fund, employees state insurance, pension, retirement and gratuity benefits, workman's compensation, maternity and other benefits, as applicable) and are covered by employee benefit policies like group personal accident and group health (floater) insurance policies for employees and their families.

Company's Industrial Relations continued to be harmonious during the period under review.

## 33. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Your Company has always believed in providing a safe and harassment free workplace for every women employee working with Your Company. Your Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of women employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has complied with provisions relating to the constitution of Internal Complaints Committee (the "ICC") under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

The following is a summary of sexual harassment complaints received by the Committee and disposed of during the year under review:

Number of complaints of sexual harassment received in the year: Nil
Number of complaints disposed off during the year: NA

Number of cases pending for more than ninety days: NA

## 34. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

Your Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. Your Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave.

Your Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

## 35. REPORTING OF FRAUD BY AUDITORS

There have been no instances of fraud reported by the Statutory Auditors or Internal Auditors or Secretarial Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Audit Committee, the Board of Directors or to the Central Government.

## 36. CHANGES IN MEMORANDUM OF ASSOCIATION

Following key changes have been made in the Memorandum of Association of your Company during the financial year 2024-25 and till the date of writing this report:

| Date of Shareholders' resolution | Nature of Amendment |
|---|---|
| May 13, 2024 | Alteration in the existing Capital Clause V of the Memorandum of Association of the Company was done relating to share capital by deleting the same and substituting in place thereof, the following as new clause V:<br><br>V. The Authorized Share Capital of the Company is Rs. 679,50,00,000/- (Rupees Six Hundred Seventy Nine Crores and Fifty Lakhs Only) divided into 58,00,00,000 (Fifty Eight Crores) equity shares of Rs. 10/- (Rupees Ten) each and 9,95,00,000 (Nine Crores and Ninety Five Lakhs) preference shares of Rs.10/- (Rupees Ten) each. |
| March 12, 2025 | Amendment in the object clause of Memorandum of Association of the Company was done by:<br><br>A. Insertion of Clause 7 in the existing Main Objects of the MOA:<br>*7. "To carry on the business of manufacturing, assembling, producing, buying, selling, distributing, importing, exporting, and dealing in all types of devices, durables, equipment, appliances, peripherals, accessories, motors, components, spares, parts, consumables, instruments, kits, gadgets, tools, testing equipment, machined components, machinery, compressor parts, and any other related products, whether made from ferrous and/or non-ferrous materials or any other materials as may be used in the industry, including substitutes and replacements of such products for automobiles or any other application, appliance or Product."* |

## 37. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARD

During the financial year under review, your Company has duly complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 38. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company is not required to make any disclosure or reporting as there were no application made or proceeding pending under Insolvency and Bankruptcy Code, 2016.

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

During the financial year 2024-25, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

## 40. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, your directors hereby confirm that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts for the financial year ended 31st March, 2025, on a going concern basis;

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) 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.

## 41. ACKNOWLEDGMENT

Your Directors wish to express their sincere appreciation for the support and cooperation, which the Company continues to receive from its clients, Banks, Government Authorities, Financial Institutions and associates and are grateful to the shareholders for their continued support to the Company. Your Directors place on record their appreciation for the contributions made and the efforts put in by the management team and employees of the Company at all levels.

**By the order of the Board**
**For Hero Motors Limited**

| | | |
|---|---|---|
| **Place: Noida** | **Amit Gupta** | **Abhishek Munjal** |
| **Date: August 12, 2025** | **DIN: 02990732** | **DIN: 05355274** |
| | **Managing Director & CEO** | **Whole-time Director** |

**ANNEXURE-I**

# DIVIDEND DISTRIBUTION POLICY

## 1. Objective

The Dividend Distribution Policy ("**the Policy**") establishes the principles to ascertain amounts that can be distributed to shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company in accordance with the provisions contained in Companies Act, 2013 ("**Act**") read with the applicable rules, regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable from time to time. However, this document does not solicit investments in the Company's equity shares.

The policy has been adopted by the Board of directors of Hero Motors Limited ("**the Company**") in its meeting held on August 12, 2024 and shall come into force for accounting periods beginning from April 1, 2024.

**Implementation**

**Definitions**

1.1. Unless repugnant to the context:

"**Act**" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

"**Applicable Laws**" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

"**Company**" shall mean Hero Motors Limited.

"**Chairman**" shall mean the Chairman of the Board of Directors of the Company.

"**Compliance Officer**" shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"**Board**" or "**Board of Directors**" shall mean Board of Directors of the Company.

"**Dividend**" shall mean Dividend as defined under Companies Act, 2013.

"**MD & CEO**" means Managing Director and Chief Executive Officer of the Company.

"**Policy**" shall mean the Policy on Distribution of Dividend.

"**SEBI Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

1.2. Interpretation

In this Policy, unless the contrary intention appears:

- the clause headings are for ease of reference only and shall not be relevant to interpretation;
- a reference to a clause number includes a reference to its sub-clauses;
- words in singular number include the plural and vice versa;
- words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

**2. Declaration of Dividend**

Dividends may generally be recommended by the board of directors of the Company ("Board") once a year, after the announcement of the full year results and before the Annual General Meeting ("AGM") of the shareholders, as may be permitted by the Act. The Board may also declare interim dividends as may be permitted by the Act. Subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

**3. Category of Dividends**

The Act provides for two forms of Dividend - Final & Interim. The Board shall have the power to recommend final dividend to the shareholders for their approval in the Annual General meeting of the Company. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

**Final Dividend** - The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of the Company has the power to recommend the payment of final dividend to the shareholders in a Annual General meeting. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

**Interim Dividend** - This form of dividend can be declared by the Board one or more times in a financial year as may be deemed fit by it. The Board of the Company would declare an interim dividend, as and when considered appropriate, in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

**4. Parameters for declaration of Dividend**

In line with the philosophy stated above in Clause 2, the Board of Directors of the Company shall consider the following parameters for declaration of Dividend:
Financial Parameters / Internal Factors:

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Standalone net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses;

- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Accumulated Reserves including Retained Earnings;
- Earnings outlook for next three to five years;
- Long term investment proposed, capital restructuring, debt reduction;
- Cost of raising funds from alternate sources;
- Crystallization of contingent liabilities of the Company;
- Any other relevant factors and material events; and
- Past Dividend Trends

External Factors

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Dividend pay-out ratios of companies in the same industry; and
- Significant changes in macro-economic environment materially affecting the business in which the Company is engaged in the geographies in which the Company operates.

## 5. Circumstances under which the shareholders may or may not expect Dividend

The decision regarding dividend payout is an important decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having adequate profits after complying with all other statutory requirements under the Applicable Laws.

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the financial year and the Board reserves the right to depart from the Policy as and when circumstances so warrant. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy, if any.

## 6. Entitlement and Timelines for Dividend Payments

- Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the

date of declaration by the Board in case of interim dividend and within 30 days from the declaration by the shareholders in the AGM in case of final dividend.

## 7. Classes of Shares

The above parameters shall apply to all the classes of shares as prescribed under the Act subject to the terms of issue of such class of shares.

## 8. Utilization of retained earnings

The Company may utilize the retained earnings for:
i. Issue of fully paid bonus shares,
ii. Buy back of shares, restructuring events including mergers and acquisitions,
iii. General corporate purposes, including contingencies,
iv. Other general factors specified in this policy and for such other purposes as may be statutorily permissible.

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves, after having due regard to the parameters laid down in this Policy.

## 9. Disclosure

The Company shall make appropriate disclosures as required under the SEBI Regulations.

## 10. General

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

***************

ANNEXURE-II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES
## (Pursuant to Section 135 of Companies Act, 2013)

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

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

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

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Rs. 6,30,096/-

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

(in INR)

**6.** Average net profit of the company as per section 135(5) : Rs. 50,35,90,000/-

**7.**
(a) Two percent of average net profit of the company as per section 135(5) : Rs. 1,00,71,800/-
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL
(c) Amount required to be set off for the financial year, if any : Rs. 6,30,096/-
(d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 94,41,704/-

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

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs. ) | | | | |
|---|---|---|---|---|---|
| | 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 |
| 97,32,189/- | NIL | NIL | NIL | NIL | NIL |

(b) Details of CSR amount spent against **ongoing projects** for the financial year: No ongoing project

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (8) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Name of the Project** | **Item from the list of activities in Schedule VII to the Act** | **Local area (Yes / No)** | **Location of the project** | | **Amount spent in the project (in Rs. )** | **Mode of Implementation –Direct (Yes / No)** | **Mode of Implementation - Through Implementing Agency** | |
| | | | | **State** | **District** | | | **Name** | **CSR Registration number** |
| 1. | Expenditure on basic training and stipend payable to apprentices, over and above of 2.5% i.e. minimum mandate as per the Apprentices Act. | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;. | Yes | Uttar Pradesh | Ghaziabad | 57,85,516 | Yes | N.A. | N.A. |
| 2. | Enhancing waste management | Eradicating hunger, poverty and malnutrition, promoting health care including preventive | Yes | Haryana | Gurgaon | 20,00,000 | No | OP Munjal Foundation | CSR00011749 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | health care and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | | | | | | | |
| 3 | Amenities to children in schools | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;. | Yes | Uttar Pradesh | Gautam Buddha Nagar | 14,43,083 | Yes | N.A. | N.A. |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Total** | | | | | **92,28,599** | | | |

| | | | |
|---|---|---|---|
| | (d) Amount spent in Administrative Overheads | : | Rs. 5,03,590/- |
| | (e) Amount spent on Impact Assessment, if applicable | : | Not applicable |
| | (f) Total amount spent for the Financial Year (8b+8c+8d+8e) | : | Rs. 97,32,189/- |
| | (g) Excess amount for set off, if any | | Rs. 2,90,485/- |

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

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

| | | | |
|---|---|---|---|
| 10. | In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year | | No capital asset was created / acquired |
| | (asset-wise details)<br>(a) Date of creation or acquisition of the capital asset(s) | : | |
| | (b) Amount of CSR spent for creation or acquisition of capital asset. | : | |
| | (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | : | |
| | (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) | : | |

| | | |
|---|---|---|
| 11. | Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) | N.A. |

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

**Place: Noida**
**Date: August 12, 2025**

| | |
|---|---|
| **Amit Gupta** | **Abhishek Munjal** |
| **Managing Director & CEO** | **Whole-time Director** |
| **DIN: 02990732** | **DIN: 05355274** |

**NEELAM GUPTA & ASSOCIATES**
**COMPANY SECRETARIES**

G-3 Ground Floor, Aman Residency -I
Plot no 5/77, Sector 5, Rajendra Naga
Sahibabad, Ghaziabad 201 005 U.P.
(Near Khaitan Public School)
Mobile : 9350780821
E Mail: neelamrna@gmail.com

**SECRETARIAL AUDIT REPORT**

**(For the Financial Year ended 31st March, 2025)**

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

To,

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hero Motors Limited** bearing CIN: U29299PB1998PLC039602 (hereinafter called "the Company") for the Financial Year 2024-25. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2025 according to the provisions of:

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

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

   a. The Battery Waste Management Rules, 2022
   b. Motor Vehicles Act, 1988 ("MVA") and Central Motor Vehicles Rules, 1989
   c. Steel and Steel Products (Quality Control) Order, 2024
   d. Industries (Development and Regulation) Act, 1951, as amended
   e. Hazardous and other wastes (Management & Transboundary Movement) Rules, 2016,
   f. The E-waste Management Rules, 2022 and the amendments thereto

NEELAM GUPTA & ASSOCIATES Company Secretaries GHAZIABAD

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

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

C. I further report that:

a. The Board of Directors of the Company is duly constituted with proper balance of 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 applicable provisions of law.

b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (or with requisite compliances for holding of a Board Meeting at a shorter notice in case of urgency, wherever applicable), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c. All the decision are carried out unanimously with the consent of all the Directors present in the meeting and members' views are captured and recorded as part of the minutes.

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

**I further report that,**

(a) Ms. Sheeba Dhamija resigned as Company Secretary of the company w.e.f. July 19, 2024 and Ms. Sakshi Dureja was appointed as Company Secretary & Compliance Officer in her place w.e.f. August 12, 2024. Thereafter, Ms. Sakshi Dureja resigned from the position of Company Secretary & Compliance Officer w.e.f. December 12, 2024, Ms. Esha Gupta was appointed as Company Secretary & Compliance Officer in her place w.e.f. December 12, 2024.

(b) The Company during the audit period has allotted 38,06,111 fully paid-up equity shares of face value Rs. 10/- each, in two tranches, under "ESOP Scheme 2022 of the Company.

NEELAM GUPTA & ASSOCIATES Company Secretaries GHAZIABAD

(c) The Shareholders of the Company at their Extra Ordinary General Meeting held on May 13, 2024, approved the increase in the Authorised Share Capital of the Company from Rs. 4,79,50,00,000/- divided into 38,00,00,000 Equity Shares of Rs. 10/- each & 9,95,00,000 Preference Shares of Rs.10/- each **to** Rs. 6,79,50,00,000/- divided into 58,00,00,000 Equity Shares of Rs. 10/- each & 9,95,00,000 Preference Shares of Rs.10/- each by the creation of additional capital of Rs. 2,00,00,00,000 divided into 20,00,00,000 Equity Shares of Rs. 10/- each.

(d) The Company at the Board Meeting held on July 16, 2024 approved Initial Public Offering of Equity Shares of the Company aggregating up to ₹ 5000 million via fresh issue and an offer for sale for an amount aggregating up to ₹ 4000 million by certain existing shareholders of the Company. However, same was withdrawn by the company on November 04, 2024.

(e) The Board of Directors of the Company at their Board Meeting held on July 16, 2024 inter-alia approved:

1. loan of Rs. 10.00 crores to HYM Drive Systems Private Limited;
2. loan of Rs. 10.00 crores to Hewland Engineering Limited;
3. to make investment in Hero EDU Systems Private Limited ("EDU") upto an amount of Rs. 10.00 crores;
4. to make investment in Spur Technologies Private Limited ("Spur") upto an amount of Rs. 10.00 crores;
5. working capital facilities and term loan for Hero Motors Thai Ltd. and Hewland Engineering Limited of INR 40 crores and INR 30 crores respectively.

(f) The Shareholders of the Company at their Annual General Meeting held on July 26, 2024, inter-alia approved:

1. final dividend of Re. 0.25 per share for the financial year 2023-24;
2. revision in terms of the remuneration of Mr. Amit Gupta (DIN: 02990732), Managing Director *(designated as Managing Director and CEO)*;
3. continuation of appointment of Mr. Kulbir Singh, who has attained the age of Seventy-Five years, as a Non-Executive Independent Director of the Company, not liable to retire by rotation;
4. investment in the Subsidiary Companies:
   - unsecured loan to the extent of Rs. 10.00 crores to HYM Drive Systems Private Limited &
   - unsecured loan to the extent of Rs. 10.00 crores to Hewland Engineering Limited;
5. increase in borrowing limits of the Company to any sum or sums of money from Rs. 426.00 crores to Rs. 491.00 crores under Section 180(1)(C) of the Companies Act, 2013;
6. increase in power of the Board to create mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future,

NEELAM GUPTA & ASSOCIATES Company Secretaries GHAZIABAD

up to an aggregate value not exceeding Rs. 491.00 Crores under Section 180(1)(a) of the Companies Act, 2013;

7. appointment of Mr. Andrew Charles Palmer as an Independent Director of the Company for a term of five years w.e.f. July 16, 2024 at below remuneration:
   - sales commission of 1% of sales the Company in the financial year 2024-25 &
   - sales commission of 0.5% of the sales from his initiatives for the Company in the financial years 2025-26 and 2026-27.
8. Initial Public Offering of Equity Shares of the Company for such number of Equity Shares for an amount aggregating up to ₹ 5000 million pursuant to a fresh issue (the "Fresh Issue") [(including a pre-IPO placement, if any)] and an offer for sale for an amount aggregating up to ₹ 4000 million by certain existing shareholders of the Company.

(g) The Shareholders of the Company at their Extra Ordinary General Meeting held on August 13, 2024 inter-alia approved:

1. amendments in Employees Stock Option Plan, 2022 to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
2. increase in the aggregate investment limit from 10% to 24% of the paid-up equity share capital of the Company for non-resident Indians and overseas citizens of India (provided however that the shareholding of each NRI or OCI in the Company shall not exceed 5% of the paid-up equity share capital on a fully diluted basis or such other limit as may be stipulated by RBI in each case);
3. appointment of Mr. Ashok Kumar Taneja as Independent Directors of the Company for a term of Five years w.e.f. August 12, 2024 &
4. appointment of Mr. Gaurav Dalmia as Independent Directors of the Company for a term of Five years w.e.f. August 12, 2024.

(h) The Board of the Directors of the Company at their Board Meeting held on August 16, 2024 approved the restated financial statement as of, and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 to align them with the SEBI ICDR Regulations for their inclusion in the draft red herring prospectus (**"DRHP"**) for the proposed IPO of the company.

(i) The Shareholders of the Company at their Extra Ordinary General Meeting held on August 22, 2024 approved a new set of Articles of Association of the company duly aligned with the provisions of the Companies Act, 2013, and rules made thereunder, Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the listing requirements of the stock exchange(s) and the amendments in Shareholders' s Agreement and Purchase agreement.

NEELAM GUPTA & ASSOCIATES Company Secretaries GHAZIABAD

(j) Mr. Gaurav Dalmia Resigned as Independent Director w.e.f. November 06, 2024.

(k) At the Board Meeting held on December 12, 2024 Board approved change in nature of financial assistance either by way of intercorporate loans/deposits or by way of equity, as may be decided in the best interest.

(l) At the Board Meeting held on February 17, 2025 Board again approved Initial Public Offer of Equity Shares of the Company aggregating up to ₹ 8000 million via fresh issue and an offer for sale for an amount aggregating up to ₹ 6000 million by certain existing shareholders of the Company;

(m) The Board of Directors at their meeting held on February 17, 2025 granted approval and authority for execution of Joint Venture Agreement to be executed amongst the German corporation, Schmiedetechnik Plettenberg GmbH & Co. KG and its Group Companies ("STP Group"), and Hero Motors Limited ("HML") for manufacturing and sale of forging components in global markets.

(n) The Shareholders of the Company at their Extra Ordinary General Meeting held on March 12, 2025 inter-alia approved:

1. insertion of a new Object clause in the existing Memorandum of Association to enable the company expand its scope of operations and stay aligned with the evolving market changes;
2. Initial Public Offer of Equity Shares of the company for such number of Equity Shares for an amount aggregating up to ₹ 8000 million pursuant to a fresh issue (the "Fresh Issue") [(including a pre-IPO placement, if any)] and an offer for sale for an amount aggregating up to ₹ 6000 million by certain existing shareholders of the Company
3. amendments in the Articles of Association of the company to align it with the amendments in the Shareholders' Agreement;
4. to extend the benefits of the Company's Employee Stock Option Scheme, 2022 so as to extend the benefits of the same to the present and future employees of the present and future Associate Companies including Joint Venture Companies;
5. appointment of Ms Jyoti Arora as an Independent Director for a term of two years w.e.f. January 28, 2025;
6. payment of Sales Commission to Dr. Andrew Charles Palmer Independent Director on the sales relating to his individual efforts and initiatives & revised structure.
7. consultancy agreement between its subsidiary company M/s Hewland Engineering Limited with M/s Palmer Automotive Limited, in which Dr. Andrew Charles Palmer (Independent Director of the Company) has direct interest, for the benefit of the Subsidiary Company.

NEELAM GUPTA & ASSOCIATES Company Secretaries GHAZIABAD

**I further report that,**

1. During the year under review, the Cost Auditor for the financial year 2024-2025 were appointed by the Board of Directors of the Company on July 16, 2024 and the Form CRA-2 was filed on October 22, 2024.

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

For **Neelam Gupta and Associates**

**(Neelam Gupta)**
**Practicing Company Secretary**
**FCS : 3135**
**CP : 6950**
**PRN : 6760/2025**
**UDIN : F003135G000976052**

Place : Ghaziabad
Date : August 12, 2025

**NEELAM GUPTA & ASSOCIATES**
**COMPANY SECRETARIES**

G-3 Ground Floor, Aman Residency -IX
Plot no 5/77, Sector 5, Rajendra Nagar,
Sahibabad, Ghaziabad 201 005 U.P.
(Near Khaitan Public School)
Mobile : 9350780821
E Mail: neelamrna@gmail.com

**Annexure to Secretarial Audit Report of Hero Motors Limited for financial year ended 31st March, 2025**

To,

The Members
**Hero Motors Limited**

**Management Responsibility for Compliances**

1. The maintenance and compliance of the provisions of Corporate and other applicable laws, rules, regulations, secretarial standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

3. Our Audit examination is restricted only up to legal compliances of the applicable laws to be done by the Company; we have not checked the practical aspects relating to the same.

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-

NEELAM GUPTA & ASSOCIATES
Company Secretaries
GHAZIABAD

compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

8. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.

9. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Neelam Gupta and Associates**

NEELAM GUPTA & ASSOCIATES
Company Secretaries
GHAZIABAD

**(Neelam Gupta)**
**Practicing Company Secretary**
**FCS : 3135**
**CP : 6950**
**PRN : 6760/2025**
**UDIN : F003135G000976052**

Place : Ghaziabad
Date : August 12, 2025

ANNEXURE-IV

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

Your Company has taken various steps to implement an environmental and social management system to adopt a systematic approach towards identifying, managing, monitoring, and reporting on environmental and social issues.

In alignment with your Company's ESG ethos, your Company also endeavour to ensure that (i) your Company do not employ or make use of forced labour or child labour, (ii) your Company pay wages which meet industry and legal minimum wage requirements, (iii) your Company do not discriminate in terms of compensation, training, opportunities and employee benefits, on the basis of personal characteristics unrelated to inherent job requirements, including caste, creed, religion, language, ethnicity, disability, age, gender, sexual orientation, race, colour, marital status or union organization or any other status protected by appropriate laws, and (iv) your Company provide reasonable working conditions including a safe and healthy work environment, and clearly documented terms of employment as defined / required under applicable labour laws and guidelines. Your Company has implemented a grievance mechanism that is available to all its stakeholders. Your Company also have a zero tolerance policy towards malpractices such as bribery, corruption, and fraud in our business.

One of the several commitments that continued to remain in force throughout the financial year was developing business along with improvement in environmental performance to maintain a reliable and sustainable future. During the course of the year, the manufacturing units of the Company have continued their efforts to reduce energy consumption in all areas of its operations. These manufacturing units are constantly encouraged to improve operational activities and maximizing production volumes and minimizing adverse impact on environment. Systems and processes have been put in place for utilization of alternate sources of energy and monitoring of energy consumption for all the units. Disclosure of information regarding Conservation of Energy, Research & Development and Technology Absorption under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is given below:

**A. Energy Conservations:**

**A1. Company:**

1. ***Hero Motors Limited - Ghaziabad Plant:***

**(i) The steps taken or impact on conservation of energy:**

- Continuous efforts are made to conserve energy, which are monitored from time to time.
- Optimal utilization of energy resources like power, fuel, and oil is ensured.
- Steps are taken to improve the power factor to the ideal situation i.e. 1.0 approx and overall energy consumption.
- Auto switch-off exhaust fans installed in the Air Compressor Room using ambient temperature controllers and ducts to exhaust hot air (savings: 6240 kWh/year).
- Installation of Variable Frequency Drives ("VFDs") on weld shop exhaust blower motors (savings: 134400 kWh/year).
- Fuel optimization in DG set during power failures by laying a 33kV direct feeder cable from UPPCL Dadri Substation to the Ghaziabad Plant (expected High Speed Diesel ("HSD") fuel saving):

| DG set run time, Pipe Natural Gas (PNG) and HSD consumption Data | | |
|---|---|---|
| | FY 23-24 | FY 24-25 |
| DG Run Hrs. | 488 | 97 |
| HSD Consumption In Ltr | 273002 | 37125 |
| PNG consumption In Standard cubic meter | 63549 | 10481 |

**(ii) The steps taken by the company for utilising alternate sources of energy:**

- **Solar Power Generation**:
  - 8.2 MWp solar power plant set up at Mishrikh, Sitapur area.
  - Receiving approximately 77.86143 **lakh kWh per year** from Amp Urja Pvt. Ltd.

| Power Consumption in KWH | | |
|---|---|---|
| **Particular** | **FY23-24** | **FY 24-25** |
| UPPCL Power(KWH) | 1,49,39,775 | 1,83,69,150 |
| Roof Top solar(KWH) | 8,34,679 | 8,04,507 |
| Total power Consumption in plant(KWH) | 1,57,74,454 | 1,91,73,657 |
| Open access Solar power (KWH) | 47,88,118 | 77,86,143 |

2. ***Hero Motors Limited - Mangli Plant:***

**(i) The steps taken or impact on conservation of energy:**

- Air leakage rectification and arresting, Trans air line installation carried out to prevent energy losses, resulting in power savings of 98541 kWh in FY 2024-25.
- Implementation of AC Variable frequency drives on various blower application such as Chrome, Dust Collectors, Submersible pumps, resulting in savings of 142500 Kwh in FY 2024-25.
- Optimizing steam distribution, trap recovery and HRU Unit modification results in saving of 127.5 Ton Biomass at Boiler in FY2024-25.

**(ii) The steps taken by the company for utilising alternate sources of energy:**
Use of solar renewable source of energy, generating 1,31,567 units in FY 2024-25.

3. The capital investment on energy conservation equipments: Rs. 1082 Lakhs.

**A2. Energy Conservation- Subsidiaries and Joint Ventures:**

Following measures taken:

***1. Hewland – Maidenhead Facility***

**(i) The steps taken or impact on conservation of energy:-**
a. Energy monitoring in place on manufacturing assets. The objective is to optimise machine utilisation and reduce downtime. Since January 2025, we have reached 15% energy usage reduction, £56,000 in cost avoidance (INR 6,625,000 INR) and 11.6t$CO_2$e reduction. Our carbon emissions have reduced by 18% compared to the same period last year.

b. We are aiming to reach 380tCO2e at the end of the year on Scope 2 emissions, which will be 2.3% below SBTi target requirement.

**(ii) The steps taken by the company for utilising alternate sources of energy:**

a. Currently the energy is 100% sourced from the grid. Fuel mix is 86% nuclear and 14% renewable

b. We have the project to install solar panels on the facility's roof, which will provide 12% of our annual electricity usage.

***2. Hewland – Southam Facility***

**(i) The steps taken or impact on conservation of energy:-**

a. We are deploying energy monitoring process similar to Hewland Maidenhead site. The objective is to analyse the energy usage of our testing equipment and highlight any opportunity to save energy on the various testing assets.

b. Motion sensors are in place in the following areas:-

- Kitchen, Washroom, Stores room, Testing monitoring room

c. Use of bio diesel for electricity generators that feed testing assets.

**(ii) The steps taken by the company for utilising alternate sources of energy:**

a. Currently the energy is 100% sourced from the grid.

***3. HYM Drive Systems Private Limited***

**(i) The steps taken or impact on conservation of energy:-**

a. Motion sensors installed in 80% of the facility area

b. The facility is 100% LED equipped

**(ii) The steps taken by the company for utilising alternate sources of energy:**

Promoting usage of sunlight among the employees: applied anti-glare window film that diffuses light while still allowing natural light to pass through, thus reducing the need for artificial light.

***3. Hero Motors Thai Limited***

**(i) The steps taken or impact on conservation of energy:-**

a. Continuous efforts are made to conserve energy, which are monitored from time to time.

b. Steps are taken to improve to overall energy consumption.

- Machine Wise Electricity Light Connection made in Hard Section to avoid excess use Electricity (savings: **10560 kWh/year in FY -2024-25**).
- Installed Auto Switch in Air Compressor to Auto Switch off the Compressor During Lunch Time (savings: **11543 kWh/year in FY 2024 -25**).

***4. Spur Technologies Private Limited***

**(i) The steps taken or impact on conservation of energy:-**

a. CO2 Gas consumption optimisation by installing Gas Optimisers with lesser orifice diameter on Various welding stations results in 49500 kgs CO2 Gas reduction during FY2024-25

b. Implementation of AC Variable frequency drives on various blower application such as Dust Collector, Fume Extractors resulting in savings of (32400) Kwh in FY 2024-25.

**B. Technology absorption:**

**B1- Company:**

1. ***Hero Motors Limited – Gears and Transmission:***

**(i) The efforts made towards technology absorption:**

a. 100% Dry Hobbing implemented, eliminating oil usage and spillage.
b. Introduction of new gear manufacturing technology – Spline Rolling for splines with DIN Class 7 Accuracy.
c. Implementation of OD Superfinishing technology to achieve stringent surface roughness requirements.
d. Adoption of Optical Measuring technology (Italian origin) for advanced inspection of linear and diametrical parameters.
e. Development of a Business Management Portal (BMP) for project documentation control, covering APQP, PPAP, shopfloor documents, drawings, ECNs/ECRs, and RFQs.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:**

a. Monthly cutting oil consumption reduced by 2,500 litres, leading to cost savings and environmental benefits.
b. In-house capability to manufacture complex shaft splines with enhanced quality control.
c. Improved surface roughness quality, enabling production of components with stringent specifications internally.
d. Enhanced accuracy and efficiency in inspection through optical measuring technology.
e. Streamlined project documentation, deviation control, and better monitoring through BMP.

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NA**

2. ***Hero Motors Limited- Bike Power Train***

**(i) the efforts made towards technology absorption:-**

a. Developed Auto Noise testing machine by finalization of Noise specification jointly with customer and 3rd Party Noise testing Machine Supplier- Ono sokki
b. Developed leak testing machine to detects hub shell leakage from adaptor side from Japan based leak testing machine supplier-Cosmo

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:**

a. Euro-1 Packaging implemented along with deletion of VCI bags from hub Packaging
b. Received 90% Recycle content certifications in Aluminium Hub & Cover ingots from Intertek
c. Developed 5 planet assembly Cityv3 Hubs in which carbon footprint is reduced compared to its predecessor
d. Develop TRv3 Hubs in which we are Transitioning portfolio of hubs over to 40T towards a value-optimized portfolio of products, a simple & robust extended supply chain
e. Improved HD model End of line straight pass by reduction in tolerances of part critical parameters
f. Traction ring development carried out at local supplier
g. CTv2 hub & cover developed at alternate supplier-Oswal for BOM cost reduction
h. Semi-automatic coating line set up at our Supplier-KD because of which coating defects reduced by 10%

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** NA

3. ***Hero Motors Limited – Alloys and Metallics:***

**(i) the efforts made towards technology absorption:-**

a. Introduction of CMT welding technology in alloy fabricated parts.

b. Development and implementation of Link Assembly for Mono Shock Absorber in the 160cc–400cc 2-wheeler premium commuter segment.

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:**
a. Product Improvement: Enhanced welding quality, reduced thermal distortion, and improved mechanical properties in alloy frames and tubular assemblies.
b. Product Development: Successfully developed and commercialized link assemblies for mono shock absorbers, improving stability and cornering in premium commuter motorcycles.

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Yes
(a) the details of technology imported: Swaging Machine for Handlebar parts.
(b) the year of import: Financial Year 2023–24
(c) whether the technology been fully absorbed: Yes, successfully absorbed and implemented in SOP production.
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

4. **The expenditure incurred on Research and Development:** Rs 1,414 Lakhs

**B2: Technology Absorption- Subsidiary and Joint Venture:**

Following measures taken:

1. ***Hewland Engineering Limited***

**(i) the efforts made towards technology absorption-** the Company has contributed significantly to development of:
- New variants of Transmission systems for performance automotive & defence vehicles
- Design solutions for electrification in commercial and aerospace segments

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;**
- Improved transmission products used in motorsport market segments and Light commercial vehicle segments (L3/L5)
- Mass market transmission designs cater to OEMs, focusing on cost-effective, innovative technology for mid-niche volume applications.
- Developed customized transmissions and successfully validated for E-VTOL applications

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

(a) the details of technology imported: During the year, the Company imported an advanced grinding asset equipped with the CORE control system (for efficiency, remote support, and customizable access), E Type wheel head (for better component accessibility), C-axis profile grinding (for complex geometries), and advanced thread grinding capabilities (for high precision and strength). The asset also facilitates reduction in work centres, optimization of manpower requirements due to increased departmental efficiency, and improvement in energy efficiency.

(b) the year of import: Financial Year 2024–25

(c) whether the technology been fully absorbed: Yes, the technology has been fully absorbed and integrated into operations.

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; - Not applicable

2. ***HYM Drive Systems Private Limited***

**(i) the efforts made towards technology ahsorption:-**
a. New PCB Design with Inbuilt temperature sensor placed on coils of Hub Motor, Patent filed
b. Cassette Interface designed for Hub Motor and New Z Cassette motor launched
c. Value addition and Value Engineering (VA-VE) Program executed for running Hub motor Model X+ to lower down BOM price without compromise on quality
d. Design and Development of first 3 wheeler Motor for India L3 Market

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:**
a. Product Improvement, Real time temperature measurement of Motor windings to avoid overtemperature and burn out of the Motor
b. Product Development, New SKU added in the portfolio to cater European customer requirements of 8-10 Speed cassette eBikes
c. Cost reduction, New Hub Motor SKU Model X-Value launched at lower price point with reduction of INR 540 for Indian eBike Market
d. Product Development, New Platform added for product diversification in company's portfolio to cater L3 Market

3. ***Spur Technologies Private Limited***

**(i) the efforts made towards technology absorption:-**
Adoption of Tube Swaging technology for ferrous & non-ferrous tubular handlebars.

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:**
Cost Reduction & Import Substitution: Tube swaging provided an efficient alternative to hydroforming, resulting in cost optimization and improved quality & aesthetics, reducing dependency on imported technologies.

**(iii) in case of imported technology (imported during the last three years reckoned from the heginning of the finaucial year):**
(a) the details of technology imported: Swaging Machine for Handlebar parts.
(b) the year of import: Financial Year 2023–24
(c) whether the technology been fully absorbed: Yes, successfully absorbed and implemented in SOP production.
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

4. ***Hero EDU Systems Private Limited***

**(i) the efforts made towards technology absorption:-**
a. Development of Cell Balancing BMS for European market along with Supplier , this helps in Prolonging battery Life and Prevents warranty issues.
b. Motor Temperature sensing and Derating logic for Prolonging the life of motor
c. Diagnostic and Error codes and it's integration with Service tool for quick e-bike check
d. Over the Air software update of E-bike Components which prevents user to visit Dealer for software update
e. Development of ICAT certified E-Powertrain for L3 System
f. Development of L3 controller with Motor protection logic based on internal motor temperature.
g. Deployment of Project management tool ASANA which helps in Project Tracking and Manhour Logging to improve working efficiency
h. Installation of E-bike Vehicle Dyno for Validation as per EN Norms.

**(ii) the henefits derived like product improvemeut, cost reductiou, product development or import substitution:**

a. Localisation of domestic charger, domestic motor controllers, Battery Casing and reducing dependency on import resulting in cost saving in 500+ INR per such product.
b. Change in supply chain of Charger and controller and reducing dependency on Import.

**Foreign exchange earnings and Outgo:**

The Foreign Exchange Earnings and outgo during the year are as follows:

| S. No. | Particular | Amount in Lakhs |
|---|---|---|
| 1 | Foreign Exchange earned in terms of actual inflows during the year | 21230.20 |
| 2 | Foreign Exchange outgo during the year in terms of actual outflows | 3569.13 |

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

**Amit Gupta**
**DIN: 02990732**
**Managing Director & CEO**

**Abhishek Munjal**
**DIN: 05355274**
**Whole-time Director**

**Place: Noida**
**Date: August 12, 2025**

## CORPORATE GOVERNANCE REPORT

Your Company believes that strong corporate governance is fundamental to sustaining stakeholder trust and long-term value creation. As a responsible corporate citizen, it has adopted governance practices that promote accountability, transparency, and ethical conduct across all levels. Your Company has institutionalized policies and frameworks to enhance Board effectiveness, supported by well-defined roles of Board committees. A robust Code of Conduct, strong internal controls, risk management systems, and transparent disclosures further strengthen its governance framework. By aligning governance practices with global standards and evolving expectations, your Company continues to uphold a culture of integrity and responsible management.

### A. BOARD OF DIRECTORS

#### I. Composition of Board

Your Company aims to maintain a judicious mix of Executive, Non-Executive, and Independent Directors to ensure a balanced and independent Board structure. As on the date of this report, the Board also includes two Women Directors, reinforcing the Company's commitment to diversity.

As of March 31, 2025 and as on date of this report, the Board comprised 10 (Ten) Directors, including:

- 2 (Two) Executive Directors
- 8 (Eight) Non-Executive Directors, of which 5 (Five) are Independent Directors including 2 (two) Women Independent Directors

The Chairman of the Board is a **Non-Executive Promoter Director**.

#### II. Director Relationships

Except as noted below, none of the Directors are related to each other or to any employee of the Company:

1. Mr. Pankaj Munjal, Director, is the father of Mr. Abhishek Munjal, Director, and father-in-law of Ms. Ruhani Munjal, an employee of the Company.
2. Mr. Abhishek Munjal, Director, is the spouse of Ms. Ruhani Munjal, an employee of the Company.

None of the Independent Directors hold any shares and convertible instruments in the Company.

The details of the composition of Board and KMP forms part of Boards' report under the Section "Board of Directors, its Committees and Meetings thereof".

#### III. Board Process and Governance

The Company follows a structured and transparent decision-making process through the Board and its Committees. Meeting agendas, detailed explanatory statements, and relevant reports are circulated in advance to ensure informed deliberations. The Company complies with the provisions of Secretarial Standards on Board and General Meetings, and where necessary, resolutions are also passed by circulation between scheduled Board meetings/committee meetings.

#### IV. Remuneration of Directors

The remuneration paid to your Directors in Fiscal 2024-25 are as follows:

**1. Remuneration to Executive Directors:**

The details of total remuneration paid by our Company to your Executive Directors for Fiscal 2025 and the current Fiscal are as follows:

| Name of Director | Designation | Fiscal 2025 (Rs. in million) |
|---|---|---|
| Mr. Amit Gupta | Managing Director & CEO | 102.19 |
| Mr. Abhishek Munjal | Whole-Time Director | 32.75 |
| TOTAL | | 135.94 |

No remuneration is paid or payable by our Subsidiary(ies), to your Company's Directors.

Our Company's Subsidiary, Hewland Engineering Limited ("HEL") has entered into a consultancy agreement dated February 17, 2025 effective from October 01, 2024 with Palmer Automotive Limited pursuant to which HEL has engaged Palmer Automotive Limited to enhance its operations and business strategy in global market through expert advisory and consultancy services on the terms and conditions set forth in the said Agreement. Our Non-Executive Independent Director, Andrew Charles Palmer is a founder and director of Palmer Automotive Limited.

**2. Non-Executive Directors:**

Sitting fees and other payments which have been made to our Non-Executive Directors in Fiscal 2025 are as follows.

| Name of Director | Designation | Fiscal 2025 (Rs. in million) |
|---|---|---|
| Ms. Pratibha Goyal | Non-Executive and Independent Director | 0.15 |
| Mr. Kulbir Singh | Non-Executive and Independent Director | 0.14 |
| Mr. Ashok Kumar Taneja | Non-Executive and Independent Director | 0.04 |
| Dr. Andrew Charles Palmer | Non-Executive and Independent Director | 0.04 |
| Ms. Jyoti Arora | Non-Executive and Independent Director | NIL |
| TOTAL | | 0.37 |

## V. Attendance at Board Meetings and Annual General Meetings

The Agenda and Notice for the meetings are prepared and circulated in advance to the Directors. The Board of Directors of your Company met Seven (7) times during the financial year 2024-25:

1. June 28, 2024
2. July 16, 2024
3. August 12, 2024
4. August 16, 2024
5. August 22, 2024
6. December 12, 2024
7. February 17, 2025

Details of attendance of Directors at Board meetings and Annual General meeting of the Company, during the Fiscal year 2024-25, are as follows:

| Name of the Director | Designation | Nos. of meetings attended | Presence at last AGM |
|---|---|---|---|
| Mr. Pankaj Munjal | Chairman, Non-Executive and Non-Independent Director | 6 out of 7 | Yes |
| Mr. Abhishek Munjal | Whole-Time Director | 6 out of 7 | Yes |
| Mr. Amit Gupta | Managing Director and CEO | 7 out of 7 | Yes |
| Mr. Keshav Misra | Non-Executive and Non- Independent Director | 7 out of 7 | Yes |
| Mr. Sridhar Narayan | Nominee Non-Executive Director | 7 out of 7 | Yes |
| Ms. Pratibha Goyal | Non-Executive and Independent Director | 6 out of 7 | Yes |
| Mr. Kulbir Singh | Non-Executive and Independent Director | 6 out of 7 | Yes |
| *Mr. Ashok Kumar Taneja | Non-Executive and Independent Director | 3 out of 4 | NA |
| *Dr. Andrew Charles Palmer | Non-Executive and Independent Director | 4 out of 5 | No |
| *Mr. Gaurav Dalmia | Non-Executive and Independent Director | 1 out of 2 | NA |
| *Ms. Jyoti Arora | Non-Executive and Independent Director | 0 out of 1 | NA |

** Mr. Gaurav Dalmia, Dr. Andrew Charles Palmer, Mr. Ashok Kumar Taneja and Ms. Jyoti Arora had been appointed as Non-Executive and Independent Director of the Company w.e.f. August 12, 2024, July 16, 2024, August 12, 2024 and January 28, 2025, respectively.*
*Mr. Gaurav Dalmia has resigned from the post of directorship of your Company w.e.f. November 06, 2024.*

The necessary quorum was present in all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013.

## VI. COMMITTEES OF THE BOARD

### A. Audit Committee

The Composition of Audit Committee along with its re-constitution details are provided in Boards' report under Section "Board of Directors, its Committees and Meetings thereof".

The Audit Committee met 6 (Six) times during the financial year 2024-25 on the following dates:

1. July 16, 2024
2. August 12, 2024
3. August 16, 2024
4. August 23, 2024
5. December 12, 2024
6. February 17, 2025

| Name of the Director | Designation | Nos. of meetings attended |
| --- | --- | --- |
| Mr. Kulbir Singh | Chairperson | 6 out of 6 |
| Mr. Sridhar Narayan | Member | 6 out of 6 |
| Ms. Pratibha Goyal | Member | 6 out of 6 |

**Terms of Reference for the Audit Committee:**

**a. Powers of Audit Committee**

The powers of the Audit Committee shall, inter alia, include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary
5. Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations

**b. Role of Audit Committee**

The role of the Audit Committee shall, *inter alia,* include the following:

(a) Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   - (i) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   - (ii) changes, if any, in accounting policies and practices and reasons for the same;
   - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
   - (iv) significant adjustments made in the financial statements arising out of audit findings;
   - (v) compliance with listing and other legal requirements relating to financial statements;
   - (vi) disclosure of any related party transactions;
   - (vii) modified opinion(s) in the draft audit report;

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) 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 utilized 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 institutional placement, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
   - (i) Approval or any subsequent modification of transactions of the Company with related parties; All related party transactions shall be approved by only Independent Directors who are the members

of the committee and the other members of the committee shall recuse themselves on the discussions related to related party transactions;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(j) Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
(k) Scrutiny of inter-corporate loans and investments;
(l) Valuation of undertakings or assets of the Company, wherever it is necessary;
(m) Appointment of Registered Valuer under Seetion 247 of the Companies Act, 2013;
(n) Evaluation of internal financial controls and risk management systems;
(o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
(p) 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;
(q) Discussion with internal auditors of any significant findings and follow up thereon;
(r) 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;
(s) 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;
(t) 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;
(u) To review the functioning of the whistle blower mechanism;
(v) Approval of appointment of chief financial officer (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;
(w) ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
(x) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
(y) Formulating, reviewing and making recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
(z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
(aa) Reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time, at least once in a financial year and verifying that the systems for internal control under the said regulations are adequate and are operating effectively;
(bb) Investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;
(cc) To consider the rationale, cost, benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and provide comments;
(dd) Reviewing:
    i. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
    ii. Any material default in financial obligations by the Company;
    iii. Any significant or important matters affecting the business of the Company; and
(ee) Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any

other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;
(b) management letters / letters of internal control weaknesses issued by the statutory auditors;
(c) internal audit reports relating to internal control weaknesses;
(d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
(e) the examination of the financial statements and the auditors' report thereon;
(f) statement of deviations:
  (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations; and
  (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
(g) the financial statements, in particular, the investments made by any unlisted subsidiary; and
(h) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

**B. Nomination and Remuneration Committee**

The Composition of Nomination and Remuneration Committee along with its re-constitution details are provided in Boards' report under Section "Board of Directors, its Committees and Meetings thereof".

The Nomination and Remuneration Committee met 2 (Two) times during the financial year 2024-25 on the following dates:

1. August 12, 2024
2. December 12, 2024

| Name of the Director | Designation | Nos. of meetings attended |
|---|---|---|
| Ms. Pratibha Goyal | Chairperson | 2 out of 2 |
| Mr. Sridhar Narayan | Member | 2 out of 2 |
| Mr. Kulbir Singh | Member | 2 out of 2 |

**Terms of Reference for the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

(a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
(b) For every appointment of an independent director, the Nomination and Remuneration 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
  (i) use the services of an external agencies, if required;
  (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  (iii) consider the time commitments of the candidates;

  The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
  (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  (ii) relationship of remuneration to performance is clear and meets appropriate performance

benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(c) Formulating criteria for evaluation of performance of independent directors and the Board;

(d) Devising a policy on diversity of Board;

(e) Identifying 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 and specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(f) Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(g) Recommending to the board, all remuneration, in whatever form, payable to senior management;

(h) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

(i) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(j) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);

(k) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(l) Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme(s) of the Company;

(m) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

  (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

  (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

(n) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Companies Act, each as amended or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties;

(o) Performing such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(p) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP 2022**") including the following:

  (i) Determining the eligibility of employees to participate under the ESOP Scheme;

  (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

  (iii) Date of grant;

  (iv) Determining the exercise price of the option under the ESOP Scheme;

  (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

  (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

  (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

  (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

  (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock

option rendered unattractive due to fall in the market price of the equity shares;
(x) The grant, vest and exercise of option in case of employees who are on long leave;
(xi) The vesting and exercise of option in case of grantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;
(xii) Allowing exercise of unvested options on such terms and conditions as it may deem fit;
(xiii) The procedure for cashless exercise of options;
(xiv) Forfeiture/ cancellation of options granted;
(xv) Arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.
(xvi) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
- The number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- For this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
- The vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(q) Construing and interpreting the Employee Stock Option Scheme ("**ESOP Scheme**") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
(r) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy; and

Performing such other functions as may be necessary or appropriate for the performance of its duties.

## C. Stakeholder Relationship Committee

The details of constitution of Stakeholder Relationship Committee are provided in Board Report under Section "Board of Directors, its Committees and Meetings thereof".

The Stakeholder Relationship Committee met 1 (One) time during the financial year 2024-25 on May 27, 2024.

| Name of the Director | Designation | Nos. of meetings attended |
|---|---|---|
| Ms. Pratibha Goyal | Chairperson | 1 out of 1 |
| Mr. Amit Gupta | Member | 1 out of 1 |
| Mr. Abhishek Munjal | Member | 1 out of 1 |
| Mr. Keshav Misra | Member | 1 out of 1 |

**Terms of Reference for the Stakeholder Relationship Committee**

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, issue of new/duplicate certificates, general meetings, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
(b) Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of

annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

(c) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(d) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

(e) Review of measures taken for effective exercise of voting rights by shareholders;

(f) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent;

(g) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

(h) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

(i) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;

(j) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

(k) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act, 2013 or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

## D. Corporate Social Responsibility Committee

The details of constitution of Corporate Social Responsibility Committee are provided in Board Report under Section "Board of Directors, its Committees and Meetings thereof".

The Corporate Social Responsibility Committee met 1 (One) time during the financial year 2024-25 on the following date:

1. July 16, 2024

| Name of the Director | Designation | Nos. of meetings attended |
|---|---|---|
| Mr. Amit Gupta | Member | 1 out of 1 |
| Mr. Abhishek Munjal | Member | 1 out of 1 |
| Ms. Pratibha Goyal | Member | 1 out of 1 |
| Mr. Keshav Misra | Member | 1 out of 1 |

Corporate Social Responsibility Committee is authorized to perform the following functions:

i) To formulate and recommend to the Board, a corporate social responsibility policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act.

ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a).

iii) To monitor the corporate social responsibility policy of the Company from time to time.

iv) To undertake any other acts, deeds and things as may be delegated by the Board from time to time in relation to the corporate social responsibility of the Company.

## E. Risk Management Committee

The details of constitution of Risk Management Committee are provided in Board Report under Section "Board of Directors, its Committees and Meetings thereof".

No meeting of Risk Management Committee was held during the financial year 2024-25.

**Terms of Reference for the Risk Management Committee**

The role of the Risk Management Committee shall, *inter alia,* include the following

(a) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes which shall include:
   (i) A framework for identification of internal and external risks specifically faced by the listed entities, in particular including financial, operational, sectoral, sustainability (particularly environmental, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
   (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
   (iii) Business continuity plan.
(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
(e) To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;
(f) To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;
(g) To review the status of the compliance, regulatory reviews and business practice reviews;
(h) To approve the process for risk identification and mitigation;
(i) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
(j) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
(k) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
(l) To consider the effectiveness of decision making process in crisis and emergency situations;
(m) To balance risks and opportunities;
(n) To generally, assist the Board in the execution of its responsibility for the governance of risk;
(o) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
(p) The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
(q) To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
(r) To implement and monitor policies and/or processes for ensuring cyber security;
(s) To review and recommend potential risk involved in any new business plans and processes;
(t) To review the Company's risk-reward performance to align with the Company's overall policy objectives;
(u) To monitor and review regular updates on business continuity;
(v) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
(w) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
(x) To advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

(y) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties."

## B. GENERAL BODY MEETINGS

The forthcoming Annual General Meeting is scheduled to be held on Thursday, September 25, 2025, at 03.00 P.M through video conferencing deemed to be held at Registered office of the Company. The details in respect of last three Annual General Meetings are given in table below.

| Financial Year | Venue | Date & Time | Special Resolution passed |
|---|---|---|---|
| **2021-22** | Video Conferencing | December 30, 2022 at 12.00 p.m. | - |
| **2022-23** | Video Conferencing | September 30, 2023 at 01.00 p.m. | Appointment of Mr. Kulbir Singh (DIN: 00204829) as an Independent Director |
| **2023-24** | Video Conferencing | July 26, 2024 at 03.00 p.m. | a. Approval of the revision in the remuneration of Mr. Amit Gupta, Managing Director & CEO of the Company<br>b. Approval of the continuation of Mr. Kulbir Singh (DIN: 00204829) as an Independent Director of the Company<br>c. Approval of the Investment in Subsidiaries<br>d. Approval of the increase in Borrowing Limits of the Company under Section 180(1)(c) of the Companies Act, 2013<br>e. Approval of the increase in Charge Creation Limits of the Company under Section 180(1)(a) of the Companies Act, 2013<br>f. Appointment of Mr. Andrew Charles Palmer, as an Independent Director of the Company.<br>g. Approval of the Initial Public Offering of Equity Shares of the Company |

## C. RESOLUTIONS PASSED THROUGH POSTAL BALLOT

No resolutions have been passed by the Company through Postal Ballot during the last three financial years.

## D. VIGIL MECHANISM

The Company has a Whistle Blower Policy which provides a vigil mechanism for dealing with instances of fraud and mismanagement. The Whistle Blower Policy has also been uploaded on the website of the Company at www.heromotors.com.

## E. RELATED PARTY TRANSACTIONS

The details with regard to Related Party Transactions are provided in the Boards' report under the section "Related Party Transaction".

## F. DESIGNATED & EXCLUSIVE EMAIL-IDS

The Company has designated the following email ids exclusively for investor servicing. All investors or other stakeholders may lodge their queries with the Company at **investorrelations@heromotors.com**.

## G. ADDITIONAL SHAREHOLDERS INFORMATION

i. **ANNUAL GENERAL MEETING**
Day & Date: Thursday, September 25, 2025
Time: 03.00 P.M.
Venue: Through Video Conferencing

ii. **FINANCIAL YEAR:** 1st April to 31st March

iii. **FINAL DIVIDEND:** The Board of Directors have not recommended any Dividend for the financial year 2024-25

iv. **UNCLAIMED DIVIDEND:** No amount of unclaimed dividend is lying in the accounts of the Company as on date of this report

v. **MANUFACTURING FACILITIES:**

The Company manufacturing locations are situated at:

1. G.B. Nagar & Hero EDU Facility – Gautam Buddha Nagar, Uttar Pradesh
2. Mangli Facility - Ludhiana, Punjab
3. HYM & Spur Facility -, Ludhiana, Punjab
4. Thai Facility - Samut Prakan, Thailand
5. Maidenhead, United Kingdom

vi. **ADDRESS FOR INVESTOR CORRESPONDENCE**

**REGISTRAR AND SHARE TRANSFER AGENT**
**KFIN Technologies Limited**

301, The Centrium
3rd Floor, Lal Bahadur Shastri Road,
Nav Pada Kurla (West)
Mumbai 400070

Or

**Company Secretary and Compliance Officer**
Esha Gupta
**Corporate Office:** 7th Floor, Max Square, Jaypee Wishtown, Sector 129, Noida, Uttar Pradesh, India - 201304

vii. **REGISTERED OFFICE:**
Hero Motors Limited
Hero Nagar G. T. Road, Ludhiana, Ludhiana, Punjab, India, 141003

**ANNEXURE- VI**

## Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associatecompanies or joint ventures

### Part "A": Subsidiaries

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

| Sl. No. | Particulars | Details | | | | |
|---|---|---|---|---|---|---|
| 1. | CIN/any other registration number of subsidiary company | 0105564107640 | U34100UP2022PTC175717 | 584792 | U35990DL2014PTC074086 | U35999PB2022PTC055274 |
| 2. | Name of the subsidiary | **Hero Motors Thai Limited** | **Hero EDU Systems Private Limited** | **Hewland Eugineering Limited** | **Spur Techuologies Private Limited** | **HYM Drive Systems Private Limited** |
| 3. | The date since when subsidiary was acquired | 07.07.2021 | 27.12.2022 | 20.02.2023 | 29.11.2023 | 18.02.2022 |
| 4. | Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/ Section 2(87)(ii)) | Section 2(87)(ii) | Section 2(87)(ii) | Section 2(87)(ii) | Section 2(87)(ii) | Section 2(87)(ii) |
| 5. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. | N.A. | N.A. | N.A. | N.A. |
| 6. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | THB 2.515 | N.A. | GBP 110.70 | N.A. | N.A. |
| 7. | Share capital | 590.00 | 1,750.00 | 20,613 | 3,841.00 | 3200.00 |
| 8. | Reserves & surplus | -59.50 | -108.86 | -244,038 | -832.59 | -1,087.62 |
| 9. | Total assets | 4,096.24 | 4,623.70 | 11,182,062 | 4,440.71 | 4,278.34 |
| 10. | Total Liabilities | 3,565.76 | 2,982.56 | 11,405,487 | 1,432.29 | 2,165.95 |
| 11. | Investments | - | - | Nil | 5.00 | - |
| 12. | Turnover | 863.86 | 374.69 | 148,27,453 | 2,544.32 | 309.29 |
| 13. | Profit / (Loss) before taxation | 27.11 | -96.18 | 1,406,861 | -306.44 | -536.10 |
| 14. | Provision for taxation | - | -13.06 | 142,071 | -182.21 | 113.32 |
| 15. | Profit (Loss) after taxation | 27.11 | -83.12 | 1,264,790 | -124.23 | -649.42 |
| 16. | Proposed Dividend | - | - | Nil | - | - |
| 17. | Extent of shareholding (in percentage) | 100% | 100% | 51% | 100% | 90% |

1. Names of subsidiaries which are yet to commence operations: **Munjal STP Industries Private Limited**

2. Names of subsidiaries which have been liquidated or sold during the year: **NA**

### Part "B": Associates and Joint Ventures

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

| S. No. | Name of Associates/Joint Veutures | Not Applicable |
|---|---|---|
| 1. | Latest audited Balance Sheet Date | - |
| 2. | Date on which the Joint Venture was acquired | - |
| 3. | Shares of Joint Venture held by the company on the year end | - |
| | No. | - |
| 4. | Amount of Investment in Joint Venture | - |
| 5. | Extend of Holding% | - |
| 6. | Description of how there is significant influence | - |
| 7. | Reason why the joint venture is not consolidated | - |
| 8. | Net worth attributable to shareholding as per latest audited Balance Sheet | - |
| 9. | Profit/(Loss) for the year | - |
| | i) Considered in Consolidation | - |
| | ii) Not Considered in Consolidation | - |

1. Names of associates or joint ventures which are yet to commence operations: **NA**

2. Names of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year: **NA**

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

**Amit Gupta**
**Managing Director & CEO**
**DIN: 02990732**

**Abhishek Munjal**
**Wbole-time Director**
**DIN: 05355274**

**Place: Noida**
**Date: August 12, 2025**

**ANNEXURE-VII**

## Form No. AOC-2

***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arraugements or transactions not at arm's length basis**

**Number of coutracts or arrangements or transactions not at arm's length basis**

| | |
|---|---|
| **Corporate identity number (CIN)** | U34300HR2008PTC076988 |
| **Name(s) of the related party** | ZF Hero Chassis Systems Private Limited<br><br>(A Private Company in which Director are Directors) |
| **Nature of relationship** | Related Party |
| **Nature of contracts/ arraugements/ transactions** | Trademark License Agreement |
| **Duration of the contracts / arraugements/ transactions** | 5 years |
| **Salient terms of the coutracts or arrangements or trausactions iucluding actual / expected contractual amount** | In return for use of the "Licensed Mark", ZF agrees to pay the licensor a one-time lump-sum payment of INR 10,000 for a period of 5 years |
| **Justification for entering into such contracts or arrangemeuts or transactions** | Enhancement of the Company's market visibility, strengthen its reputation, and improving brand goodwill |
| **Date of approval by the Board (DD/MM/YYYY)** | 12.12.2024 |
| **Amount paid as advances, if any** | Nil |
| **Date on which the resolution was passed iu general meetiug as required under first proviso to section 188 (DD/MM/YYYY)** | NA |
| **SRN of MGT-14** | NA |

**2. Details of material coutracts or arraugemeut or transactions at arm's length basis: NIL**

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

**Amit Gupta**
**Managing Director & CEO**
**DIN: 02990732**

**Abhishek Munjal**
**Whole-time Director**
**DIN: 05355274**

**Place: Noida**
**Date: August 12, 2025**

**Chartered Accountants**
7th Floor Building 10
Tower B
DLF Cyber City Complex
DLF City Phase II
Gurugram-122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying standalone financial statements of Hero Motors Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) 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 in sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board 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 identified above available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of Management and Board of Directors for the Standalone Financial Statements**

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

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

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 except for not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification/s relating to the maintenance of accounts and other matters connected therewith, is/are as stated in paragraph (b) above.

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g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 41 (a) to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses-Refer Note 63 to the standalone financial statement.

   iii. There no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company-Refer Note 52 to the standalone financial statement.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, 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. (Refer note 44 of the Standalone Financial Statements)

   (b) The Management has represented, that, to the best of its knowledge and belief, 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. (Refer note 44 of the Standalone Financial Statements)

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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v. The 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.

vi. Based on our examination, the Company, has used an accounting software for maintaining its books of account and in absence of management's evaluation of the audit trail feature in the accounting software, we are unable to comment on the audit trail feature of the said software and whether there were any instances of the audit trail feature been tampered with (refer Note 68 of the standalone financial statements).

As audit trail feature was not enabled for the year ended March 31, 2025, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable.

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)

Deloitte Haskins & Sells LLP
Chartered Accountants

**Rajesh Kumar Agarwal**
(Partner)
(Membership No. 105546)
UDIN:25105546BMLAKM6991

Place: Gurugram
Date: August 12, 2025

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**
**(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls with reference to standalone financial statements of Hero Motors Limited (the "Company") as at March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Managements and Board of Directors' Responsibilities for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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.

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Chartered Accountants

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on "the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Deloitte Haskins & Sells LLP Chartered Accountants

**Rajesh Kumar Agarwal**
(Partner)
(Membership No. 105546)
UDIN: 25105546BMLAKM6991

Place: Gurugram
Date: August 12, 2025

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

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

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

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

A. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant, and Equipment, capital work in progress and relevant details of right-of-use-assets.

(b) The Company has maintained proper records showing full particulars of intangible assets

B. The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so as to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment were due during the year, the question of reporting on material discrepancies noted on verification does not arise.

C. According to the information and explanations given to us and the records examined by us and based on the examination of the sale deed and an agreement to sell provided to us, we report that, the title deed, comprising all the immovable property of land which is freehold, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements is held in the name of the Company as at the balance sheet date, except for the following:

**(Amount in ₹ lacs)**

| Description of immovable | Gross Carrying Value | Carrying Value | Held in Name of | Whether promoter, director or their relative or employee | Period held indicate range, where appropriate | Reason for not Being held in name of Company |
|---|---|---|---|---|---|---|
| Land measuring 0.67 acres along with Build up area (5938.17 Sq.Ft.) located at Focal Point, Village 8, Mangli, Ludhiana, Punjab | 228.00 | 228.00 | Hero Cycles Limited | Held in the name of Hero Cycles Limited (Shareholder) | April 1, 2024 to Mar 31, 2025 | Agreement to Sell has been entered between the parties and possession with the company. The company is in the process of getting it registered in its own name. |

D. The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

E. No proceedings have been initiated during the year or are pending against the Company as at 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

Deloitte Haskins & Sells LLP Chartered Accountants

(ii) In respect of Inventory:

(a) The inventories except for goods in transit and inventory lying with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year end, written confirmation have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, creditors statements, filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

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

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

**(Amount in ₹ lacs)**

| Particulars | Loans | Guarantee |
|---|---|---|
| A. Aggregate amount granted / provided during the year | | |
| - Wholly owned Subsidiary | 625.73 | 4,599.75 |
| - Subsidiary | 1,959.80 | 2,744.61 |
| - Others | 125.55 | |
| B. Balance outstanding as at balance sheet date in respect of above cases* | | |
| - Wholly owned Subsidiary | 4,460.72 | 6,189.75 |
| - Subsidiary | 2,330.90 | 2,744.61 |
| - Others | 247.67 | |

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

b) In our opinion, the investments made, guarantees provided and the terms and conditions of the above mentioned loans granted and guarantees provided by the Company during the year, are in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipt of principal amounts and interest have been regular as per stipulation.

d) According to information and explanation given to us and based on the audit procedures performed, in respect of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 or 186 of the Companies Act, 2013, in respect of loans granted, investments made and guarantees and securities provided, as applicable.

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(v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and does not have any unclaimed deposits as at March 31, 2025 and therefore the provisions of clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they become payable.

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

**(Amount in ₹ lacs)**

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

(viii) were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) According to information and explanations given to us, in respect of borrowings:

a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries during the year.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.

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Chartered Accountants

(x) In respect of issue of Securities:

a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) In respect of Fraud:

a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) The Company is not a Nidhi Company and hence, reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) In respect of Internal Audit:

a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered the internal audit reports issued to the Company during the year and draft of the internal audit reports issued after the balance sheet date, for the period under audit.

(xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

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

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

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

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give

Deloitte Haskins & Sells LLP Chartered Accountants

any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

Deloitte Haskins & Sells LLP
Chartered Accountants

**Rajesh Kumar Agarwal**
(Partner)
(Membership No. 105546)
UDIN:25105546BMLAKM6991

Place: Gurugram
Date: August 12, 2025

**Hero Motors Limited**
**Standalone Balance Sheet as at March 31, 2025**
**CIN : U29299PB1998PLC039602**
**(Amount in ₹ lakhs, unless otherwise steted)**

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **A. Assets** | | | |
| **1. Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 33,080.38 | 23,603.05 |
| (b) Right of use assets | 8 | 688.17 | 776.02 |
| (c) Capital work in progress | 5 | 2,756.96 | 4,947.01 |
| (d) Intangible assets | 6 | 180.27 | 225.91 |
| (e) Intangible assets under development (IAUD) | 7 | 95.53 | 1.34 |
| (f) Financial assets | | | |
| (i) Investments | 10 | 10,154.45 | 7,480.45 |
| (ii) Loans | 12 | 3,402.01 | 7,995.99 |
| (iii) Other financial assets | 13 | 613.58 | 1,268.16 |
| (g) Non current tax asset (Net) | 14 | 1,251.39 | 903.50 |
| (h) Other-non current assets | 15 | 614.51 | 1,595.20 |
| **Total Non-current assets** | | **52,837.25** | **48,796.63** |
| **2. Current assets** | | | |
| (a) Inventories | 16 | 14,033.41 | 13,895.37 |
| (b) Financial assets | | | |
| (i) Investments | 11 | 216.02 | 667.56 |
| (ii) Trade receivables | 17 | 18,003.38 | 17,731.38 |
| (iii) Cash and cash equivalents | 18 | 746.08 | 2,915.31 |
| (iv) Bank balances other than (iii) above | 19 | 3,800.00 | 4,600.00 |
| (v) Loans | 12 | 3,637.28 | 1,917.80 |
| (vi) Other financial assets | 13 | 3,007.24 | 2,058.24 |
| (c) Other current assets | 15 | 2,525.23 | 3,232.61 |
| **Total current assets** | | **45,968.64** | **47,018.27** |
| **Total assets** | | **98,805.89** | **95,814.90** |
| **B. Equity and liabilities** | | | |
| **1. Equity** | | | |
| (a) Equity share capital | 20 | 35,738.45 | 35,357.84 |
| (b) Other equity | 21 | 8,058.62 | 5,180.76 |
| **Total Equity** | | **43,797.07** | **40,538.60** |
| **2. Liabilities** | | | |
| **Non- current liablilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | 8,905.82 | 7,439.52 |
| (ii) Lease liabilities | 9 | 731.50 | 769.31 |
| (iii) Others financial liabilities | 24 | 1.15 | 2.14 |
| (b) Provisions | 26 | 2,027.31 | 1,719.28 |
| (c) Deferred tax liabilities (net) | 28 | 1,319.90 | 1,002.82 |
| **Total Non- current liabilities** | | **12,985.68** | **10,933.07** |

HERO MOTORS LIMITED

Deloitte Haskins & Sells LLP Chartered Accountants

**Hero Motors Limited**
**Standalone Balance Sheet as at March 31, 2025**
**CIN : U29299PB1998PLC039602**
**(Amount in ₹ lakhs, unless otherwise stated)**

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 23 | 23,787.51 | 21,856.45 |
| (ii) Lease liabilities | 9 | 48.00 | 33.25 |
| (iii) Trade payables | 27 | | |
| - Total outstanding dues of micro and small enterprises | | 2,168.51 | 1,662.59 |
| - Total outstanding dues of creditors other than micro and small enterprises | | 9,206.04 | 10,128.42 |
| (iv) Other financial liabilities | 24 | 5,981.11 | 9,865.20 |
| (b) Other current liabilities | 25 | 616.13 | 597.98 |
| (c) Provisions | 26 | 215.84 | 199.34 |
| **Total current liabilities** | | **42,023.14** | **44,343.23** |
| **Total equity and liabilities** | | **98,805.89** | **95,814.90** |
| Summary of material accounting policies | 2 | | |

The accompanying notes form an integral part of these standalone financial statements 1-68

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

**Rajesh Kumar Agarwal**
*(Partner)*
*(Membership No. 105546)*
Place: Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
(DIN: 05355274)
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

HERO MOTORS LIMITED

**Utkarsh Sanghi**
*Chief Financial Officer*
Place: Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

Deloitte Haskins & Sells LLP
Chartered Accountants

**Hero Motors Limited**
**Standalone Statement of Profit and loss for the year ended March 31, 2025**
**CIN : U29299PB1998PLC039602**
**(Amount in ₹ lakhs, unless otherwise stated)**

| | **Particulars** | **Note No.** | **For the year ended March 31, 2025** | **For the year ended March 31, 2024** |
|---|---|---|---|---|
| I | Revenue from operations | 30 | 89,787.05 | 89,119.88 |
| II | Other income | 31 | 1,913.15 | 2,056.16 |
| III | **Total income (I+II)** | | **91,700.20** | **91,176.04** |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | 32 | 57,631.56 | 58,894.53 |
| | (b) Changes in inventories of finished goods, work in progress and stock in trade | 33 | 744.88 | 295.03 |
| | (c) Employee benefits expense | 34 | 9,566.80 | 10,909.04 |
| | (d) Finance costs | 35 | 2,897.68 | 2,566.62 |
| | (e) Depreciation and amortisation expense | 36 | 1,893.59 | 1,489.40 |
| | (f) Other expenses | 38 | 15,658.45 | 14,605.31 |
| | **Total expenses** | | **88,392.96** | **88,759.93** |
| V | **Profit before tax (III-IV)** | | **3,307.24** | **2,416.11** |
| VI | Tax expense: | 29 | | |
| | (a) Current tax | | 621.46 | (64.16) |
| | (b) Deferred tax | | 324.74 | 583.28 |
| | **Total tax expense** | | **946.20** | **519.12** |
| VII | **Profit for the year (V-VI)** | | **2,361.04** | **1,896.99** |
| VIII | **Other comprehensive income** | | | |
| (A) | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Re-measurement gains/ (losses) on defined benefit plans | | (30.44) | 93.85 |
| | (ii) Income tax on items that will not be reclassified to profit or loss | | 7.66 | (23.62) |
| | **Other comprehensive income for the year, net of tax** | | **(22.78)** | **70.23** |
| IX | **Total comprehensive income for the year, net of tax** | | **2,338.26** | **1,967.22** |
| X | Earnings per share: (face value ₹ 10 per share) | 40 | | |
| | 1) Basic (amount in ₹) | | 0.63 | 0.51 |
| | 2) Diluted (amount in ₹) | | 0.62 | 0.50 |
| | Summary of material accounting policies | 2 | | |

The accompanying notes form an integral part of these standalone financial statements 1-68

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

**Rajesh Kumar Agarwal**
(Partner)
*(Membership No. 105546)*
Place: Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
(DIN: 05355274)
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

HERO MOTORS LIMITED

**Utkarsh Sanghi**
*Chief Financial Officer*
Place: Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

Deloitte Haskins & Sells LLP
Chartered Accountants

**Hero Motors Limited**
**Standalone statement of changes in equity for the year March 31, 2025**
**CIN : U29299PB1998PLC039602**
***(Amount in ₹ lakhs, unless otherwise stated)***

**A. Equity Share Capital**

| | |
|---|---|
| **As at April 1, 2023** | 35,357.84 |
| Changes during the year | - |
| **As at March 31, 2024** | **35,357.84** |
| Changes during the year (Refer note 20) | 380.61 |
| **As at March 31, 2025** | **35,738.45** |

**B. Other Equity**

| Particulars | Security premium | Equity component of CCPS | Share based payment reserve | Demerger adjustment deficit account | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2023** | **55,439.61** | **2,097.19** | **1,334.98** | **(75,279.98)** | **16,611.27** | **203.07** |
| Profit for the year | - | - | - | - | 1,896.99 | **1,896.99** |
| Remeasurement of the benefit plan, net of tax effect | - | - | - | - | 70.23 | **70.23** |
| Payment of Dividend | - | - | - | - | (935.70) | **(935.70)** |
| Credit to equity for equity-settled share-based payments (Refer Note 37) | - | - | 3,946.17 | - | - | **3,946.17** |
| **Balance as at March 31, 2024** | **55,439.61** | **2,097.19** | **5,281.15** | **(75,279.98)** | **17,642.79** | **5,180.76** |
| Profit for the year | | | | | 2,361.04 | **2,361.04** |
| Remeasurement of the benefit plan, net of tax effect | | | | | (22.78) | **(22.78)** |
| Payment of Dividend | | | | | (942.05) | **(942.05)** |
| Credit to equity for equity-settled share-based payments (Refer Note 37) | | | 1,481.65 | | | **1,481.65** |
| Share based payment reserve on shares excercised | 2,319.06 | | (2,319.06) | | | **-** |
| **Balance as at March 31, 2025** | **57,758.67** | **2,097.19** | **4,443.74** | **(75,279.98)** | **19,039.00** | **8,058.62** |

Summary of material accounting policies 2
The accompanying notes form an integral part of these standalone financial statements 1-68

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

**Rajesh Kumar Agarwal**
*(Partner)*
*(Membership No. 105546)*
Place : Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
*(DIN: 05355274)*
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

HERO MOTORS LIMITED

**Utkarsh Sanghi**
*Chief Financial Officer*
Place: Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

Deloitte Haskins & Sells LLP Chartered Accountants

Hero Motors Limited
Standalone Cash Flow Statement for the year ended March 31, 2025
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

| | Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | |
| | **Profit before tax** | 3,307.24 | 2,416.11 |
| | **Adjustments for:** | | |
| | Depreciation and amortization | 1,893.59 | 1,489.40 |
| | Interest cost | 2,248.76 | 1,944.97 |
| | Other borrowing cost | 648.92 | 621.65 |
| | Non-cash employee share based payments | 1,481.65 | 3,946.17 |
| | Provision / sundry balances written back | 0.04 | 300.00 |
| | Unrealized foreign exchange loss gain | 199.58 | (37.80) |
| | Loss / (profit) on sale of property plant and equipment | (11.50) | (1.01) |
| | Rental income | (23.09) | (16.69) |
| | Other non operating income | (9.01) | - |
| | Profit on sale / fair valuation | (49.24) | (87.29) |
| | Gain on derecognition of right of use asset and lease liability | - | (105.12) |
| | Interest income | (1,235.45) | (1,241.19) |
| | **Operating profit before working capital changes** | **8,451.49** | **9,229.20** |
| | **Working Capital adjustments:** | | |
| | Increase / (decrease) in trade receivables | (449.02) | 4,931.50 |
| | Increase / (decrease) in inventories | (138.04) | 1,599.37 |
| | Increase / (decrease) in other financial assets | (470.32) | 930.03 |
| | Increase / (decrease) in other assets | 707.38 | (1,747.82) |
| | (decrease) in trade payables | (412.21) | (673.06) |
| | Decrease in Other financial liabilities | (3,799.39) | (2,107.00) |
| | Decrease in provisions | 294.09 | 191.35 |
| | (Increase) / decrease in other liabilities | 18.15 | (16.16) |
| | **Cash generated from operations** | **4,202.13** | **12,337.41** |
| | Income tax paid (net of refunds) | (969.35) | (747.05) |
| | **Net cash inflow from operating activities (A)** | **3,232.78** | **11,590.36** |
| **B.** | **Cash flows from investing activities** | | |
| | Purchase of property, plant and equipment (Including Capital Work-in-progress, intangible asset, capital advances net of capital creditors) | (8,295.66) | (9,268.11) |
| | Proceeds from sale of property, plant and equipment | 50.56 | 33.11 |
| | Investments in Subsidiaries | (2,674.00) | (2,958.65) |
| | Sale of mutual funds | 500.78 | 1,001.22 |
| | Inter corporate loan granted | (1,413.91) | (3,150.65) |
| | Inter corporate loan received back | 4,288.41 | 250.00 |
| | Interest received | 1,316.46 | 445.36 |
| | Rent received | 23.09 | 16.69 |
| | Other income | 9.01 | - |
| | ( Increase ) / decrease bank balance not considered as cash and cash equivalent | 894.89 | 3,453.00 |
| | **Net cash used in investing activities (B)** | **(5,300.37)** | **(10,178.03)** |
| **C.** | **Cash flows from financing activities** | | |
| | Proceeds from long term borrowings | 5,128.65 | 4,825.00 |
| | Repayment of long term borrowings | (3,406.37) | (1,885.25) |
| | Proceeds from / repayment of short term borrowings (net) | 1,648.21 | 2,090.40 |
| | Proceeds from issue of equity share capital | 380.61 | - |
| | Payment of final dividend | (942.05) | (935.70) |
| | Other borrowing cost | (648.92) | (621.65) |
| | Payment of principal portion of lease liabilities | (23.06) | (112.82) |
| | Payment of interest portion of lease liabilities | (70.96) | (56.25) |
| | Interest paid | (2,167.75) | (2,186.40) |
| | **Net cash inflow from/(used in) financing activities (C)** | **(101.64)** | **1,117.33** |

Hero Motors Limited
Standalone Cash Flow Statement for the year ended March 31, 2025
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Net Increase (decrease) in cash and cash equivalents (A+B+C)** | **(2,169.23)** | **2,529.66** |
| Opening balance of cash and cash equivalents | 2,915.31 | 385.65 |
| **Total cash and cash equivalent (Note no.18)** | **746.08** | **2,915.31** |
| **Components of cash and cash equivalents** | | |
| Cash, Cheque/drafts on hand | 0.30 | 0.25 |
| With banks - Current account* | 745.78 | 2,915.06 |
| **Total cash and cash equivalent (Note no.18)** | **746.08** | **2,915.31** |

*Includes Nil as at March 31, 2025 (as at March 31, 2024 ₹ 0.68) as unpaid dividend account and is restrictive in nature.

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

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

| Balance sheet caption | Sattement of cash flows line item | As at April 1, 2024 | Cash Flows | Non Cash Changes | | | As at March 31, 2025 |
|---|---|---|---|---|---|---|---|
| | | | | Forex | Interest Expenses | Other | |
| Borrowings | Proceeds / repayments of borrowings | 29,295.96 | 3,370.49 | 26.87 | - | - | 32,693.32 |
| Lease liability | Payment / proceed from lease liability | 802.56 | (94.02) | - | - | 70.96 | 779.50 |
| Interest paid | Interest paid | 42.97 | (2,167.75) | | 2,177.80 | - | 53.02 |

| Balance sheet caption | Sattement of cash flows line item | As at April 1, 2023 | Cash Flows | Non Cash Changes | | | As at March 31, 2024 |
|---|---|---|---|---|---|---|---|
| | | | | Forex | Interest Expenses | Other | |
| Non current borrowings | Proceeds / repayments of borrowings | 24,222.21 | 5,030.15 | 43.60 | - | - | 29,295.96 |
| Lease liability | Payment / proceed from lease liability | 1,229.76 | (169.07) | - | - | (258.13) | 802.56 |
| Interest paid | Interest paid | 118.06 | (2,186.40) | | 2,111.31 | - | 42.97 |

The accompanying notes form an integral part of these standalone financial statements 1-68

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

**Rajesh Kumar Agarwal**
*Partner*
*(Membership No. 105546)*
Place: Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
*(DIN: 05355274)*
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

**Utkarsh Sanghi**
*Chief Financial Officer*
Place: Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

HERO MOTORS LIMITED

Deloitte Haskins & Sells LLP
Chartered Accountants

## 1. Corporate Information

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

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

Pursuant to the scheme approved by the National Company Law Tribunal, Chandigarh Bench on November 09, 2022 for which the certified copy of the order dated November 09, 2022 was received on November 16, 2022, the Demerged Undertaking (Primarily related to Auto Business consisting, inter-alia, of all assets including movable and immovable properties and liabilities related thereto) was demerged from the Demerged Company and transferred to the resulting Company, with effect from April 01, 2021, the appointed date.(refer note-48).

The standalone Ind AS financial statements were approved for issue in accordance with a resolution of the board of directors on August 12, 2025.

## 2. Material Accounting Policies:

### 2.1 Basis of Preparation and presentation

The standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2025 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

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

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

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

**Basis of measurement**

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

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

### 2.2 Summary of Material accounting policies

#### a. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held for primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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

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

All other liabilities are classified as non-current.

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

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

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

**Recognition and measurement**

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

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

**Recognition criteria**

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

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

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

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

**Subsequent expenditure**

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

**Depreciation**

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

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

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

- Leasehold land & Leasehold improvement has been amortised over the lease term.
- Freehold Land is not depreciated.

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

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

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

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

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

**Derecognition**

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

**c. Intangible assets**

**Acquired Intangible**

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

**Internally generated intangible assets - research and development expenditure**

Expenditure on research activities is recognized 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 recognized 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 recognized 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 recognized, development expenditure is recognized 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 amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. An intangible asset is derecognized 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 recognized in the Statement of profit and loss when the asset is derecognized.

**Subsequent expenditure**

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

**Amortisation**

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

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

**Derecognition**

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

**d. Inventories**

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

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

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

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

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

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

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

**e. Retirement and other employee benefits**

**(i) Short-term employee benefits**

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

**(ii) Post-employment benefits**

**a) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**b) Defined benefit plans**

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

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

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

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

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**c) Short term and other long term employee benefits:**

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

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

**d) Share - based payment**

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

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

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

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

**f. Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of

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the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

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

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

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

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

**g. Contingent liabilities and contingent assets**

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

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

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

**h. Commitments**

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

**i. Revenue from contract with customer**

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.
Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

The Company disaggregates revenue from contracts with customers by geography.

**Sale of services**

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

**Export benefits**

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

**Disaggregated revenue information**

The Company presents disaggregation of revenue from contracts with customers for the year ended March 31, 2025 by type of goods and services and timing of revenue recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

**Contract balances**

***Trade Receivable***

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

***Contract liabilities***

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

**j. Recognition of interest income or expense**

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

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

Dividend income is recognized when the right to receive payment is established.
Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

**k. Borrowing costs**

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

**l. Taxes**

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

**Current income tax**

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

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

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

**Deferred tax**

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

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

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

Goods and Service Tax paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the amount of sales/ value added taxes/GST paid, except:

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

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

**m. Leases**

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

**Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.
At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases,

the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. "
Lease arrangements may include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities may include these options when it is reasonably certain that they will be exercised.

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

**n. Financial instruments**

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

**Financial assets**
*Initial recognition and measurement*

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

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

**Financial instruments at amortised cost**

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying

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amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**Financial instrument at FVOCI**

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

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

**Financial instrument at FVPL**

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

**Equity investments**

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

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.
Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

**Impairment of financial assets**

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

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

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

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

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

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

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

**Measurement of expected credit losses**

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

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

**Write-off**

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

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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**Financial liabilities**

***Initial recognition and measurement***

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

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

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

***Subsequent measurement***

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

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

A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.
Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

**Derecognition of financial liabilities**

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

**Derivative financial instruments**

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

**Offsetting**

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

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**o. Impairment of non-financial assets**

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

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

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

**p. Operating Segments**

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

**q. Cash and cash equivalents**

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

**r. Cash flow statement**

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

a) changes during the period in operating receivables and payables transactions of a non-cash nature;

b) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

c) all other items for which the cash effects are investing or financing cash flows

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

**s. Government grants**

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

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**t. Cash dividend**

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

**u. Earnings per share**

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

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

**v. Foreign Currency Transaction and translations**

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

**Initial recognition**

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

**Measurement of foreign currency monetary items at the Balance Sheet date**

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

**Treatment of exchange differences**

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

**w. Fair value measurement**

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

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

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

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

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

x. **Research & development costs**

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

y. **Exceptional items**

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

## 3. Changes in accounting policies and new disclosure requierments

**New and amended standards**

The Ministry of Corporate Affairs has amended the Companies (Indian Accounting Standards) Rules, 2015 via notification dated August 12, 2024, September 09, 2024 and September 28, 2024 to introduce the new Ind AS 117 i.e. "Insurance Contracts" and amended the Ind AS 116 i.e. Leases, respectively. Both are effective from April 01, 2024.

The new standard and the aforesaid amendment did not have any material impact on the amounts recognised and are not expected to significantly affect the current or future periods.
Amendments to Ind AS issued but not yet effective

MCA has notified amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, vide the Companies (Indian Accounting Standards) Amendment Rules, 2025 through Notification No. G.S.R. 291(E) dated May 7, 2025. The amendment provides comprehensive guidance on assessing the exchangeability of currencies, determining spot exchange rates when currencies are not exchangeable and enhancing related disclosures. The amendment is effective for annual reporting periods beginning on or after April 1, 2025. The Company will evaluate the impact of this amendment and implement the necessary changes in its financial reporting for periods commencing on or after the effective date.

## 3.1 Significant accounting judgements, estimates and assumptions

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

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

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

**Judgements**

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

**Revenue from contracts with customers**

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

**Non- Cumulative Compulsorily Convertible Preference shares**

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

**Impairment testing**

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

**Expected credit losses on financial assets**

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

**Determining lease term**

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

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

**Estimates and Assumptions**

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

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

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

**Impairment of Property, plant and equipment, Capital work in progress and intangible asset**

Property, plant and equipment, Capital work in progress and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying value may not be recoverable.

**Impairment of investment in equity instruments of subsidiary companies**

During the year, the Company assessed the investment in equity instrument of subsidiaries 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 viability of each project carried out by these subsidiaries and the Company is confident that the investments do not require any impairment.

**Contingencies**

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

**Recoverability of deferred taxes**

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

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**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.

**Estimation of Taxes**

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

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*(Amount in ₹ lakhs, unless otherwise stated)*

**4 Property, plant and equipment**

| Particulars | Free Hold Land | Lease Hold Improvements | Buildings | Plant & Machinery | Furniture & Fixtures | Vehicles | Office Equipment's | Computer | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost / Deemed Cost** | | | | | | | | | |
| **Balance as at April 1, 2023** | **460.67** | **603.08** | **3,318.44** | **21,114.22** | **171.72** | **248.17** | **147.68** | **381.39** | **26,445.37** |
| Add: Additions made during the year (Refer note "b" below) | 2,282.00 | | 417.00 | 1,578.66 | 6.76 | 71.91 | 16.99 | 81.27 | 4,454.59 |
| Less: Disposals/(adjustments) during the year | - | (603.08) | 603.08 | (108.96) | - | (26.34) | (1.24) | (11.71) | (148.25) |
| **Balance as at March 31, 2024** | **2,742.67** | **-** | **4,338.52** | **22,583.92** | **178.48** | **293.74** | **163.43** | **450.95** | **30,751.71** |
| Add: Additions made during the year | 150.97 | 476.93 | 730.33 | 9,773.76 | 36.57 | 13.23 | 44.85 | 32.75 | 11,259.39 |
| Less: Disposals/(adjustments) during the year | - | - | - | (142.46) | - | (56.82) | (30.02) | (14.89) | (244.19) |
| **Balance as at March 31, 2025** | **2,893.64** | **476.93** | **5,068.85** | **32,215.22** | **215.05** | **250.15** | **178.26** | **468.81** | **41,766.91** |
| **Accumulated depreciation** | | | | | | | | | |
| **Balance as at April 1, 2023** | - | **463.00** | **260.46** | **4,866.65** | **52.07** | **44.66** | **60.62** | **142.25** | **5,889.71** |
| Add: Depreciation charge for the year | | 6.24 | 152.90 | 1,033.52 | 16.23 | 36.39 | 24.86 | 104.96 | 1,375.10 |
| Less: Disposals/(adjustments) during the year | | (469.24) | 469.24 | (88.51) | - | (15.37) | (1.14) | (11.13) | (116.15) |
| **Balance as at March 31, 2024** | - | - | **882.60** | **5,811.66** | **68.30** | **65.68** | **84.34** | **236.08** | **7,148.66** |
| Add: Depreciation charge for the year | - | 41.93 | 178.50 | 1,346.51 | 18.02 | 36.79 | 24.77 | 96.47 | 1,742.99 |
| Less: Disposals/(adjustments) during the year | - | 0.28 | (0.28) | (116.23) | - | (46.23) | (28.52) | (14.14) | (205.12) |
| **Balance as at March 31, 2025** | - | **42.21** | **1,060.82** | **7,041.94** | **86.32** | **56.24** | **80.59** | **318.41** | **8,686.53** |
| **Net carrying amount** | | | | | | | | | |
| **As at March 31, 2024** | **2,742.67** | - | **3,455.92** | **16,772.26** | **110.18** | **228.06** | **79.09** | **214.87** | **23,603.05** |
| **As at March 31, 2025** | **2,893.64** | **434.72** | **4,008.03** | **25,173.28** | **128.73** | **193.91** | **97.67** | **150.40** | **33,080.38** |

**Note :**

a) Refer note 22 and 23 for property, plant and equipment pledged/ hypothecated as security for borrowing by the company.

b) During the year ended March 31, 2024, the management has reassessed useful life of plant and machineries based on technical evaluation carried at by management expert which is higher than as specified by Schedule II to the Companies Act , 2013,in order to reflect the actual usage of the assets. This has resulted in decrease in depreciation expenses during the year ended March 31, 2024 by ₹ 360.80 lakhs.

c) Refer note 66 for acquisition of land during the year ended March 31, 2024

d) The Company has not revalued its property,plant and equipment as on each reporting period and therfore schedule III disclosure with respect to fair value details is not applicable.

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 5 Capital work in progress

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 4,947.01 | 477.06 |
| Add: Addition made during the year | 8,015.26 | 5,524.15 |
| less: Allocated to Property Plant and Equipment during the year | (10,205.31) | (1,054.20) |
| | **2,756.96** | **4,947.01** |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance at the beginning of the period | 1,261.52 | - |
| Employee benefit expenses | 686.03 | 933.12 |
| Contract Labour Charges | - | 114.19 |
| Finance cost | 271.61 | 222.58 |
| Other Expenses | 224.95 | 15.87 |
| **Total** | **2,444.11** | **1,285.76** |
| less: Allocated to property plant and equipment | (1,114.94) | (24.24) |
| **Closing balance of pre-operative expenses included under Capital Work in progress** | **1,329.17** | **1,261.52** |

**Ageing schedule of CWIP as at March 31, 2025:**

| 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 | 1,952.88 | 756.24 | 47.84 | - | **2,756.96** |
| Projects temporarily suspended | - | - | - | - | |

**Ageing schedule of CWIP as at March 31, 2024:**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 4,742.94 | 204.07 | - | - | **4,947.01** |
| Projects temporarily suspended | - | - | - | - | |

**Note:**
Project execution plans are modulated on an annual basis following a detailed assessment of requirements. All projects are undertaken in accordance with a rolling annual plan.

## 6 Intangible assets

| Particulars | Computar Software | Total |
|---|---|---|
| **At Deemod cost** | | |
| **Gross carrying amount** | | |
| **Balance as at April 1, 2023** | 296.00 | 296.00 |
| Add: Additions during the year | 51.92 | 51.92 |
| Less: Disposals/(adjustments) during the year | (1.34) | (1.34) |
| **Balance as at March 31, 2024** | **346.58** | **346.58** |
| Add: Additions during the year | 17.11 | 17.11 |
| Less: Disposals/(adjustments) during the year | - | - |
| **Balance as at March 31, 2025** | **363.69** | **363.69** |
| **Accumulated amortisation** | | |
| **Balance as at April 1, 2023** | **64.16** | **64.16** |
| Add: Amortisation charge for the year | 57.80 | 57.80 |
| Less: Disposals/(adjustments) during the year | (1.29) | (1.29) |
| **Balance as at March 31, 2024** | **120.67** | **120.67** |
| Add: Amortisation charge for the year | 62.75 | 62.75 |
| Less: Disposals/(adjustments) during the year | - | - |
| **Balance as at March 31, 2025** | **183.42** | **183.42** |
| **Net carrying amount** | | |
| **As at March 31, 2024** | **225.91** | **225.91** |
| **As at March 31, 2025** | **180.27** | **180.27** |

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 7 Intangible assets under development (IAUD)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 1.34 | - |
| Add: Addition made during the year | 94.19 | 1.34 |
| Less: (Disposals)/adjustments during the year | - | - |
| **Balance at the end of the year** | **95.53** | **1.34** |

**Ageing schedule of intangible assets under development as at March 31, 2025:**

| 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 | 94.19 | 1.34 | - | - | **95.53** |
| Projects temporarily suspended | - | - | - | - | |

**Ageing schedule of intangible assets under development as at March 31, 2024:**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1.34 | - | - | - | **1.34** |
| Projects temporarily suspended | - | - | - | - | |

**Note:**
Project execution plans are modulated on an annual basis following a detailed assessment of requirements. All projects are undertaken in accordance with a rolling annual plan.

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 8 Right of use assets

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

| Particulars | Lease hold building | Lease hold land | Total |
|---|---|---|---|
| **Balance as on April 1, 2023** | **-** | **1,149.70** | **1,149.70** |
| Additions | 790.66 | - | 790.66 |
| Derecognition of right of use assets# | - | (1,132.73) | (1,132.73) |
| **Balance as on March 31, 2024** | **790.66** | **16.97** | **807.63** |
| Additions | - | - | - |
| Derecognition of right of use assets | - | - | - |
| **Balance as on March 31, 2025** | **790.66** | **16.97** | **807.63** |
| | | | |
| **Accumulated deprecation** | | | |
| **Balance as on April 1, 2023** | **-** | **130.24** | **130.24** |
| Charge for the year | - | 56.50 | 56.50 |
| Derecognition of right of use assets# | - | (169.77) | (169.77) |
| Adjustment | 14.64 | - | 14.64 |
| **Balance as on March 31, 2024** | **14.64** | **16.97** | **31.61** |
| Charge for the year | 87.85 | - | 87.85 |
| Derecognition of right of use assets | - | - | - |
| **Balance as on March 31, 2025** | **102.49** | **16.97** | **119.46** |
| | | | |
| **Carrying amount** | | | |
| **As at March 31, 2024** | **776.02** | **-** | **776.02** |
| **As at March 31, 2025** | **688.17** | **-** | **688.17** |

## 9 Lease liabilities

The following is the movement in lease liabilities during the year

| Particulars | Lease hold building | Lease hold land | Total |
|---|---|---|---|
| **Balance as at April 1, 2023** | **-** | **1,229.76** | **1,229.76** |
| Additions | 790.66 | - | 790.66 |
| Finance cost accrued during the year | 11.90 | 56.25 | 68.15 |
| Lease rent payable / paid | - | (217.94) | (217.94) |
| Reversal of Lease liability# | - | (1,068.07) | (1,068.07) |
| **Balance as at March 31, 2024** | **802.56** | **-** | **802.56** |
| Additions | - | | - |
| Finance cost accrued during the year | 70.96 | | 70.96 |
| Lease rent payable / paid | (94.02) | | (94.02) |
| Adjustment | - | | - |
| **Balance as at March 31, 2025** | **779.50** | **-** | **779.50** |

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

| Particulars | Current | Non - current |
|---|---|---|
| **As at March 31, 2024** | 33.25 | 769.31 |
| **As at March 31, 2025** | 48.00 | 731.50 |

**Others Disclosures :-**

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Depreciation expense on right-of-use assets (Refer note 36) | 87.85 | 56.50 |
| Interest expense on lease liabilities (Refer note 35) | 70.96 | 56.25 |
| Expense relating to short-term leases (Refer note 38) | 205.33 | 165.68 |
| Total Cash outflow for leases | 94.02 | - |

**Note**
#Refer Note 66.

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***(Amount in ₹ lakhs, unless otherwise stated)***

**10 Investment in subsidiaries and other investments**

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| | **Non- Current** | | |
| **I)** | **Investments in equity shares of Subsidiaries - (unquoted)-Valued at amortised Cost** | | |
| a) | Hero Motors Thai Limited<br>589,998 equity shares (March 31, 2024: 589,998) of THB 100 each fully paid up | 1,418.93 | 1,418.93 |
| b) | Hewland Engineering Limited<br>10,513 equity shares (March 31, 2024: 10,513) of GBP 1 each fully paid up | 10.08 | 10.08 |
| c) | HYM Drive Systems Private Limited<br>288,00,000 equity shares (March 31, 2024: 288,00,000) of ₹ 10 each fully paid up | 2,880.00 | 2,880.00 |
| d) | Hero EDU Systems Private Limited*<br>1,75,00,000 equity shares (March 31, 2024: 1000,000) of ₹ 10 each fully paid up | 1750.00 | 100.00 |
| e) | Spur Technologies Private Limited**<br>396,10,000 equity shares (March 31, 2024: 308,10,000) of ₹ 10 each fully paid up | 3800.24 | 2,920.24 |
| | | **9,859.25** | **7,329.25** |

* During the year, the company have been alloted 1,65,00,000 shares of face value ₹ 10 each through right issue.

** During the year the company have been alloted 88,00,000 shares of face value ₹ 10 each through right issue.During the previous year the company had acquired 1,11,09,990 shares of face value ₹ 10 @ ₹8.55 from Hero Cycle Limited and further 1,97,00,000 shares @ ₹ 10 have been alloted through right issue .

**Note:**

**Investement in subsidiary :**

**a) Hero EDU Systems Private Limited :**

The company ventured into the electric drive unit ("EDU") segment for micro-mobility under the 'ESYNC' brand. EDUs are integrated systems with motor, battery and controller as key components and have major impact on the overall performance and functionalities of the end-applications such as e-bikes or electric two-wheelers and has Intangible capitalised of ₹1,021.84 and Intangible assets under development (IAUD) of ₹ 2,186.49.The net worth of the company as at March 31, 2025 is ₹ 1641.14 (March 31, 2024 ₹ 91.72).

The Company has got confirmed orders for certain products which has been developed and is in process of obtaining orders from the market for remaining projects.

The company expects to generate revenue and profit starting financial year 2025-26 and thus investment has been considered to be good and recoverable.

**b) HYM Drive Systems Private Limited :**

A Joint Venture company with Yamaha Motors Japan. focuses in design, validation, and production of motors for two-wheelers. The facility features latest and advanced motor assembly line built as per Japanese standards, along with in-house motor winding and comprehensive end-of-line testing, equipped with the [ODIN] software system to ensure 100% traceability and has intangible capitalised of ₹202.81 and Intangible assets under development (IAUD) of ₹ 145.38.The net worth of the company as at March 31, 2025 is ₹ 2,112.38 (March 31, 2024 ₹ 2,761.35)

The Company has got confirmed orders for certain products which has been developed and is in process of obtaining orders from the market for remaing projects.

The company expects to generate revenue and profit starting financial year 2025-26 and thus investment is considered to be good and recoverable.

**c) Hero Motors Thai Limited :**

The Company has advanced gearbox assembly manufacturing facility in Samut Prakan, Thailand in 2023 to cater to the growing ASEAN region and globel internal combustion engine ("ICE") and EV markets.

Investment is considered to he good and recoverable and the net worth of the company as at March 31, 2025 is ₹ 1,586.00 (March 31, 2024 ₹ 1,406.72)

**d) Spur Technologies Private Limited :**

The Company has been engaged in Manufacturing components for high-end bikes and e-bikes.

Investment is considered to be good and recoverable and the net worth of the company as at March 31, 2025 is ₹ 3,008.41 (March 31, 2024 ₹ 2,264.80)

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***(Amount in ₹ lakhs, unless otherwise stated)***

| | | | |
|---|---|---|---|
| **II)** | **Investment in other equity instruments** | | |
| | **(valued at fair value through OCI)** | | |
| a) | AMP Solar Urja Private Limited<br>1,51,200 equity shares (March 31, 2024: 1,51,200) of ₹ 10 each fully paid up | 15.12 | 15.12 |
| b) | AMP Energy Green Thirteen Private Limited<br>1,44,000 equity shares (March 31, 2024: Nil) of ₹ 10 each fully paid up | 14.40 | - |
| **III)** | **Investments in debenture of others - (unquoted)**<br>**(valued at fair value through OCI)** | | |
| a) | AMP Solar Urja Private Limited<br>13,608 Debentures (March 31, 2024: 13,608) of ₹ 1,000 each fully paid up | 136.08 | 136.08 |
| b) | AMP Energy Green Thirteen Private Limited<br>12,960 Debentures (March 31, 2024: Nil) of ₹ 1,000 each fully paid up | 129.60 | - |
| | These Compulsory convertible debenture shall be entitled to Interest at rate of 0.01% p.a. Interest shall be due and receivables at the end of every financial year. | | |
| | | **295.20** | **151.20** |
| | **Grand Total** | **10,154.45** | **7,480.45** |
| | i) Aggregate value of unquoted investments | 10,154.45 | 7,480.45 |
| | ii) Aggregate value of unquoted investments (net of impairment) | 10,154.45 | 7,480.45 |

Movement during the year in subsidiary investments :

| **Name of Company** | **Proportion (%) of equity interest As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| **Subsidiary** | | |
| Hero Motors Thai Limited | 100.00% | 100.00% |
| Hewland Engineering Limited | 51.00% | 51.00% |
| HYM Drive Systems Private Limited | 90.00% | 90.00% |
| Hero EDU Systems Private Limited | 100.00% | 100.00% |
| Spur Technologies Private Limited | 100.00% | 100.00% |

**11 Investment Others**

**Current Investments**

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| **Investments in Mutual funds measured at Fair Value through Profit and Loss** | | |
| **Quoted Investments** | | |
| Aditya Birla Sun Life Liquid Fund | 107.95 | 479.45 |
| 19,746.73 Units (March 31, 2024 : 123,036.20 Units) market linked Mutual Fund | | |
| HDFC Liquid Fund | - | 188.11 |
| Nil (March 31, 2024 : 24,496.84 Units) market linked Mutual Fund | | |
| Invesco India Arbitrage Fund - Direct Plan Growth | 108.07 | - |
| 3,18,689.11 Units (March 31, 2024 : Nil) market linked Mutual Fund | | |
| | **216.02** | **667.56** |
| a) Aggregate book value of quoted investments | 216.02 | 667.56 |
| b) Aggregate market value of quoted investments | 216.02 | 667.56 |
| c) The number of units in note above represents absolute numbers. | | |

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## 12 Loans measured at amortized cost

(Unsecured, considered good unless otherwise stated)

| Particulars | Non - Current As at March 31, 2025 | Non - Current As at March 31, 2024 | Current As at March 31, 2025 | Current As at March 31, 2024 |
|---|---|---|---|---|
| Loans to employees | | | | |
| Loans receivables considered good – Unsecured | 136.32 | 131.07 | 111.35 | 60.19 |
| Loans to Subsidiaries (Refer Note No. 43 and below note 'b', 'c' and 'd') | | | | |
| Hero Motors Thai Limited | 85.73 | 4,398.54 | 2,609.99 | 1,014.15 |
| Hewland Engineering Limited | 686.21 | 1,907.22 | 84.69 | 531.62 |
| Hero EDU Systems Private Limited | 1,323.75 | 1,020.83 | 441.25 | 204.17 |
| HYM Drive Systems Private Limited | 1,170.00 | 538.33 | 390.00 | 107.67 |
| | **3,402.01** | **7,995.99** | **3,637.28** | **1,917.80** |

a) The Company has no outstanding loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 46)

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

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

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

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

## 13 Other financial assets

| Particulars | Non - Current As at March 31, 2025 | Non - Current As at March 31, 2024 | Current As at March 31, 2025 | Current As at March 31, 2024 |
|---|---|---|---|---|
| **Unsecured, considered good unless specified** | | | | |
| **At Amortized Cost** | | | | |
| **I. Interest accrued but not due** | | | | |
| - Margin Money * | - | 251.69 | 96.43 | - |
| - Loan to Subsidiary | 240.86 | 616.57 | 695.37 | 245.42 |
| **ii.Ioterest accrued and due on Deposit** | | | | |
| - On security deposit | - | 3.86 | 14.64 | - |
| **iii.Others** | | | | |
| Balance with Banks: | | | | |
| In Deposit Accounts (with remaining maturity of less than twelve months)(refer note Below) | - | - | 60.04 | 154.93 |
| Security deposits -Others(Electricity and others) | 372.72 | 396.04 | - | - |
| Receivables from related party | - | - | 752.07 | 394.39 |
| Other Receivables | - | - | 1,329.22 | 1,230.87 |
| **At Fair Value through Profit and Loss** | | | | |
| Forward Contract Receivable | - | - | 59.47 | 32.63 |
| | **613.58** | **1,268.16** | **3,007.24** | **2,058.24** |

Note:
1. Balances with Banks held as Margin Money Deposits against Bank Guarantee and Letter of Credit issued by Axis Bank.
2. There is no loss allowance in relation to any outstanding balance and no loss allowance has been recognised during the year in respect to receivables from related party.

* Includes ₹ 35.95 lakhs (March 31, 2024 ₹ 34.91 lakhs) against lien for fund based / non fund based working capital facility with Kotak Mahindra Bank, Axis Bank and State Bank of India ₹ 60.48 lakhs (March 31,2024 ₹ 216.78 lakhs) against non-lien Margin money.

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## 14 Non current tax asset (Net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Advance Income Tax | 1,251.39 | 903.50 |
| (Net of provision of ₹ 1,971.25 lakhs (March 31, 2024 ₹ 1,465.00 lakhs) | | |
| | **1,251.39** | **903.50** |

## 15 Other assets

| Particulars | Non - Current As at March 31, 2025 | Non - Current As at March 31, 2024 | Current As at March 31, 2025 | Current As at March 31, 2024 |
|---|---|---|---|---|
| (Unsecured, considered good, unless otherwise stated) | | | | |
| (i) Capital Advances (Refer Note No. 41) | 614.51 | 1,595.20 | - | - |
| | **614.51** | **1,595.20** | - | - |
| (ii) Balances with Government Authorities | | | | |
| Goods and service tax receivables | - | - | 131.51 | 422.91 |
| Amount deposit under protest | - | - | - | - |
| | - | - | **131.51** | **422.91** |
| (iii) Others | | | | |
| Export incentive receivable | - | - | 330.82 | 200.69 |
| Prepaid expenses | - | - | 141.85 | 269.96 |
| Share issue expenses recoverable* | | | 1,260.75 | 232.00 |
| Advances recoverable in cash or kind | - | - | 32.55 | 19.97 |
| Advances to suppliers | - | - | 627.75 | 420.08 |
| Advances to related party (Refer note 22) | | | - | 1,667.00 |
| | - | - | **2,393.72** | **2,809.70** |
| | **614.51** | **1,595.20** | **2,525.23** | **3,232.61** |

*The Company incurred and recognised expenses towards proposed Initial Public Offering of its equity shares based on the invoices accounted for the year ended March 31, 2025 and March 31, 2024. The Company expects to recover certain amounts from the selling share holders and the balance amount would be netted -off to securities premium account in accordance with Section 52 of the Companies Act, 2013 on issue of shares (Refer note- 67).

## 16 Inventories
**(Valued at lower of cost or realisable value)**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Raw materials (Refer note i (a) below) | 3,521.50 | 2,911.52 |
| Work in progress (WIP) | 2,331.07 | 2,855.38 |
| Finished goods (Refer note i (b) below) | 6,231.19 | 6,432.29 |
| Stores and spares | 1,922.15 | 1,649.21 |
| Scrap | 27.50 | 46.97 |
| **Total** | **14,033.41** | **13,895.37** |
| **Notes:** | | |
| (i)Includes goods in transit: | | |
| (a) Raw material | 184.77 | 69.83 |
| (b) Finished goods | 5,173.06 | 5,078.95 |
| | **5,357.83** | **5,148.78** |

## 17 Trade receivables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Unsecured Considered good - others | 18,003.38 | 17,731.38 |
| Unsecured- Credit Impaired | - | - |
| Less: Allowance for receivables (credit impaired) | - | - |
| **Total** | **18,003.38** | **17,731.38** |

**Notes :**

*Refer note 43 for receivables from related parties.

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

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

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

| Particulars | Type of Customer | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Customer A | Domestic | 6,047.60 | 8,114.58 |
| Customer B | Export | 2,961.67 | - |

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

The Company's exposure to credit and current risk and loss allowance related to trade receivables are disclosed in Note 45.

**(Amount in ₹ lakhs, unless otherwise stated)**

a) Trade receivables ageing schedule as at March 31, 2025:

| Particulars | Outstanding for following periods from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months* | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 17,361.38 | 10.90 | 8.49 | 622.61 | | **18,003.38** |
| (ii) Undisputed Trade Receivables -which have significant increase in credit risk | | | | | | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Dispute Trade Receivables- considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables -which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Allowances for expected credit loss | - | - | - | - | - | - |
| **Net Trade receivables** | **17,361.38** | **10.90** | **8.49** | **622.61** | **-** | **18,003.38** |

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

| Particulars | Outstanding for following periods from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months* | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 17,059.75 | 43.27 | 628.36 | | - | **17,731.38** |
| (ii) Undisputed Trade Receivables -which have significant increase in credit risk | | | | | | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Dispute Trade Receivables- considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables -which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Allowances for expected credit loss | - | - | - | - | - | - |
| **Net Trade receivables** | **17,059.75** | **43.27** | **628.36** | **-** | **-** | **17,731.38** |

* Includes unbilled and not due.

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

| **i) The movement in the allowance for expected credit loss allowance is as follows:** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| **Balance as at beginning of the year** | - | - |
| Loss allowances during the year | - | - |
| Trade receivables written off / written back during the year | - | - |
| **Balance as at the end of the year** | - | |

a) Trade receivables from domestic customers are generally on terms of 45- 60 days (March 31, 2024: 45-60 days).
b) Trade receivables from export customers are generally on terms of 30-75 days (March 31, 2024: 30-90 days).
c) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

**18 Cash and cash equivalents**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balances with banks: | | |
| - Current account | 495.78 | 915.06 |
| - Deposits with original maturity of less than 3 months (Refer Note 'b' below) | 250.00 | 2,000.00 |
| Cash in hand | 0.30 | 0.25 |
| | **746.08** | **2,915.31** |

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

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

**19 Bank balances other than cash & cash equivalents**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deposits with original maturity of more than 3 months but less than 12 months(Refer notes below) * | 3,800.00 | 4,600.00 |
| | **3,800.00** | **4,600.00** |

**Note :**

* The above deposits includes ₹ 2,000.00 lakhs (March 31, 2024 : ₹ 2,000.00 lakhs ) on which lien is marked on over draft facility obtained from kotak bank .

| **20 Equity share capital** | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised Share capital** | | |
| 58,00,00,000 shares (March 31, 2024: 38,00,00,000) Equity Shares of Rs. 10 each* | 58,000.00 | 38,000.00 |
| | **58,000.00** | **38,000.00** |
| **Issued, subscribed and fully paid up share capital** | | |
| 357,384,491 (March 31, 2024: 353,578,380) Equity Shares of Rs. 10 each* | 35,738.45 | 35,357.84 |
| | **35,738.45** | **35,357.84** |

**a) Reconciliation of issued and subscribed share capital:**

| Particulars | No. of Shares* | Amount |
|---|---|---|
| **Balance as at April 1, 2023** | 35,35,78,380 | 35,357.84 |
| Add: Shares issued during the year | - | - |
| **Balance as at March 31, 2024** | **35,35,78,380** | **35,357.84** |
| Add: Shares issued during the year | 38,06,111 | 380.61 |
| **Balance as at March 31, 2025** | **35,73,84,491** | **35,738.45** |

**b) Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and will rank peri passu with each other in all respect. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **Name of Share Holder** | **No. of Shares*** | **Holding %** | **No. of Shares*** | **Holding %** |
| Pankaj Munjal on behalf of OP Munjal Holding | 27,31,23,055 | 76.42% | 27,31,23,055 | 77.25% |
| South Asia Growth Invest LLC | 2,59,47,024 | 7.26% | 2,59,47,024 | 7.34% |
| Bhagyoday Investments Private limited | 2,39,78,804 | 6.71% | 2,39,78,804 | 6.78% |

** Number of Shares are given in absolute numbers.*

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**d) Details of Promoter's Shareholding:**

| Promoter's Name | As at March 31, 2025 | | As at March 31, 2024 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares* | % of total shares | No. of Shares* | % of total shares | |
| Pankaj Munjal on behalf of OP Munjal Holding | 27,31,23,055 | 76.42% | 27,31,23,055 | 77.25% | -0.83% |
| Pankaj Munjal | 94,00,047 | 2.63% | 94,00,047 | 2.66% | -0.03% |
| Charu Munjal | 9,42,425 | 0.26% | 9,42,425 | 0.27% | -0.01% |
| Abhishek Munjal | 7,06,210 | 0.20% | 7,06,210 | 0.20% | 0.00% |

Note : Promoters refers to promoter as defined under Companies act,2013.

**e) Movement of share holding pattern during the year :**

| Type of capital | | As at March 31, 2024 | | Addition | | Deletion | | As at March 31, 2025 | |
|---|---|---|---|---|---|---|---|---|---|
| Name Of Share Holder | Share Price | No of share* | Amount in lakhs | No of share* | Amount in lakhs | No of share* | Amount in lakhs | No of share* | Amount in lakhs |
| Equity Share holder | | | | | | | | | |
| Pankaj Munjal on behalf of OP Munjal Holding | 10 | 27,31,23,055 | 27,312.31 | - | - | - | - | 27,31,23,055 | 27,312.31 |
| South Asia Growth Invest LLC | 10 | 2,59,47,024 | 2,594.70 | - | - | - | - | 2,59,47,024 | 2,594.70 |
| Bhagyoday Investments P. Ltd. | 10 | 2,39,78,804 | 2,397.88 | - | - | - | - | 2,39,78,804 | 2,397.88 |
| Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP | 10 | 1,05,37,140 | 1,053.71 | - | - | - | - | 1,05,37,140 | 1,053.71 |
| Pankaj Munjal # | 10 | 94,00,047 | 940.00 | 389 | 0.04 | - | - | 94,00,436 | 940.04 |
| Hero Cycles Limited ** | 10 | 77,52,750 | 775.28 | - | - | - | - | 77,52,750 | 775.28 |
| Smt. Sudarshan Kumari Munjal # | 10 | 2,43,163 | 24.32 | | | (2,43,163) | (24.32) | - | - |
| Charu Munjal | 10 | 9,42,425 | 94.24 | - | - | | | 9,42,425 | 94.24 |
| Aditya Munjal | 10 | 7,07,022 | 70.70 | - | - | - | - | 7,07,022 | 70.70 |
| Abhishek Munjal | 10 | 7,06,210 | 70.62 | - | - | - | - | 7,06,210 | 70.62 |
| Pankaj Munjal on behalf of Munjal Sales Corporation # | 10 | 1,49,359 | 14.94 | 2,42,985 | 24.30 | - | - | 3,92,344 | 39.24 |
| Munjal sales corporation ## | 10 | 211 | 0.02 | - | - | (211) | (0.02) | - | - |
| Orbis Trusteeship Services Private Limited on behalf of South Asia EBT Trust | 10 | 87,110 | 8.71 | - | - | - | - | 87,110 | 8.71 |
| Amit Gupta | 10 | - | - | 38,06,111 | 380.61 | (8,50,000) | (85.00) | 29,56,111 | 295.61 |
| Others | 10 | 4,060 | 0.41 | 8,50,000 | 85.00 | - | - | 8,54,060 | 85.41 |
| **Total** | | **35,35,78,380** | **35,357.84** | **48,99,485** | **489.95** | **(10,93,374)** | **(109.34)** | **35,73,84,491** | **35,738.45** |

# 2,42,774 shares appearing in the name of Smt. Sudarshan Kumari Munjal in individual category as at March 31, 2024 be represented as "Smt. Sudarshan Kumari Munjal as Partner of Munjal Sales Corporation" has now been rectified and post demise of Smt. Sudarshan Kumari Munjal same was transferred in the name of Pankaj Munjal on behalf of Munjal Sales Corporation as at March 31, 2025
#389 shares which were appearing in the name of Smt. Sudarshan Kumari Munjal were transferred in the name of Pankaj Munjal by way of transmission of shares post demise of Smt. Sudarshan Kumari Munjal.

## 211 shares appearing in the name of Munjal sales corporation are rectifed and transfered to the name of Pankaj Munjal on behalf of Munjal Sales Corporation due to both being the same entity.

**Movement of share holding pattern during the year ended March 31, 2024 :**

| Type of capital | | As at March 31, 2023 | | Addition | | Deletion | | As at March 31, 2024 | |
|---|---|---|---|---|---|---|---|---|---|
| **Name Of Share Holder** | **Share Price** | **No of share*** | **Amount in lakhs** | **No of share*** | **Amount in lakhs** | **No of share*** | **Amount in lakhs** | **No of share*** | **Amount in lakhs** |
| Equity Share holder | | | | | | | | | |
| Pankaj Munjal on behalf of OP Munjal Holding | 10 | 27,31,23,055 | 27,312.31 | - | - | - | - | 27,31,23,055 | 27,312.31 |
| South Asia Growth Invest LLC | 10 | 2,59,47,024 | 2,594.70 | - | - | - | - | 2,59,47,024 | 2,594.70 |
| Bhagyoday Investments P. Ltd. | 10 | 2,39,78,804 | 2,397.88 | - | - | - | - | 2,39,78,804 | 2,397.88 |
| Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP | 10 | 1,05,37,140 | 1,053.71 | - | - | - | - | 1,05,37,140 | 1,053.71 |
| Pankaj Munjal | 10 | 94,00,047 | 940.00 | - | - | - | - | 94,00,047 | 940.00 |
| Hero Cycles Limited** | 10 | 77,52,750 | 775.28 | - | - | - | - | 77,52,750 | 775.28 |
| Charu Munjal | 10 | 9,42,425 | 94.24 | - | - | - | - | 9,42,425 | 94.24 |
| Aditya Munjal | 10 | 7,07,022 | 70.70 | - | - | - | - | 7,07,022 | 70.70 |
| Abhishek Munjal | 10 | 7,06,210 | 70.62 | - | - | - | - | 7,06,210 | 70.62 |
| Smt. Sudarshan Kumari Munjal | 10 | 2,43,163 | 24.32 | - | - | - | - | 2,43,163 | 24.32 |
| Pankaj Munjal on behalf of Munjal Sales Corporation | 10 | 1,49,359 | 14.94 | - | - | - | - | 1,49,359 | 14.94 |
| South Asia EBT Trust | 10 | 87,110 | 8.71 | - | - | - | - | 87,110 | 8.71 |
| Others | 10 | 4,271 | 0.43 | | | | | 4,271 | 0.43 |
| **Total** | | **35,35,78,380** | **35,357.84** | - | - | - | - | **35,35,78,380** | **35,357.84** |

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

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

g) **Pursuant to the Scheme of arrangement between Hero Cycles Limited, our Company and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Chandigarh bench vide its order November 4, 2022, Hero Cycles Limited is the legal and beneficial owner of 95 Equity Shares held by 12 shareholders who are appearing on the BENPOS statement of the Company as on March 31, 2025, on account of rejection of corporate action for transfer of the Equity Shares from the accounts of the 12 shareholders to Hero Cycles Limited due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective depositories or otherwise.

** Number of Shares are given in absolute numbers.*

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***(Amount in ₹ lakhs, unless otherwise stated)***

**21 Other equity**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **a. Securities premium:** | | |
| Balance at the beginning of financial year | 55,439.61 | 55,439.61 |
| Add: Share based payment reserve on shares excercised transferred to Security Premium | 2,319.06 | - |
| **Balance at the end of financial year** | **57,758.67** | **55,439.61** |
| | | |
| **b. CCPS classified as Equity:** | | |
| Balance at the beginning of financial year | 2,097.19 | 2,097.19 |
| Add: Issue of Non-cumulative Compulsory convertible preference shares | - | - |
| **Balance at the end of financial year** | **2,097.19** | **2,097.19** |
| | | |
| **c. Share-based payment reserve** | | |
| Balance at the beginning of financial year | 5,281.15 | 1,334.98 |
| Add: Credit to equity for equity-settled share-based payments | 1,481.65 | 3,946.17 |
| Less: Share based payment reserve on shares excercised transferred to security premium | (2,319.06) | - |
| **Balance at the end of financial year** | **4,443.74** | **5,281.15** |
| | | |
| **d. Retained earnings** | | |
| Balance at the baginning of financial year | 17,642.79 | 16,611.27 |
| Add: Profit for the year | 2,361.04 | 1,896.99 |
| Add: Remeasurement of defined benefit obligations(net of tax) | (22.78) | 70.23 |
| Less: Payment of dividend (Refer note 62) | (942.05) | (935.70) |
| **Balance at the end of financial year** | **19,039.00** | **17,642.79** |
| | | |
| **e. Demerger adjustment deficit account** | | |
| Balance at the beginning of financial year | (75,279.98) | (75,279.98) |
| Add: Change during the year | - | - |
| **Balance at the end of financial year** | **(75,279.98)** | **(75,279.98)** |
| | | |
| **Total other equity (a+b+c+d+e)** | **8,058.62** | **5,180.76** |

**Notes:**

i) For Movement during the year in other equity, refer "Statement of changes in equity".

ii) The description of the nature and purpose of each reserves within equity is as follows:

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

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

c) **Retained earnings:**
Retained earnings represents the undistributed profits of the Company.

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***(Amount in ₹ lakhs, unless otherwise stated)***

d) **Demerger adjustment deficit account**

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

e) **Preference Share Capital**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised Compulsorily Preference Share Capital** | | |
| Non Cumulative Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each 9,95,00,000 | 9,950.00 | 9,950.00 |
| | **9,950.00** | **9,950.00** |
| **Issued, subscribed and fully paid up** | | |
| Non Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each 2,09,71,941 of ₹ 10 each^ | 2,097.19 | 2,097.19 |
| | **2,097.19** | **2,097.19** |

^During the year ended March 31, 2023, the Company has issued 2,09,71,941 Non Cumulative Compulsory Convertible Preference Share @ ₹ 69.13 (face value ₹ 10 each) convertible in to equity shares in the ratio of 1:1 each. The details of CCPS holders as at March 31, 2025 and March 31, 2024 is as under:

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **Name Of Share Holder** | **Number of Shares** | **Amount** | **Number of Shares** | **Amount** |
| South Asia Growth Invest LLC | 2,09,08,283 | 2,090.83 | 2,09,08,283 | 2,090.83 |
| South Asia EBT Trust | 63,658 | 6.37 | 63,658 | 6.37 |
| **Total** | **2,09,71,941** | **2,097.20** | **2,09,71,941** | **2,097.20** |

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

CCPS would be compulsorily converted into 2,09,71,941 number of equity shares as agreed between the company and CCPS holders at the option of the CCPS holders at any time after the date of allotment of CCPS but not later than 5 years from the date of allotment.

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

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

The holders of CCPS –

a) carry a pre-determined non-cumulative dividend rate of 0.0001% per annum in priority to any dividend on the Equity shares.

b) carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital during winding up.

c) Each CCPS shall entitle the holder to such voting rights that such holder would have been entitled to exercise if such CCPS had been converted into Equity Shares in accordance with these terms prior to the date of such general meeting.

d) The CCPS shall be participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

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## 22 Non Current Borrowing - At Amortised Cost

| Particulars | Represents Non - Current part long term borrowing As at March 31, 2025 | Represents Non - Current part long term borrowing As at March 31, 2024 | Represents Current part long term borrowing As at March 31, 2025 | Represents Current part long term borrowing As at March 31, 2024 |
|---|---|---|---|---|
| **Secured** | | | | |
| (a) Term loan from bank | 7,397.19 | 5,231.37 | 2,902.46 | 970.88 |
| (b) External commercial borrowing (ECB) | 1,508.63 | 2,208.15 | 754.32 | 736.05 |
| (c) Redeemable non-convertible debenture | - | - | - | 1,667.00 |
| | **8,905.82** | **7,439.52** | **3,656.78** | **3,373.93** |
| Less: Amount disclosed under other financial liabilities as 'Current Borrowings' (refer note 23) | - | - | 3,656.78 | 3,373.93 |
| | **8,905.82** | **7,439.52** | **-** | **-** |

**Security**

(i) The term loan and external commercial borrowing mentioned in (a) and (b) have been secured by first pari pasu charge on all movable fixed assets of Ghaziabad plant.

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

**Terms of Repayment**

| Maturity profile of secured term loans is as set out below : | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Beyond 2029-30 |
|---|---|---|---|---|---|
| (i) Term loan from banks are repayable in quarterly instalments | 2,902.46 | 2,902.46 | 2,630.71 | 1,864.02 | - |
| (ii) External Commercial Borrowings | 754.32 | 754.32 | 754.31 | - | - |

**Notes :**

1. The rate of interest for term loan from Axis bank is (Repo rate +2.10% spread) i.e. 8.60% p.a.
2. The rate of interest for term loan from Kotak mahindra bank is Repo+ 2.15% spread i.e. 8.65% p.a
3. The rate of interest for term loan from ICICI Bank Limited is 3M MCLR+ 0.00% spread i.e. 8.65% p.a .
4. The rate of interest for External commercial borrowings is 3M Secured Overnight Financing Rate + 2.75% p.a. i.e. 7.64% to 8.08% p.a. The Company have entered in to Interest rate swap @ 6.65% p.a. with Axis Bank Limited.

**Details of borrowings availed and repaid during the year :**

| Particulars | Opening | Addition | Forex Reinstatement | Repayment | As at March 31,2025 |
|---|---|---|---|---|---|
| External commercial borrowing | 2,944.20 | - | 26.87 | (708.12) | 2,262.95 |
| Non convertible debenture | 1,667.00 | - | - | (1,667.00) | - |
| Term loan | 6,202.25 | 5,128.65 | - | (1,031.25) | 10,299.65 |
| **Total** | **10,813.45** | **5,128.65** | **26.87** | **(3,406.37)** | **12,562.60** |

## 23 Current Borrowing - At Amortised Cost

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Secured** | | |
| (a) Working capital demand loan | 18,305.57 | 16,590.05 |
| (b) Current maturities of long term borrowings (Refer Note 22) | 3,656.78 | 3,373.93 |
| (c) Bank overdraft | 1,825.16 | 892.47 |
| (d) Export packing credit | - | 1,000.00 |
| | **23,787.51** | **21,856.45** |

**Note**

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Floating Rate** | | |
| Expiring Within One Year (Bank overdraft and other facilities) | 3,260.84 | 3,324.00 |
| Expiring beyond One Year (Bank loans ) | | - |
| | **3,260.84** | **3,324.00** |

**Security**

(i) The Working Capital Demand Loan and Export Packing Credit mentioned in (a) and (d) have been secured by first pari pasu charge on entire current assets of the company present and future for both Axis and Kotak Mahindra Bank.

(ii) The Bank Overdraft have been secured by FD equivalent to 100% of OD limit.

**Notes :**

1. The rate of interest for working capital demand loan from Axis Bank and Kotak Mahindra Bank ranges 7.95% - 8.25% p.a.
2. The rate of interest for Bank overdraft from Kotak Bank is term deposit+0.80% i.e. 8.10% p.a.
3. The rate of interest for export packing credit from Kotak Bank is 7.90% p.a.
4. Refer Note No. 22 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Company).

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 24 Other financial liabilities

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **At amortised cost** | | | | |
| Security deposit | 1.15 | 2.14 | - | - |
| Interest accrued but not due on borrowings | - | - | 53.02 | 42.97 |
| Creditors for capital goods | - | - | 566.29 | 662.02 |
| Payable to Related parties | - | - | 918.23 | 1,342.69 |
| Bonus / Leave Travel Allowances | - | - | 261.74 | 248.59 |
| Bill Discounting / Factoring | | | 4,181.83 | 7,568.93 |
| | **1.15** | **2.14** | **5,981.11** | **9,865.20** |

**Notes:**
a) The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 46.

## 25 Other current liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Advance from customer | 86.04 | 38.40 |
| Statutory dues | 530.09 | 559.58 |
| | **616.13** | **597.98** |

## 26 Provisions

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Provision for employee benefits** | | | | |
| Provision for compensated absences (Refer note 42) | 328.50 | 252.26 | 72.86 | 43.10 |
| Provision for gratuity (Refer note 42) | 1,698.81 | 1,467.02 | 142.98 | 156.24 |
| | **2,027.31** | **1,719.28** | **215.84** | **199.34** |

## 27 Trade payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Sundry Creditor for goods and services** | | |
| Total outstanding dues of micro and small enterprises | 2,168.51 | 1,662.59 |
| Total outstanding dues of creditors other than micro and small enterprises | 9,206.04 | 10,128.42 |
| | **11,374.55** | **11,791.01** |

**a) Trade Payables ageing schedule as at March 31, 2025:**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME (Refer Note 51) | 2,168.51 | - | - | - | **2,168.51** |
| (ii) Others | 9,179.21 | - | 26.83 | - | **9,206.04** |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues — Others | - | - | - | - | - |

Note : Unbilled included under less than 1 year.

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

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME (Refer Note 51) | 1,662.15 | 0.44 | - | - | **1,662.59** |
| (ii) Others | 10,089.76 | 38.66 | | - | **10,128.42** |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues — Others | - | - | - | - | - |

Note : Unbilled included under less than 1 year.

Note:Refer note 51 for disclosure requierd under MSMED Act,2006

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(Amount in ₹ lakhs, unless otherwise stated)

## 28 Deferred tax liabilities (Net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deferred tax liabilities | 2,133.22 | 1,535.38 |
| Deferred tax assets | 813.32 | 532.56 |
| Net deferred tax liabilities | **1,319.90** | **1,002.82** |

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Deferred tax liabilities relates to followings:** | | |
| Property, Plant and Equipment and Intangible Assets | 1,945.05 | 1,527.17 |
| Forward Contract Receivable | 14.97 | 8.21 |
| Right of use asset | 173.20 | - |
| | **2,133.22** | **1,535.38** |
| **Deferred tax Assets relates to followings:** | | |
| Employee benefit | 617.14 | 532.56 |
| Lease liability | 196.18 | - |
| | **813.32** | **532.56** |
| Deferred tax Liabilities (net) | **1,319.90** | **1,002.82** |

**Deferred tax expense relates to followings:**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Property, Plant and Equipment and Intangible Assets | (417.88) | (239.99) |
| Forward Contract Receivable | (6.76) | (13.24) |
| Right of use asset | (173.20) | (52.93) |
| Employee benefit | 76.92 | 58.87 |
| Lease liability | 196.18 | - |
| Share based payment expenses | | (335.99) |
| **Total** | **(324.74)** | **(583.28)** |

**The movement in deferred tax liabilities during the year is as follows :**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening balance** | **1,002.82** | **395.92** |
| Tax expenses recognised in profit or loss | 324.74 | 583.28 |
| Tax credit recognised in OCI | (7.66) | 23.62 |
| **Closing balance** | **1,319.90** | **1,002.82** |

## 29 Income tax recognised in Statement of profit and loss

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Current tax expense:** | | |
| Current year | 506.25 | 339.63 |
| Relating to earlier year Tax adjustment | 115.21 | (403.79) |
| **Total current tax (A)** | **621.46** | **(64.16)** |
| **Deferred tax assets/ (liabilities):** | | |
| Current year origination and reversals of temporary difference | 354.59 | 250.94 |
| Relating to earlier year Tax adjustment | (29.85) | 332.34 |
| **Deferred tax charge/ (credit) (B)** | **324.74** | **583.28** |
| **Total tax expense recognised in statement of profit and loss** | **946.20** | **519.12** |

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Income tax recognised in Other Comprehensive Income** | | |
| Income tax impact on Remeasurement of defined benefits | (7.66) | 23.62 |
| **Total Income tax recognised in Other Comprehensive Income** | **(7.66)** | **23.62** |

**Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss I**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Profit before tax** | **3,307.24** | **2,416.11** |
| Applicable income tax rate | 25.17% | 25.17% |
| **Expected Income tax expenses** | **832.37** | **608.09** |
| Adjustments: | | |
| Corporate Social Responsibility | 23.76 | 21.94 |
| Income tax related to prior years | 115.21 | (403.79) |
| Deferred Tax adjustment related to prior year | (29.85) | 332.34 |
| Others | 4.71 | (39.46) |
| **Reported Income tax expenses** | **946.20** | **519.12** |

**Notes:**

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

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 30 Revenue from operations

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Sale of product | 85,460.97 | 85,829.12 |
| Sale of Service | 2,148.95 | 1,562.04 |
| | 87,609.92 | 87,391.16 |
| **Other Operating Revenues** | | |
| - Scrap Sales | 1,703.75 | 1,368.47 |
| - Export Incentive | 473.38 | 360.25 |
| | **89,787.05** | **89,119.88** |

**a) Performance obligation**

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

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

**b) Disaggregation of revenue:**

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

| Revenue based on Geography | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| India | 62,954.76 | 61,385.43 |
| Outside India | 26,832.29 | 27,734.45 |
| **Revenue from operations** | **89,787.05** | **89,119.88** |

| Timing of revenue recognition | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Revenue recognised at point in time | 85,460.97 | 85,829.12 |
| Revenue recognised over the time | 4,326.08 | 3,290.76 |
| **Revenue from operations** | **89,787.05** | **89,119.88** |

**c) Reconciliation of revenue from operations of products with contracted price**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Contracted Price | 85,460.97 | 85,829.12 |
| Less: | | |
| Sales Returns | - | - |
| Rebate and Discount | - | - |
| | **85,460.97** | **85,829.12** |

**d) Assets and liabilities related to contract with customers**

| Particular | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Trade receivables | 18,003.38 | 17,731.38 |
| Advances from customer | 86.04 | 38.40 |

Remaining performance obligation as at the reporting date are expected to be substantially recognised over the next reporting period by the Company.

**e)Revenue recognised in relation to contract liabilities outstanding at the beginning of the year**

**Contract liabilities related to sale of services**

| Particular | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Advances from customer | 38.40 | 405.80 |

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;
- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2025 and March 31, 2024, except as disclosed in trade receivable.

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## 31 Other Income

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Interest Income** | | |
| - On bank deposits | 396.27 | 588.26 |
| - On Loan to Subsidiaries (refer note 12) | 835.40 | 633.64 |
| - Other | 58.67 | 43.01 |
| -On loan to employees (refer note 12) | 3.78 | - |
| **Other non-operating income:** | | |
| Rental income | 23.09 | 16.69 |
| Profit on sale of Property Plant Equipment | 11.64 | 3.38 |
| Profit on sale / fair valuation | 49.24 | 87.29 |
| Mark to Market Gain on Forward Contract | 26.84 | 32.63 |
| Foreign Exchange Fluctuation Gain(net) | 499.17 | 246.14 |
| Excess Provision/ Liabilities Written Back | 0.04 | 300.00 |
| Gain on derecognition of Right of use asset and lease liability# | - | 105.12 |
| Other Non Operating Income | 9.01 | - |
| | **1,913.15** | **2,056.16** |

**Note:**

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

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## 32 Cost of raw material consumed

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Raw Material** | | |
| Balance at the beginning of the Year | 2,911.52 | 4,159.07 |
| Add:- Purchases during the year | 58,241.54 | 57,646.98 |
| | 61,153.06 | 61,806.05 |
| Less:- Balance at the end of the Year | 3,521.50 | 2,911.52 |
| **Cost of materials consumed** | **57,631.56** | **58,894.53** |

## 33 Changes in inventories of finished goods, work in progress and stock in trade

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Work-in-progress | 2,855.38 | 3,128.05 |
| Finished goods | 6,432.29 | 6,431.06 |
| Scrap Stock | 46.97 | 70.56 |
| Stock in trade | - | - |
| **(A)** | **9,334.64** | **9,629.67** |
| **Inventories at the end of the year** | | |
| Work-in-progress | 2,331.07 | 2,855.38 |
| Finished goods | 6,231.19 | 6,432.29 |
| Scrap Stock | 27.50 | 46.97 |
| **(B)** | **8,589.76** | **9,334.64** |
| **(Increase) / decrease in inventory (A-B)** | **744.88** | **295.03** |

## 34 Employee benefits expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Salaries, wages & bonus | 6,686.36 | 5,675.93 |
| Contribution to provident and other fund (Refer note 42) | 547.33 | 501.80 |
| Gratuity expense (Refer note 42) | 327.64 | 304.82 |
| Compensated absences | 175.73 | 94.04 |
| Staff welfare expenses | 344.39 | 384.68 |
| Share based payment expenses (Refer Note No.37 ) | 1,481.65 | 3,946.17 |
| Director Sitting Fees | 3.70 | 1.60 |
| | **9,566.80** | **10,909.04** |

## 35 Finance costs

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Interest expense on | | |
| -term loans & working capitel facilities | 2,007.26 | 1,483.85 |
| -redeemable non convertible debentures | - | 182.11 |
| -external commercial berrowings | 169.50 | 202.48 |
| -others | 1.04 | 20.28 |
| Other borrowing cost | | |
| - Reverse discount | 231.95 | 152.77 |
| - Buyer credit | - | 5.76 |
| - Sales bill discounting | 339.17 | 354.23 |
| - Others | 77.80 | 108.89 |
| Interest expenses on lease liability | 70.96 | 56.25 |
| | **2,897.68** | **2,566.62** |

**Note :**
The company has capitalised the borrowing cost ₹ 271.61 lakhs (March 31, 2024:₹ 222.58 lakhs) .The interest rate used for capitalization ranges from 8.95% - 9.45%.

## 36 Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer note 4) | 1,742.99 | 1,375.10 |
| Amortisation of intangible assets (Refer note 6) | 62.75 | 57.80 |
| Amortisation of Right of use assets (Refer note 8) | 87.85 | 56.50 |
| | **1,893.59** | **1,489.40** |

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 37 Employee Stock option plan

**Details of Stock Option Scheme**

| Particulars | ESOP Scheme plan 2022 | | |
|---|---|---|---|
| | Option Value ₹ in absolute value | Date of Grant | Number of option Granted* |
| Tranche-1 | 60.93 | December 02, 2022 | 95,15,278 |
| Tranche-2 | 27.44 | December 30, 2022 | 49,43,511 |
| Tranche-3 | 29.97 | December 30, 2022 | 39,54,809 |
| Tranche-4 | 32.34 | March 01, 2023 | 11,54,196 |
| Tranche-5 | 16.57 | July 13, 2023 | 5,89,800 |
| Tranche-6 | 16.95 | November 17, 2023 | 1,44,975 |
| Tranche-7 | 10.96 | July 17, 2024 | 6,99,738 |
| Tranche-8 | 11.13 | December 12, 2024 | 1,06,620 |

| | |
|---|---|
| Date of Board approval of the relevant scheme | December 02, 2022 |
| Date of Shareholder's approval of the relevant scheme | December 02, 2022 |
| Date of last modification by shareholders | August 13, 2024 |
| Method of settlement (Cash/Equity) | Equity |
| Vesting Period | Minimum of 1 Year and maximum of 8 year from grant date |
| Exercise period | 10 years from the vesting date |
| Exercise price | The options are granted to eligible employees at the latest available closing price of the shares of the company prior to the grant date as per the valuation report obtained by the company |
| Vesting Condition | Vesting of options is a function of achievement of performance criteria or any other criteria as specified by the company in the grant letter, further the vesting takes place on staggered basis over the respective vesting period. |

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Expenses arising from equity - settled share based payment transactions (Refer note 34) | 1,481.65 | 3,946.17 |
| **Total expense arising from share-based payment transactions recognized in statement of profit and loss** | **1,481.65** | **3,946.17** |

**Notes:**

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

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

| Particulars | ESOP Scheme plan 2022 | | | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
| | Number of options* | Weighted Average Exercise Price (₹) | Number of options* | Weighted Average Exercise Price (₹) |
| Outstanding at the beginning of the year | 2,00,70,524 | 41.10 | 1,95,67,794 | 40.38 |
| Granted during the year | 8,06,358 | 69.14 | 7,34,775 | 68.43 |
| Forfeited during the year | (1,37,847) | 69.14 | (2,32,045) | 68.43 |
| Exercised during the year | (38,06,111) | 10.00 | - | - |
| **Outstanding at the end of the year** | **1,69,32,924** | **49.48** | **2,00,70,524** | **41.10** |
| Vested and Exercisable at the year end | 58,55,382 | | 73,75,491 | |
| Remaining average contractual life (in years) | | 3.60 | | 3.80 |

**Fair value of options granted**

The weighted average fair value of stock options granted during the year pertaining to ESOP 2022 plan is ₹ 10.98 (March 31, 2024 ₹ 16.64) ( in Rupee) The fair value at grant date is determined using the using the Black- Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans

| Particulars | For option granted during the year ended March 31,2025 | For option granted during the year ended March 31,2024 |
|---|---|---|
| | ESOP 2022 Plan | ESOP 2022 Plan |
| Dividend yield | 1.56% | 0.53% |
| Expected volatility | 53.16%-60.22% | 36.97%-43.00% |
| Risk free interest rate | 7.16% | 6.69%-6.91% |
| Expected life of share option | 3.5 to 6.4 years | 3.5 to 6.4 years |
| Share price at grant | 32.08 | 47.37 |

* Number of options are in absolute number

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## 38 Other expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Rent | 205.33 | 165.68 |
| Contract Labour Charges | 3,674.15 | 3,309.99 |
| Power & Fuel | 2,289.53 | 2,410.42 |
| Consumption of Stores & Spare | 2,684.64 | 2,081.56 |
| Packing Material Consumed | 2,100.89 | 2,174.98 |
| Security Charges | 216.21 | 182.23 |
| Repair & maintenance | | |
| - Plant & machinery | 611.55 | 608.84 |
| - Buildings | 103.11 | 96.20 |
| -Others | 28.69 | 29.53 |
| Legal & professional expenses | 325.03 | 294.07 |
| Payment to the auditors (refer note 'a' below) | 59.91 | 56.83 |
| Freight & Forward Charges | 1,374.71 | 1,377.79 |
| Other selling expenses | 434.47 | 387.97 |
| Rates & texes | 21.08 | 35.63 |
| Travelling & Conveyance | 395.96 | 376.70 |
| Insurance Expenses | 236.18 | 235.95 |
| Bank Charges | 88.53 | 98.82 |
| Loss on sale/write off of PPE | 0.15 | 2.37 |
| Corporate Social Responsibilities (refer note 39) | 94.42 | 87.16 |
| Miscellaneous expenses | 713.91 | 592.59 |
| **Total** | **15,658.45** | **14,605.31** |

| a) **Details of payment made to auditors is as follows:** | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| i) **Payment to Auditor ^** | | |
| - Statutory audit fee | 32.50 | 47.50 |
| - Tax audit fee | 2.50 | 2.50 |
| - Other services and certification | 24.91 | 6.83 |
| | **59.91** | **56.83** |

^ Excludes fees fer Initial public offer related services of ₹ 180.67 Lakhs currently disclosed in Share Issue expenses recoverable (Refer note 67).

## 39 Corporate Social responsibility expenditure(CSR)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Gross amount required to be spent by the company during the year | 100.72 | 80.85 |
| Less: Set off of excess spent in previous year i.e. 2023-24 | 6.30 | - |
| Gross amount required to be spent by the company during the period | 94.42 | 80.85 |
| Amount spent during the year on : | | |
| - National Apprenticeship Promotion Scheme | 57.85 | 27.77 |
| - Other | 39.47 | 59.39 |
| Unspent amount at the end of the year | - | - |
| Amount spent during current year pertaining to previous years | - | 28.58 |
| Totel of previous year unspent balance | - | - |
| - For Current Year | Nil | |
| - For previous Year | Nil | |
| Nature of CSR activities | Skill Development and Entrepreneurship | Skill Development and Entrepreneurship |
| Details of related party transaction to CSR expenditure as per relevant Accounting Standard : | Nil | Nil |
| Movement in the CSR provision during the year : | | |
| Opening Provision | - | 28.58 |
| Add:Provision made during the year | 94.42 | 87.16 |
| Less: Spent during the year | 97.32 | 115.74 |
| Provision / (excess) at the end of the year | (2.90) | - |

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## 40 Earnings per share (EPS)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Profit attributable to the equity shareholders **(A)** | 2,361.04 | 1,896.99 |
| Number equity shares outstanding at the end of the year **(B)** | 35,73,84,491 | 35,35,78,380 |
| Weighted average number of potential equity shares for Non-Cumulative compulsory convertible preference shares | 2,09,71,941 | 2,09,71,941 |
| Weighted average number of equity shares for Basic EPS **(C)** | 37,76,29,178 | 37,45,50,321 |
| Nominal value of Equity shares (₹) | 10.00 | 10.00 |
| Basic Earning per share **(A/C) (in ₹)** | 0.63 | 0.51 |
| Weighted average number of potential equity shares on account of Pending Employee Stock option Scheme | 48,83,427 | 81,39,045 |
| Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS **(D)** | 38,25,12,605 | 38,26,89,366 |
| Nominal value of Equity shares ₹ | 10.00 | 10.00 |
| Diluted earnings per share **(A/D) (in ₹)** | 0.62 | 0.50 |

## 41 Contingent liabilities and commitments

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

The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).
The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|---|---|
| - Legal Cases of labour pending before Labour Court | 98.27 | 92.34 |
| - Claims against the company not acknowledged as debt (see note-I below) | 39.29 | 39.29 |
| - Bank Guarantee | 207.41 | 328.18 |

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

I A Vendor - Sadhu Forging Limited, has filed suit claiming ₹ 39.29 lakhs as balance payment against supply of material. Hero Motors Limited has resisted the claim on the basis that the material supplied was faulty by the vendor, material was rejected by Hero Motors Limited & Debit Note raised to the Vendor. The case is pending at Civil Court, Faridabad

II The excise department issued a show cause notice to demand duty of ₹ 474.82 lakhs along with interest and penalties. Vide final order dated September 05,2017 the CESTAT set aside the SCN and dropped the demand. The Department filed Civil Appeal to impugn the final order passed by CESTAT , which is pending consideration before the Supreme Court as per order dated September 20, 2024.

| b) Commitments | As At March 31, 2025 | As At March 31, 2024 |
|---|---|---|
| Capital commitment: Estimated amount of contracts remaining to be executed on the capital account (net of related capital advances) | 1,847.03 | 3,388.12 |

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

**c)** 1) Corporate guarantee to finance long term loan taken by subsidiary Spur Technologies Private Limited upto maximum exposure as on March 31, 2025 is ₹ 1590.00 lakhs (March 31, 2024: 1,590.00 lakhs). The outstanding balance of drawdown as on March 31, 2025 is ₹ 963.56 lakhs (March 31, 2024: 1,103.66 lakhs).
2) Standby letter of credit to finance long term loan taken by subsidiary Hero Motors Thai Limited upto maximum exposure as on March 31, 2025 is ₹ 4,709.10 Lakhs (March 31, 2024: Nil). The outstanding balance of drawdown as on March 31, 2025 is ₹ 4,355.98 Lakhs (March 31, 2024: Nil).
3) Standby letter of credit to finance long term loan taken by subsidiary Hewland Engineering Limited upto maximum exposure as on March 31, 2025 is ₹ 2,878.27 Lakhs (March 31, 2024: Nil). The outstanding balance of drawdown as on March 31, 2025 is ₹ 2,615.90 Lakhs (March 31, 2024: Nil).

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(Amount in ₹ lakhs, unless otherwise stated)

## 42 Gratuity and other post-employment benefit plans

**a) Defined contribution plans**

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

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Employer's Contribution to Provident Fund/ Pension Fund | 512.72 | 465.86 |
| Employer's Contribution to Employee State Insurance | 34.26 | 35.24 |
| Employer's Contribution to Welfare Fund | 0.35 | 0.70 |
| **Total** | **547.33** | **501.80** |

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

**b) Defined benefit plans**

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

**i) Gratuity scheme**

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

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

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **Change in benefit obligation** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| **Opening defined benefit obligation** | **569.13** | **1,317.27** | **538.65** | **1,296.72** |
| Interest cost | 39.12 | 94.89 | 38.65 | 96.80 |
| Service cost | 35.97 | 176.31 | 31.33 | 157.68 |
| Effect of Business Combination | - | (0.83) | - | - |
| Past Service cost | - | - | - | - |
| Benefits paid | (54.22) | (132.15) | (39.65) | (135.51) |
| Actuarial (gain) / loss on obligations | -6.12 | 32.61 | 0.15 | (98.42) |
| **Present value of obligation as at the end of the year** | **583.88** | **1,488.10** | **569.13** | **1,317.27** |

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

| | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|---|---|---|---|
| **Cost for the year included under employee benefit** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| Current service cost | 35.97 | 176.31 | 31.33 | 157.68 |
| Past service cost | - | - | - | - |
| Interest cost | 39.12 | 94.89 | 38.65 | 96.80 |
| Effect of Business Combination | - | - | - | - |
| Expected return on plan assets | - | - | (20.85) | - |
| Actuarial (gain) / loss | - | - | - | - |
| **Net amount charged to Profit and Loss** | **75.09** | **271.20** | **49.13** | **254.48** |

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **e) Changes in the fair value of the plan assets are as follows:** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| Fair value of plan assets at the beginning | 263.15 | - | 284.79 | - |
| Expected return on plan assets | 18.66 | - | 20.85 | - |
| Actual Company Contributions | 2.33 | - | 1.59 | - |
| Employee's Contribution | - | - | - | - |
| LIC charges | - | - | - | - |
| Benefits paid | (49.98) | - | (39.65) | - |
| Actuarial gains / (losses) on the plan assets | (3.95) | - | (4.43) | - |
| **Fair value of plan assets at the end** | **230.21** | **-** | **263.15** | **-** |

| | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|---|---|---|---|
| **Detail of actuarial gain/loss recognised in OCI is as follows:** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| Actuarial gain / (loss) for the year – | 6.12 | (32.61) | (0.15) | 98.42 |
| Actuarial gain / (loss) for the year - plan | (3.95) | - | (4.43) | - |
| Effect of Business Combination | - | - | - | - |
| Unrecognised actuarial gains / (losses) at the end of year | **2.17** | **(32.61)** | **(4.58)** | **98.42** |

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

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Gratuity (Funded) | Gratuity (Unfunded) | Gratuity (Funded) | Gratuity (Unfunded) |
| **Economic assumptions** | | | | |
| 1. Discount rate | 6.68% | 6.68% | 7.09% | 7.09% |
| 2. Rate of increase in compensation levels | 8.00% | 8.00% | 8.00% | 8.00% |
| 3. Expected Return on Plan Assets | 6.68% | - | 7.09% | - |
| **Demographic assumptions** | | | | |
| 1. Retirement Age (years) | 58 | 58 | 58 | 58 |
| 2. Mortality Rate | Indian Assured Lives Mortality (2012-14) (modified) ultimate | | Indian Assured Lives Mortality (2012-14) (modified) ultimate | |
| **Withdrawal Rate** | | | | |
| 1. Ages from 0 to 30 Years | 3.90% | 8.00% | 3.90% | 8.00% |
| 2. Ages from 31 to 44 Years | 3.90% | 3.50% | 3.90% | 3.50% |
| 3. Ages Above 44 years | 3.90% | 1.00% | 3.90% | 1.00% |

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

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

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **Particulars** | Gratuity (Funded) | Gratuity (Unfunded) | Gratuity (Funded) | Gratuity (Unfunded) |
| Present value of obligation | 583.88 | 1,488.10 | 569.13 | 1,317.27 |
| Less: Fair value of plan assets | 230.21 | - | 263.15 | - |
| **Net assets /( liability)** | **(353.67)** | **(1,488.10)** | **(305.98)** | **(1,317.27)** |

**h)** Expected contribution for the next year is ₹ 391.17 lakhs (March 31, 2024: ₹ 340.70 lakhs) in respect of Gratuity for Mangli Unit.

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

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| A. Discount rate | Gratuity (Funded) | Gratuity (Unfunded) | Gratuity (Funded) | Gratuity (Unfunded) |
| Effect on DBO due to 1% increase in Discount Rate | (35.59) | (121.25) | (34.44) | (98.96) |
| Effect on DBO due to 1% decrease in Discount Rate | 39.81 | 143.43 | 38.54 | 116.07 |
| B. Salary escalation rate | | | | |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 36.84 | 141.57 | 36.21 | 115.08 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (35.37) | (122.18) | (34.48) | (100.09) |

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

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

**j) Risk**

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

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

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Gratuity (Funded) | Gratuity (Unfunded) | Gratuity (Funded) | Gratuity (Unfunded) |
| 0 to 1 years | 40.88 | 122.92 | 71.89 | 123.03 |
| 1 to 2 years | 47.52 | 179.11 | 66.61 | 119.77 |
| 2 to 3 years | 75.08 | 141.26 | 46.51 | 171.23 |
| 3 to 4 years | 64.56 | 160.79 | 69.95 | 134.32 |
| 4 to 5 years | 86.38 | 157.61 | 60.55 | 154.09 |
| From 5 years onwards | 290.87 | 491.83 | 310.69 | 546.78 |

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**(Amount in ₹ lakhs, unless otherwise stated)**

**43 Related party transactions**

**a) List of related parties**

| Nature of Relationship | Name of the Related Party | |
|---|---|---|
| Subsidiaries | Hero Motors Thai Ltd. (September 20, 2021)<br>Spur Technologies Private Limited (November 29, 2023)<br>Hero EDU Systems Private Limited (February 17, 2023)<br>Hewland Engineering Limited (February 21, 2023)<br>HYM Drive Systems Private Limited (April 07, 2022) | |
| Enterprise over which Key Managerial Personnel and their relatives exercise Significant influence | Bhagyoday Investments Private Limited<br>Firefox Bikes Private Limited<br>Hero Cycles Group Private Limited<br>Hero Cycles Limited<br>HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)<br>Hero PBG Cycles Private Limited<br>Hero Transmission Private Limited<br>High Rise Industries<br>Lectro E-Mobility Private Limited<br>Munjal Kiriu Industries Private Limited<br>Munjal Sales Corporation<br>OMA Private Limited<br>HNF Gmbh<br>Meenakshi Polymer Private Limited<br>ZF Hero Chassis Systems Private Limited | |
| Enterprise over which Directors and their relatives exercise Significant influence | Nuvomax Nutritionals Private Limited | |
| **Key Management Personnel (KMP) and their relative** | | |
| Mr. Pankaj Munjal | Chairman and Director | Appointment-May 24,1998 |
| Mr. Amit Gupta | Managing Director & CEO | Appointment-September 09,2022 |
| Mr. Abhishek Munjal | Whole-time Director | Change in designation-September 09,2022 |
| Mrs. Ruhani Munjal | Advisor to Chairman | Spouse of Mr. Abhishek Munjal |
| Mr. Keshav Misra | Non-Executive Director | Appointment-September 09,2022 |
| Mr. Sridhar Narayan | Non-Executive Nominee Director | Appointment- January 04,2023 |
| Mr. Kulbir Singh | Independent Director | Appointment-February 01,2023 |
| Dr. Andrew Charles Palmer | Independent Director | Appointment-July 16,2024 |
| Mr. Ashok Kumar Taneja | Independent Director | Appointment-August 12,2024 |
| Mr. Gaurav Dalmia | Independent Director | Appointment-August- 12,2024<br>Cessation November 06, 2024 |
| Ms. Pratibha Goyal | Independent Director | Appointment-May 26,2021 |
| Ms. Jyoti Arora | Independent Director | Appointment-January 28,2025 |
| Mr. Pawan Puri | Non-Executive Director | Cessation-March 01,2023 |
| Mr. Darpan Vashishta | Chief Financial Officer | Cessation-October 13,2023 |
| Mr. Ritesh Kumar Agrawal | Chief Financial Officer | Appointment-February 16, 2024<br>Cessation-June 25,2025 |
| Mr. Utkarsh Sanghi | Chief Financial Officer | Appointment-June 25,2025 |
| Ms. Sheeba Dhamija | Company Secretary | Cessation 19 July 2024 |
| Ms. Sakshi Dureja | Company Secretary and Compliance Officer | Appointment-August- 12,2024<br>Cessation-December 12, 2024 |
| Ms. Esha Gupta | Company Secretary and Compliance Officer | Appointment-December 12, 2024 |

**b) Related Party Transactions**

**A. Transactions with related parties**

| S.No | Particulars | Relation | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|---|---|
| **a.** | **Sale of Goods** | | | |
| | Spur Technologies Private Limited | Subsidiary | 132.30 | 16.49 |
| | Hero Cycles Limited* | Significant Influence | - | 14.78 |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | Significant Influence | 14.88 | 10.54 |
| | Hero Motor Thai Limited | Subsidiary | 235.24 | 188.55 |
| | Hym Drive Systems Private Limited | Subsidiary | 35.86 | 16.88 |
| | Hero EDU Systems Private Limited | Subsidiary | 6.76 | 5.59 |
| | Munjal Kiriu Industries Private Limited | Significant Influence | 267.30 | - |
| **b.** | **Purchase of goods** | | | |
| | Munjal Kiriu Industries Private Limited | Significant Influence | 2,540.55 | 2,134.07 |
| | Spur Technologies Private Limited | Subsidiary | 1,368.12 | - |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | Significant Influence | - | 4.01 |
| | High Rise Industries | Significant Influence | 1,554.39 | 1,705.87 |
| | Hero Cycles Limited* | Significant Influence | - | 17.81 |
| | Oma Private Limited | Significant Influence | 1.39 | 1.23 |
| | Hym Drive Systems Private Limited | Subsidiary | - | 7.44 |
| | Hewland Engineering Limited | Subsidiary | 71.19 | - |
| | Meenakshi Polymer Private Limited | Significant Influence | 148.25 | 172.90 |
| **c.** | **Consultancy Fees** | | | |
| | Nuvomax Nutritionals Private Limited | Significant Influence | 234.75 | 183.45 |
| **d.** | **Purchase of Service** | | | |
| | Hero Cycles Limited* | Significant Influence | 2,234.15 | 2,416.51 |
| | Hewland Engineering Limited | Subsidiary | 20.58 | 29.36 |
| **e.** | **Purchase of Property, Plant and Equipment** | | | |
| | Hero Cycles Limited* | Significant Influence | - | 2,308.78 |
| | Spur Technologies Private Limited | Subsidiary | - | 5.44 |
| | Oma Private Limited | Significant Influence | 15.67 | - |
| | Hewland Engineering Limited | Subsidiary | 52.53 | - |
| **f.** | **Sale of Property, Plant and Equipment** | | | |
| | Hero EDU Systems Private Limited | Subsidiary | 16.18 | - |
| | Spur Technologies Private Limited | Subsidiary | 22.05 | 12.55 |

(Amount in ₹ lakhs, unless otherwise stated)

**b) Related Party Transactions**
**A. Transactions with related parties**

| S.No | Particulars | Relation | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|---|---|
| g. | **Loan given** | | | |
| | Hero Motor Thai Limited | Subsidiary | 85.73 | 371.34 |
| | Hewland Engineering Limited | Subsidiary | 1,045.80 | 1,005.15 |
| | Hero EDU Systems Private Limited | Subsidiary | 540.00 | 1,225.00 |
| | Hym Drive Systems Private Limited | Subsidiary | 914.00 | 646.00 |
| h. | **Loan received back** | | | |
| | Spur Technologies Private Limited | Subsidiary | - | (250.00) |
| | Hero Motor Thai Limited | Subsidiary | 2,802.70 | - |
| | Hewland Engineering Limited | Subsidiary | 2,771.16 | - |
| i. | **Investment in equity shares** | | | |
| | Hero EDU Systems Private Limited | Subsidiary | 1,650.00 | - |
| | Spur Technologies Private Limited | Subsidiary | 880.00 | 1,970.00 |
| j. | **Purchase of 100% equity from Hero Cycle Limited** | | | |
| | Spur Technologies Private Limited | Transaction under common control | - | 950.00 |
| k. | **Rental income** | | | |
| | Spur Technologies Private Limited | Subsidiary | 0.34 | 0.34 |
| | Hero EDU Systems Private Limited | Subsidiary | 17.97 | 14.00 |
| l. | **Rental expense** | | | |
| | Hero Cycles Limited* | Significant Influence | 0.90 | 217.94 |
| m. | **Interest Income on loan** | | | |
| | Hero Motor Thai Limited | Subsidiary | 395.76 | 501.36 |
| | Hym Drive Systems Pvt Limited | Subsidiary | 95.82 | 12.93 |
| | Spur Technologies Private Limited | Subsidiary | - | 16.34 |
| | Hewland Engineering Limited | Subsidiary | 227.36 | 62.42 |
| | Hero EDU Systems Private Limited | Subsidiary | 116.47 | 40.59 |
| n. | **Other Income** | | | |
| | Hero Cycles Limited* | Significant Influence | - | 300.00 |
| o. | **Other Expense** | | | |
| | **Reimbursement Of Expenses** | | | |
| | Hero Global Designs Limited | Significant Influence | 1.34 | 2.40 |
| | Spur Technologies Private Limited | Significant Influence | 0.41 | - |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | Significant Influence | - | 0.26 |
| | Hero Cycles Limited* | Significant Influence | 98.07 | 48.44 |
| | Hero Motor Thai Limited | Subsidiary | 5.79 | 207.53 |
| | Hewland Engineering Limited | Subsidiary | 76.46 | - |
| | Hym Drive Systems Private Limited | Subsidiary | 21.28 | 9.47 |
| | Hero Edu Systems Private Limited | Subsidiary | 258.41 | 275.19 |
| p. | **Corporate Guarantee** | | | |
| | Spur Technologies Private Limited | Subsidiary | - | 1,590.00 |
| q. | **Standby letter of credit** | | | |
| | Hero Motor Thai Limited | Subsidiary | 2,878.27 | - |
| | Hewland Engineering Limited | Subsidiary | 4,527.90 | - |
| r. | **Remuneration paid to Key Management Personnel**** | | | |
| | Refer note (a) below | | | |
| | Amit Gupta | Managing Director and | 364.69 | 396.57 |
| | Darpan Vashishtha (DOL-13-Oct-23) | CFO | - | 93.52 |
| | Ritesh Agrawal (DOJ-16-Feb-24) | CFO | 143.28 | 16.65 |
| | Abhishek Munjal | Whole Time Director | 327.55 | 335.05 |
| | Ruhani Munjal | Relative | 22.56 | 20.93 |
| | Sheeba Dhamija | Company Secretary | 6.68 | 20.95 |
| | Sakshi Dureja (12 Aug 2024 to 11 December 2024) | Company Secretary | 5.38 | - |
| | Esha Gupta (11 December 2024 to till date) | Company Secretary | 10.34 | - |
| s. | **Share issued under ESOP Scheme** | | | |
| | Amit Gupta | Managing Director and CEO | 380.61 | - |
| t. | **Directors sitting Fees:** | | | |
| | Ms. Pratibha Goyal | Independent Director | 1.50 | 0.60 |
| | Mr. Kulbir Singh | Independent Director | 1.40 | 1.00 |
| | Mr. Ashok Kumar Taneja | Independent Director | 0.40 | - |
| | Mr. Gaurav Dalmia | Independent Director | 0.10 | - |
| | Mr. Andrew Charles Palmer | Director | 0.30 | - |
| u. | **Dividend paid** | | | |
| | Hero Cycles Limited* | Significant Influence | 19.31 | 19.31 |

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HERO MOTORS LIMITED

**(Amount in ₹ lakhs, unless otherwise stated)**

**B. Closing Balances**

| S.No | Particulars | Relation | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| a. | **Trade Receivable** | | | |
| | Spur Technologies Private Limited | Subsidiary | - | 26.83 |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | Significant Influence | 635.23 | 615.96 |
| | Hero Global Designs Limited | Significant Influence | - | 1.12 |
| | Hym Drive Systems Private Limited | Subsidiary | 42.49 | 35.16 |
| | Hero Motor Thai Limited | Subsidiary | 280.71 | 288.28 |
| | Munjal Kiriu Industries Private Limited | Significant Influence | 82.41 | - |
| b. | **Other Receivable** | | | |
| | Hero Edu Systems Private Limited | Subsidiary | 723.28 | 394.39 |
| | Hym Drive Systems Private Limited | Subsidiary | 20.15 | - |
| | Hewland Engineering Limited | Subsidiary | - | 0.60 |
| | Hero Motor Thai Limited | Subsidiary | - | 62.03 |
| | Spur Technologies Private Limited | Subsidiary | 8.64 | - |
| | Amit Gupta | Managing Director & CEO | 29.16 | - |
| c. | **Trade Payable** | | | |
| | Munjal Kiriu Industries Private Limited | Significant Influence | 1,134.43 | 1,200.04 |
| | Nuvomax Nutritionals Private Ltd | Significant Influence | - | 28.03 |
| | Zf Hero Chassis Systems Private Limited | Significant Influence | - | 5.51 |
| | Spur Technologies Private Limited | Subsidiary | 125.46 | - |
| | High Rise Industries | Significant Influence | 25.49 | 61.96 |
| | Meenakshi Polymer Private Limited | Significant Influence | 14.12 | - |
| | Oma Private Limited | Significant Influence | - | 0.13 |
| | HNF Gmbh | Significant Influence | - | 1.69 |
| | Hewland Engineering Limited | Subsidiary | 22.14 | - |
| d. | **Other Payable** | | | |
| | Hero Cycles Limited* | Significant Influence | 1,000.61 | 1,343.91 |
| | Nuvomax Nutritionals Private Limited | Significant Influence | 10.21 | - |
| | Hero Global Design Limited | Significant Influence | 0.04 | - |
| | Spur Technologies Private Limited | Subsidiary | 3.51 | - |
| | Hewland Engineering Limited | Subsidiary | 48.93 | - |
| e. | **Payable against purchase of Property , Plant and Equipment** | | | |
| | Hero Cycles Limited* | Significant Influence | 228.20 | 228.20 |
| f. | **Investment in Equity Shares** | | | |
| | Hym Drive Systems Private Limited | Subsidiary | 2,880.00 | 2,880.00 |
| | Hero Motor Thai Limited | Subsidiary | 1,418.93 | 1,418.93 |
| | Hero Edu Systems Private Limited | Subsidiary | 1,750.00 | 100.00 |
| | Hewland Engineering Limited | Subsidiary | 10.08 | 10.08 |
| | Spur Technologies Private Limited | Subsidiary | 3,800.24 | 2,920.24 |
| g. | **Interest Receivable** | | | |
| | Hewland Engineering Limited | Subsidiary | 27.93 | 62.09 |
| | Hero Edu Systems Private Limited | Subsidiary | 141.35 | 40.59 |
| | Hero Motor Thai Limited | Subsidiary | 669.07 | 746.05 |
| | Hym Drive Systems Private Limited | Subsidiary | 97.88 | 12.93 |
| h. | **Loan Receivable** | | | |
| | Hym Drive Systems Private Limited | Subsidiary | 1,560.00 | 646.00 |
| | Hero Motor Thai Limited | Subsidiary | 2,695.72 | 5,412.69 |
| | Hewland Engineering Limited | Subsidiary | 770.90 | 2,438.24 |
| | Hero Edu Systems Private Limited | Subsidiary | 1,765.00 | 1,225.00 |
| i. | **Other Advance** | | | |
| | Hero Cycles Limited* | Significant Influence | - | 1,667.00 |
| j. | **Corporate Guarantee** | | | |
| | Spur Technologies Private Limited | Subsidiary | 1,590.00 | 1,590.00 |
| k. | **Standby letter of credit** | | | |
| | Hero Motor Thai Limited | Subsidiary | 4,599.00 | - |
| | Hewland Engineering Limited | Subsidiary | 2,913.00 | - |

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

| Name of Key Management Personnel | Mr. Amit Gupta | | Mr. Keshav Misra |
|---|---|---|---|
| | ESOP Scheme Plan 2022 | | ESOP Scheme Plan 2022 |
| ESOP tranche | Tanche-1 | Tanche-2 | Tanche-1 |
| Exercise price (₹ per option) | 10 | 69.14 | 69.14 |
| Share option outstanding as at 31st March 2025 (In Nos) | 57,09,167 | 49,43,511 | 39,54,809 |
| Share option outstanding as at 31st March 2024 (In Nos) | 95,15,278 | 49,43,511 | 39,54,809 |

b)Refer Note 20 'Equity share capital' for movement of shareholding
c)* These are the transactions/ balances taken from entries parked in the books of Hero Motor Limited
d) The Company has carried out an independent assessment of all the transaction with its related parties and is of the opinion that all the transactions are at arm's length.

**44 Ultimate Beneficiary**

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

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

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## 45 Fair value measurements

### I Financial instruments

**a) Financial instruments by category**

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

**b) Fair value hierarchy**

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

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

| Particulars | Level | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Financial assets measured at fair value through Profit and loss** | | | |
| Investment in Mutual Funds | Level 1 | 216.02 | 667.56 |
| Forward Contract Receivable | Level 1 | 59.47 | 32.63 |
| **Financial assets measured at fair value through Other comprehensive Income** | | | |
| Other investment | Level 3 | 29.52 | 15.12 |
| Investment in Debenture | Level 3 | 265.68 | 136.08 |
| **Financial assets measured at amortized cost** | | | |
| Investment in equity shares (Unquoted) | | 9,859.25 | 7,329.25 |
| Loan to employees | | 247.67 | 191.26 |
| Loan to related parties | | 6,791.62 | 9,722.53 |
| Security Deposits & Margin Money | | 447.40 | 550.97 |
| Interest accrued but not due on margin money | | 96.43 | 251.69 |
| Interest accrued but not due on loan to related parties | | 936.23 | 861.99 |
| Interest accrued and due on Deposit with Electricity department | | - | 3.86 |
| Other Receivable | | 1,329.22 | 1,230.87 |
| Trade receivables | | 18,003.38 | 17,731.38 |
| Cash and cash equivalents | | 4,546.08 | 7,515.31 |
| Receivables from related party | | 752.07 | 394.39 |
| **Total Financial Assets** | | **43,580.04** | **46,634.89** |
| **Financial liabilities valued at amortized cost** | | | |
| Borrowings | | 32,693.33 | 29,295.97 |
| Security Deposits | | 1.15 | 2.14 |
| Lease Liabilities | | 779.50 | 802.56 |
| Interest accrued but not due on borrowings | | 53.02 | 42.97 |
| Trade payables | | 11,374.55 | 11,791.01 |
| Employee Benefit Payable | | 261.74 | 248.59 |
| Payable to Relatad parties | | 918.23 | 1,342.69 |
| Creditors for capital goods | | 566.29 | 662.02 |
| Bill Discounting / Factoring | | 4,181.83 | 7,568.93 |
| **Total Financial Liabilities** | | **50,829.64** | **51,756.88** |

**c) Capital management**

The company's capital management objectives are:

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

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

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

**Gearing Ratio**

The Company has outstanding long term debt of ₹ 8,905.82 lakhs at the end of reporting year (previous year ₹ 7,439.52 lakhs) and short term debt of ₹ 23,787.51 lakhs at tha end of reporting period (previous year ₹ 21,856.45 lakhs). Accordingly, the gearing ratio is worked out as follows:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Long term borrowing (refer Note 22) | 8,905.82 | 7,439.52 |
| 'Short term borrowing (refer Note 23) | 23,787.51 | 21,856.45 |
| 'Lease liability (refer note 9) | 779.50 | 802.56 |
| **Total debt** | **33,472.83** | **30,098.53** |
| Less: Cash and hank halances | 4,546.08 | 7,515.31 |
| **Adjusted net debt** | **28,926.75** | **22,583.22** |
| Total equity | 43,797.07 | 40,538.60 |
| **Adjusted net debt to equity** | 66.05% | 55.71% |

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**(Amount in ₹ lakhs, unless otherwise stated)**

**46 Financial risk management objectives and policies**

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

The Company has exposure to the following risks arising from financial instruments:
- credit risk,
- liquidity risk and
- market risk.

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

**A. Credit Risk**

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

**B. Liquidity risk**

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

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

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

| As at March 31, 2025 | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings | 23,787.51 | 8,905.82 | - | 32,693.33 |
| Trade payables | 11,374.54 | - | - | 11,374.54 |
| Other financial liabilities | 5,981.11 | 1.15 | - | 5,982.26 |
| Lease Liabilities | 114.91 | 690.97 | 303.95 | 1,109.83 |
| **Total** | **41,258.07** | **9,597.94** | **303.95** | **51,159.97** |

| As at March 31, 2024 | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings | 21,856.45 | 7,439.52 | - | 29,295.97 |
| Trade payables | 11,791.01 | - | - | 11,791.01 |
| Other financial liabilities | 9,865.20 | 2.14 | - | 9,867.34 |
| Lease Liabilities | 94.02 | 640.10 | 469.74 | 1,203.86 |
| **Total** | **43,606.68** | **8,081.76** | **469.74** | **52,158.18** |

**C. Market risk**

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

**Interest rate risk**

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

**Interest Rate Sensitivity:** The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Company's profit bafore tax is affected through the impect on floating rate borrowings, as follows:

| **Particulars** | **Increase or decrease in basis points** | **Decrease /(Increase) in profit before tax** |
|---|---|---|
| March 31, 2025 | +50 | 173.66 |
| | -50 | (173.66) |
| March 31, 2024 | +50 | 150.92 |
| | -50 | (150.92) |

**(Amount in ₹ lakhs, unless otherwise stated)**

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

**i) Unhedged foreign currency exposure**

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

| Particulars | As at March 31,2025 | | | As at March 31,2024 | | |
|---|---|---|---|---|---|---|
| | CCY | ₹ | Foreign currency | CCY | ₹ | Foreign currency |
| **-Trade payables** | | | | | | |
| | EUR | (64.02) | (0.70) | EUR | (32.73) | (0.36) |
| | USD | (682.87) | (7.99) | USD | (50.41) | (0.60) |
| | GBP | (2.49) | (0.02) | GBP | | |
| **-Trada Receivables** | | | | | | |
| | EUR | 2,781.75 | 30.21 | EUR | 699.07 | 7.78 |
| | USD | 4,761.29 | 55.70 | USD | 3,204.37 | 38.42 |
| **-Loan to Subsidiary** | | | | | | |
| -Hewland Engineering Limited | GBP | - | - | GBP | 1,438.49 | 13.70 |

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

**ii) Foreign currency risk**

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

| | Impact on profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | Year ended March 31, 2025 | Year ended March 31, 2024 |
| **USD sensitivity** | | | | |
| Increase by 5 % | 203.92 | 156.92 | 203.92 | 156.92 |
| Decrease by 5 % | (203.92) | (156.92) | (203.92) | (156.92) |
| | - | - | - | - |

| | Impact on profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | Year ended March 31, 2025 | Year ended March 31, 2024 |
| **EURO sensitivity** | | | | |
| Increase by 5 % | 135.89 | 91.00 | 135.89 | 91.00 |
| Decrease by 5 % | (135.89) | (91.00) | (135.89) | (91.00) |
| | - | - | - | - |

| | Impact on profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **GBP sensitivity** | | | | |
| Increase by 5 % | (0.12) | 71.92 | (0.12) | 71.92 |
| Decrease by 5 % | 0.12 | (71.92) | 0.12 | (71.92) |
| | - | - | - | - |

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

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## 47 Segment Reporting

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

The following is the segment information :

| Particulars | Power Train | | Alloy & Metallics | | Total | |
|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| 1. REVENUE | | | | | | |
| External sales (Gross) | 34,671.54 | 35,385.47 | 52,938.38 | 52,005.41 | 87,609.92 | 87,391.16 |
| Other Operating Income | 776.47 | 594.00 | 1,400.66 | 1,135.00 | 2,177.13 | 1,728.72 |
| Total revenue | 35,448.01 | 35,979.47 | 54,339.04 | 53,140.41 | 89,787.05 | 89,119.88 |
| 2. RESULTS | | | | | | |
| Segment results | 3,965.00 | 4,274.22 | 2,013.74 | 1,976.67 | 5,978.74 | 6,250.89 |
| Unallocated income / (expenses) (net of income) | - | - | - | - | 226.18 | (1,268.16) |
| Operating profit | 3,965.00 | 4,274.22 | 2,013.74 | 1,976.67 | 6,204.92 | 4,982.73 |
| Finance costs | - | - | - | - | 2,897.68 | 2,566.62 |
| Profit before tax | - | - | - | - | 3,307.24 | 2,416.11 |
| Provision for taxation | - | - | - | - | 946.20 | 519.12 |
| Net profit after tax | - | - | - | - | 2,361.04 | 1,896.99 |
| 3. OTHER INFORMATION | | | | | | |
| A. ASSETS | | | | | | |
| Segment assets | 53,251.37 | 39,678.01 | 21,317.64 | 24,945.98 | 74,569.01 | 64,623.99 |
| Unallocated assets | - | - | - | - | 24,236.68 | 31,190.91 |
| Total assets | | | | | 98,805.89 | 95,814.90 |
| B. EQUITY AND LIABILITIES | | | | | | |
| Equity (Share Capital & Other Equity) | | | | | 43,797.07 | 40,538.60 |
| Segment liabilities | 12,768.39 | 8,357.58 | 9,132.50 | 16,609.32 | 21,900.89 | 24,966.90 |
| Secured and unsecured loans | - | - | - | - | 32,693.33 | 29,295.97 |
| Unallocated liabilities | - | - | - | - | 414.60 | 1,013.43 |
| Total liabilities | | | | | 98,805.89 | 95,814.90 |
| C. OTHERS | | | | | | |
| Unallocated capital expenditure | - | - | - | - | 9,046.03 | 8,945.65 |
| Unallocated depreciation and amortisation expense | - | - | - | - | 1,893.59 | 1,489.40 |
| Unallocated non cash expenses other than depreciation | - | - | - | - | 1,481.65 | 3,946.17 |

**Geographical information**

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

**Revenue from external customers (Refer note 30)**

**Non-current operating assets:**

(₹ in lakhs)

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| India | 36,705.78 | 29,551.99 |
| Outside India | - | - |
| Total | 36,705.78 | 29,551.99 |

Non-current assets for this purpose consist of property, plant and equipment, Right of use assets, Capital work in progress and Intangible assets.

**Segment accounting policies:**

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

(i) **Segment revenue and expenses:**

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

(ii) **Segment assets and liabilities:**

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

**Segment revenue and profit**

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

**Segment assets and liabilities**

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

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

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

| Particulars | Type of Customer | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Customer A | Domestic | 42,439.49 | 41,347.60 |
| Customer B | Export | - | 9,483.89 |

**(Amount in ₹ lakhs, unless otherwise stated)**

## 48 Scheme of Arrangement

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

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

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

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

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

1. Assets, Liabilities and Reserves of the Demerged Undertaking transferred to and vested in the Resulting Company were recorded at their carrying values as appearing in books of the Demerged Company at the time of the demerger effective date and in accordance with requirements of relevant Ind AS.

2. The Resulting Company will issue new equity shares pursuant to the approved Scheme to the shareholders of the Demerged Company

3. The inter-company balances between Demerged Company and Resulting Company relating to Demerged Undertaking, if any, in the books of accounts of Demerged Company and Resulting Company got cancelled.

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

5. As per para 43 of Ind-AS 7 - Statement of Cash Flows, transactions that do not require the use of cash and cash equivalents (i.e. the above transfer of assets and liabilities under the scheme of demerger) have been excluded from the standalone cash flow statement for the year ended March 31, 2022.

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

| Particulars | As at April 1, 2021 |
|---|---|
| **ASSETS** | |
| Non-current assets | 16,627.32 |
| Current assets | 31,231.48 |
| **Total assets** | **47,858.80** |
| **Equity and liabilities** | |
| **Equity** | |
| Other equity | 3,214.36 |
| **Total equity** | **3,214.36** |
| **Liabilities** | |
| Non- current liabilities | 13,860.89 |
| Current liabilities | 30,783.55 |
| **Total equity and liabilities** | **47,858.80** |
| Excess of assets over liabilities | Nil |
| Less: Issue of equity share capital of the Company due to demerger (Refer Note 20) | 75,279.98 |
| Amount credited to Demerger Adjustment Deficit Account pursuant to the above scheme of demerger | (75,279.98) |

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

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(Amount in ₹ lakhs, unless otherwise stated)

## 49 Financial Ratios

| Description | Numerator | Denominator | As at March 31, 2025 | As at March 31, 2024 | % change | Reason for variance |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 1.09 | 1.06 | 2.83% | NA |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.76 | 0.74 | 2.70% | NA |
| Debt Service Coverage ratio | Earnings available for debt service= Net Profit after Tax + Non Cash Operating Expenses(Depreciation and amortization)+Finance cost | Debt Service= Interest, and Principal Repayments | 1.55 | 2.42 | (35.95)% | The decrease is mainly on account of decrease in debts as compared to previous year. |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 5.60% | 4.99% | 12.22 % | NA |
| Inventory Turnover ratio | Revenue | Average Inventory | 6.43 | 6.06 | 6.11 % | NA |
| Trade Receivable Turnover Ratio | Revenue | Average Trade Receivable | 5.03 | 4.41 | 14.06 % | NA |
| Trade Payable Turnover Ratio | Purchases of goods and services | Average Trade Payables | 5.03 | 4.81 | 4.57 % | NA |
| Net Capital Turnover Ratio | Revenue | Working capital= Current assets – Current liabilities | 22.76 | 33.32 | (31.69)% | The decrease is mainly on account of decrease in working capital as compared to decrease in revenue. |
| Net Profit ratio | Net Profit after tax. | Revenue | 2.63% | 2.13% | 23.47 % | NA |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed=Tangible Net Worth + Total Debt + Deferred Tax Liability | 7.97% | 7.03% | 13.51 % | NA |

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

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**50 Transfer Pricing:**

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

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

The Ministry of Micro, Small and Medium Enterprises had issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2025 except as follows:-

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | 2,168.51 | 1,662.59 |
| (ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| (v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

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

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

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

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

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

**56 Relationship with Struck-off Companies**

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

**57 Registration of charges or satisfaction with Registrar of Companies**

There is no charge created on the assets of the Company with the Registrar of Companies other then assets specified in Note 22.

**58 Details of Crypto Currency or Virtual Currency**

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

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

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

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61 The Company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act 1961 (such as, seerch or survey or any other relevant provisions of the Income-tax Act, 1961).

62 The Company has declared and paid Final dividend ₹ 942.05 lakhs (March 31, 2024 interim dividend ₹ 935.70 lakhs ; ₹ 0.25 /share) during the year (₹ 0.25 /share).

63 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

64 As per the notification of the Ministry of Corporate Affairs (MCA) dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022 which amended the Companies (Accounts) Rules, 2014 (hereinafter referred as 'Rules'). As per said Rules, the Companies are, inter-alia, required to maintain back-up of the books of accounts and other relevant books and papers in electronic mode in servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode and the same is physically located in India and backups are being carried out on a daily basis.

65 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

66 The Company had entered into agreement of lease of land from Hero Cycles Limited for 10 years which was expiring on March 31,2032; Subsequently, during the financial year 2023-24 , the Company had entered into an agreement to buy this land at a consideration of ₹ 2,282.00 lakhs and continued to hold the possession of the land and accordingly had terminated the land lease agreement in 2023-24. The Company had paid ₹ 2,053.00 lakhs towards purchase consideration of the land and had disclosed the balance amount payable under the head capital creditors and had capitalized the land as free hold land and has reclassified the building constructed on this land from leasehold improvements to buildings in financial year 2023-24.Further, net gain on account of cancellation of land lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' in Note 30 of signed financials pertaining to financial year 2023-24.
During the year the Company has got land of ₹ 2,053 lakhs (6.65 acres) registered in its name and registration charges paid amounting ₹ 151.14 lakhs has been capitalized .The Company is in process of registering the land ameunting ₹ 228.00 lakhs (0.67 acres) in its name.

67 The Company is in the process of launching its initial public offer (IPO), accordingly the Company is in the process of filing the DRHP with Securities and Exchange Board of India (SEBI). The Company has incurred initial public offer related expenses of ₹ 1,260.75 lakhs (March 31, 2024 ₹ 232.00 lakhs) in connection with proposed public offer of equity shares. The initial public offer related expenses shall be shared in proportion mutually agreed between the Parent Company and the Selling Shareholders in accordance with applicable law. The Company' share of expenses will be adjusted against securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of initial public offer.

68 The Ministry of Corporate Affairs (MCA) vide its notification No. GSR 206(E) dated March 24, 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021" read with sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred as "the Act") introducing Rule 11(g). As per this rule, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.
During the year, the Company maintained it's books of account in SAP S4 Hana accounting software where audit trail feature (edit log facility) was not evaluated, during the year ended March 31, 2025. The Company is evaluating implementation of audit trail feature in accounting software used for maintaining its books of account to comply with the requirements of Proviso to Rule 3(1) of the Companies (Account) Rules, 2014.

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

**Abhishek Munjal**
*Whole Time Director*
*(DIN: 05355274)*
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

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HERO MOTORS LIMITED

**Utkarsh Sanghi**
*Chief Financial Officer*
Place: Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

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# INDEPENDENT AUDITOR'S REPORT

**To The Members of Hero Motors Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Hero Motors Limited (the "Parent" and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements, subsidiaries, referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

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

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the boards 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 will not express any form of assurance conclusion thereon.

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

**Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

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

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

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

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

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

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Chartered Accountants

Deloitte
Haskins & Sells LLP

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by the other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

**Other Matters**

(a) We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of Rs. 36,074.07 Lakhs as at March 31, 2025, total revenues of Rs. 21,389.22 Lakhs and net cash outflows amounting to Rs. 1,112.03 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) Two of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the separate financial statements of the, subsidiaries, referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors except for not compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

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e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its, subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above·

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, - Refer Note 43 to the consolidated financial statements;

ii) the Group, did not have any material foreseeable losses on long-term contracts including derivative contracts. (Refer Note 63. to the consolidated financial statements)

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies, incorporated in India.

(iv) (a) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, to or in any other 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, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 67 of the Consolidated Financial Statements).

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(b) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries, 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 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. (Refer note 67 of the Consolidated Financial Statements)

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

V) The 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.

Vi) Based on our examination, which included test checks, and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, we report that,

- In absence of management's evaluation of the audit trail feature in the accounting software at the Parent Company level, we are unable to comment on the audit trail feature of the said software and whether there were any instances of the audit trail feature been tampered with (refer Note 64 of the consolidated financial statements)

- In respect of subsidiaries, audit trail was not enabled at database level.

- Further, during the course of our audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with, in respect of said accounting software's for the period for which the audit trail feature was enabled and operating.

As audit trail feature was not enabled for the year ended March 31, 2024, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable.

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2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:

| Name of the Company | CIN | Nature of Relationship | Clause Number of CARO report with qualification or adverse remark |
|---|---|---|---|
| Hero Motors Limited | U29299PB1998PLC039602 | Parent Company | i (C ) |
| SPUR Technologies Private Limited | U35990HR2014PTC074086 | Wholly Owned Subsidiary | xvii |
| HYM Drive Systems Private Limited | U35999PB2022PTC055274 | Subsidiary | xvii |
| Hero EDU Systems Private Limited | U34100UP2022PTC175717 | Wholly Owned Subsidiary | xvii |

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

**Rajesh Kumar Agarwal**
(Partner)
(Membership No. 105546)
UDIN: 25105546BMLAKN2946

Place: Gurugram
Date: August 12, 2025

**Deloitte**
**Haskins & Sells LLP**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**
**(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Hero Motors Limited (hereinafter referred to as "the" "Parent") and its subsidiary companies, incorporated in India, as of that date.

**Managements and Board of Directors' Responsibilities for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, which are companies incorporated in India.

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Chartered Accountants

**Meaning of Internal Financial Controls with reference to consolidated financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to financial statements of three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Deloitte Haskins & Sells LLP
Chartered Accountants

**Rajesh Kumar Agarwal**
(Partner)
(Membership No. 105546)
UDIN: 25105546BMLAKN2946

Place: Gurugram
Date: August 12, 2025

**Hero Motors Limited**
**Consolidated Balance Sheet as at March 31, 2025**
**CIN : U29299PB1998PLC039602**
**(Amount in ₹ lakhs, unless otherwise stated)**

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **A. Assets** | | | |
| **1. Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 49,536.55 | 36,029.92 |
| (b) Right of use assets | 5 | 2,986.16 | 3,547.56 |
| (c) Capital work in progress | 7 | 3,810.02 | 5,960.45 |
| (d) Goodwill | 8 | 797.25 | 797.25 |
| (e) Other intangible assets | 9 | 1,453.44 | 525.21 |
| (f) Intangible assets under development | 10 | 2,863.38 | 1,800.56 |
| (g) Financial assets | | | |
| (i) Investments | 11 | 300.20 | 156.20 |
| (ii) Loans | 13 | 136.32 | 131.07 |
| (iii) Other financial assets | 14 | 497.63 | 739.13 |
| (h) Deferred tax asset (net) | 29 | 214.25 | 41.59 |
| (i) Non-current tax assets (net) | 15 | 1,253.93 | 904.59 |
| (j) Other non-current assets | 16 | 1,058.29 | 1,741.70 |
| **Total non-current assets** | | **64,907.42** | **52,375.23** |
| **2. Current assets** | | | |
| (a) Inventories | 17 | 19,125.52 | 17,989.79 |
| (b) Financial assets | | | |
| (i) Investments | 12 | 216.02 | 667.56 |
| (ii) Trade receivables | 18 | 20,233.12 | 19,478.69 |
| (iii) Cash and cash equivalents | 19 | 944.82 | 4,226.09 |
| (iv) Bank balances other than (iii) above | 20 | 3,831.00 | 4,600.00 |
| (v) Loans | 13 | 111.35 | 60.19 |
| (vi) Other financial assets | 14 | 3,205.90 | 2,017.55 |
| (c) Other current assets | 16 | 3,886.29 | 4,569.61 |
| **Total current assets** | | **51,554.02** | **53,609.48** |
| **Total assets** | | **1,16,461.44** | **1,05,984.71** |
| **B. Equity and liabilities** | | | |
| **1. Equity** | | | |
| (a) Equity share capital | 21 | 35,738.45 | 35,357.84 |
| (b) Other equity | 22 | 6,770.54 | 3,226.09 |
| **Equity attributable to the owners of the company** | | 42,508.99 | 38,583.93 |
| Non controlling interests | 22 | 91.91 | (1,102.33) |
| **Total equity** | | **42,600.90** | **37,481.60** |
| **2. Liabilities** | | | |
| **Non- current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 23 | 12,336.98 | 8,175.29 |
| (ii) Lease liabilities | 6 | 1,813.28 | 2,333.00 |
| (iii) Others financial liabilities | 25 | 813.68 | 470.70 |
| (b) Provisions | 27 | 5,956.57 | 7,364.66 |
| (c) Deferred tax liabilities (net) | 29 | 1,393.10 | 1,059.91 |
| **Total non- current liabilities** | | **22,313.61** | **19,403.56** |

Deloitte Haskins & Sells LLP Chartered Accountants

HERO MOTORS LIMITED

**(Amount in ₹ lakhs, unless otherwise stated)**

| **Particulars** | **Note No.** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|---|
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 24 | 28,425.20 | 22,224.34 |
| (ii) Lease liabilities | 6 | 588.52 | 666.28 |
| (iii) Trade payables | 28 | | |
| - Total outstanding due of micro enterprises and small enterprises | | 2,312.20 | 1,717.06 |
| - Total outstanding due of creditors other than micro enterprises and small enterprises | | 11,407.99 | 11,907.22 |
| (iv) Other financial liabilities | 25 | 6,485.72 | 10,195.33 |
| (b) Other current liabilities | 26 | 1,529.95 | 2,185.26 |
| (c) Provisions | 27 | 797.35 | 204.06 |
| **Total current liabilities** | | **51,546.93** | **49,099.55** |
| **Total equity and liabilities** | | **1,16,461.44** | **1,05,984.71** |
| The accompanying material accounting policies and notes form an integral part of these consolidated financial statements | 1-67 | | |

**As per our report of even date attached**

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

**Rajesh Kumar Agarwal**
*(Partner)*
*(Membership No. 105546)*
Place : Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
(DIN: 05355274)
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

**Utkarsh Sanghi**
*Chief Financial Officer*
Place : Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

HERO MOTORS LIMITED

Deloitte Haskins & Sells LLP Chartered Accountants

**Hero Motors Limited**
**Consolidated Statement of Profit and Loss for the year ended March 31, 2025**
**CIN : U29299PB1998PLC039602**
**(Amount in ₹ lakhs, unless otherwise stated)**

| | Particulars | Note No. | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|---|
| | **Income** | | | |
| I | Revenue from operations | 31 | 1,08,959.39 | 1,06,438.59 |
| II | Other income | 32 | 2,163.99 | 1,903.27 |
| III | **Total income (I+II)** | | **1,11,123.38** | **1,08,341.86** |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | 33 | 63,044.35 | 64,044.80 |
| | (b) Purchases of stock-in-trade | 34 | 765.67 | - |
| | (c) Changes in inventories of finished goods, work in progress and stock in trade | 35 | (66.80) | 456.77 |
| | (d) Employee benefits expense | 36 | 17,499.89 | 18,083.45 |
| | (e) Finance costs | 37 | 3,312.12 | 2,994.42 |
| | (f) Depreciation and amortisation expenses | 38 | 3,794.42 | 2,855.14 |
| | (g) Other expenses | 39 | 18,865.93 | 17,475.87 |
| | **Total expenses** | | **1,07,215.58** | **1,05,910.45** |
| V | **Profit before tax (III-IV)** | | **3,907.80** | **2,431.41** |
| VI | **Tax expense:** | 30 | | |
| | (a) Current tax | | 774.31 | 124.68 |
| | (b) Deferred tax | | (146.29) | 603.10 |
| | **Total tax expense** | | **628.02** | **727.78** |
| VII | **Profit for the year (V-VI)** | | **3,279.78** | **1,703.63** |
| VIII | **Other comprehensive income** | | | |
| (A) | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Re-measurement gains/(losses) on defined benefit plans | | 1,227.65 | (488.09) |
| | (b) Income tax effect | | (306.82) | (23.62) |
| (B) | (i) Items that will be reclassified to profit or loss | | | |
| | (a) Exchange differences in translating the financial statements of foreign operations | | 29.99 | (423.71) |
| | (b) Income tax effect | | - | - |
| | **Other comprehensive income for the year, net of tax** | | **950.82** | **(935.42)** |
| IX | **Total comprehensive income for the year , net of tax (VII+VIII)** | | **4,230.60** | **768.21** |
| X | **Profit for the year attributable to :** | | | |
| | Equity holder of parent | | 2,520.15 | 1,341.84 |
| | Non-Controlling interest | | 759.63 | 361.79 |
| | | | **3,279.78** | **1,703.63** |
| XI | **Other comprehensive income for the year, attributable to :** | | | |
| | Equity holder of parent | | 533.90 | (602.71) |
| | Non-Controlling interest | | 416.92 | (332.71) |
| | | | **950.82** | **(935.42)** |
| XII | **Total comprehensive income for the year, attributeble to :** | | | |
| | Equity holder of parent | | 3,054.05 | 739.13 |
| | Non-Controlling interest | | 1,176.55 | 29.08 |
| | | | **4,230.60** | **768.21** |
| XIII | **Earnings per share: (face value ₹ 10 per share)** | 40 | | |
| | 1) Basic (amount in ₹) | | 0.67 | 0.36 |
| | 2) Diluted (amount in ₹) | | 0.66 | 0.35 |
| | The accompanying material accounting policies and notes form an integral part of these consolidated financial statements | 1-67 | | |

**As per our report of even date attached**

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

**Rajesh Kumar Agarwal**
*(Partner)*
*(Membership No. 105546)*
Place : Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
*(DIN: 05355274)*
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

**Utkarsh Sanghi**
*Chief Financial Officer*
Place : Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

Deloitte Haskins & Sells LLP Chartered Accountants

HERO MOTORS LIMITED

**Hero Motors Limited**
**Consolidated Statement of changes in equity for the year ended March 31, 2025**
**CIN : U29299PB1998PLC039602**
**(Amount in ₹ lakhs, unless otherwise stated)**

| **A. Equity Share Capital** | **Amount** |
|---|---|
| **As at April 01, 2023** | 35,357.84 |
| Changes during the year | - |
| **As at March 31, 2024** | **35,357.84** |
| Changes during the year | 380.61 |
| **As at March 31, 2025** | **35,738.45** |

**B. Other Equity**

| Particulars | Security Premium | Equity Component of CCPS | Share based payment reserve | Demerger adjustment deficit account | Capital reserve | Retained Earnings | Foreign Currency Translation Reserve | Total Other Equity before Non controlling Interest | Non Controlling Interest | Total Other Equity including Non Controlling Interest |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at April 01, 2023** | **55,439.60** | **2,097.19** | **1,334.99** | **(75,279.98)** | **160.76** | **15,497.22** | **256.04** | **(494.18)** | **(1,131.41)** | **(1,625.59)** |
| Issue of equity shares (refer note 41) | - | - | - | - | | - | - | - | - | - |
| Issue of non-cumulative compulsory convertible | - | - | - | - | | - | - | - | - | - |
| Share issue expenses (refer 22(7)) | (29.33) | - | - | - | - | - | - | (29.33) | - | (29.33) |
| Credit to equity for equity-settled share-based payments (Refer note 41) | - | | 3,946.17 | - | - | - | - | 3,946.17 | - | 3,946.17 |
| Pre acquisition reserve | - | - | - | - | | - | - | - | - | - |
| Share issued during the year | - | - | - | - | - | - | - | - | - | - |
| Profit during the year | - | - | - | - | - | 1,341.84 | - | 1,341.84 | 361.79 | 1,703.63 |
| Dividend distribution | - | - | - | - | - | (935.70) | - | (935.70) | - | (935.70) |
| Deemed Equity Contribution by Non Controlling interest | - | - | - | - | - | - | - | - | | - |
| Other comprehensive income | - | - | - | - | - | (225.37) | (377.34) | (602.71) | (332.71) | (935.42) |
| **Total comprehensive income for the year** | - | - | - | - | - | **180.77** | **(377.34)** | **(196.57)** | **29.08** | **(167.49)** |
| **Balance as at March 31, 2024** | **55,410.27** | **2,097.19** | **5,281.16** | **(75,279.98)** | **160.76** | **15,677.99** | **(121.30)** | **3,226.09** | **(1,102.33)** | **2,123.76** |
| Share issue expenses (refer note 22(7)) | (31.52) | - | - | - | - | (17.69) | - | (49.21) | 17.69 | (31.52) |
| Share based payment reserve on shares excercised transferred to Security Premium | 2,319.06 | - | (2,319.06) | - | - | - | - | - | - | - |
| Credit to equity for equity-settled share-based payments ( Refer note 41) | - | - | 1,481.65 | - | - | - | - | 1,481.65 | - | 1,481.65 |
| Profit during the year | - | - | - | - | - | 2,520.15 | - | 2,520.15 | 759.63 | 3,279.78 |
| Dividend distribution (refer note 60) | - | - | - | - | - | (942.05) | - | (942.05) | - | (942.05) |
| Other comprehensive income | - | - | - | - | - | 459.57 | 74.34 | 533.91 | 416.92 | 950.82 |
| **Total comprehensive income for the year** | - | - | - | - | - | **2,037.67** | **74.34** | **2,112.01** | **1,176.55** | **3,288.56** |
| **Balance as at March 31, 2025** | **57,697.81** | **2,097.19** | **4,443.75** | **(75,279.98)** | **160.76** | **17,697.97** | **(46.96)** | **6,770.54** | **91.91** | **6,862.45** |

The accompanying material accounting policies and notes form an integral part of these consolidated financial statements

**As per our report of even date attached**

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

**Rajesh Kumar Agarwal**
*Partner*

*(Membership No. 105546)*
Place : Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
(DIN: 05355274)
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

**Utkarsh Singhi**
*Chief Financial Officer*
Place : Noida
Date: August 12, 2025

**Esha Gupta**
*Company Secretary*
*M. No. A23608*
Place: Noida
Date: August 12, 2025

HERO MOTORS LIMITED

Deloitte Haskins & Sells LLP Chartered Accountants

Hero Motors Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2025
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| **Profit before tax** | 3,907.80 | 2,431.41 |
| **Adjustments for:** | | |
| Depreciation and amortization | 3,794.42 | 2,855.14 |
| Interest cost | 2,663.20 | 2,115.96 |
| Other borrowing cost | 648.92 | 878.46 |
| Net Foreign currency translation | 29.99 | - |
| Provision/sundry balances written back | (200.25) | (300.08) |
| Mark to market gain on forward contract | (26.84) | - |
| Unrealized foreign exchange gain | (132.72) | 87.79 |
| Loss on sale of property plant and equipment (net) | (11.49) | (10.84) |
| Share based payment expenses | 1,481.65 | 3,946.17 |
| Gain on derecognition of right of use asset and lease liability | - | (105.12) |
| Profit on sale of fair valuation of mutual funds | (49.24) | (87.29) |
| Other Non Operating Income | (9.01) | (2.99) |
| Rental income | (4.78) | (2.35) |
| Interest income | (474.34) | (967.58) |
| **Operating cash flows before working capital changes** | **11,617.31** | **10,838.68** |
| **Working Capital adjustments:** | | |
| **Change in assets and liabilities** | | |
| (Increase) / decrease trade receivables | (605.30) | 5,131.59 |
| (Increase) / decrease in inventories | (1,135.73) | 1,589.50 |
| (Increase) / decrease in other financial assets | (1,166.55) | 1,901.67 |
| (Increase) / decrease in other assets | 463.78 | (2,345.49) |
| Increase / (decrease) in trade payables | 285.29 | (926.24) |
| Increase / (decrease) in other financial liabilities | (3,759.98) | (3,050.02) |
| Increase / (decrease) in provisions | 412.85 | (31.57) |
| Increase / (decrease) in other liabilities | (655.31) | 675.78 |
| **Cash generated from operations** | **5,456.36** | **13,783.90** |
| Income tax paid (net of refunds) | (1,123.65) | (934.28) |
| **Net cash inflow from operating activities (A)** | **4,332.71** | **12,849.62** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment, (including Capital work in progress and capital advances net of capital creditors) | (15,240.21) | (13,283.43) |
| Proceeds from sale of property, plant and equipment | 28.31 | 25.07 |
| Investment in debenture/shares/mutual fund | (144.00) | (38.04) |
| Proceeds from sale of mutual funds | 500.78 | 949.99 |
| Loan given to employees | (56.41) | (155.37) |
| Interest received | 729.89 | 854.46 |
| Rent received | 4.78 | 2.35 |
| Investment in bank deposits (net) | 769.00 | 3,955.18 |
| **Net cash inflow (used in) investing activities (B)** | **(13,407.86)** | **(7,689.79)** |
| **Cash flows from financing activities** | | |
| Proceeds from long term borrowings | 8,629.54 | 4,825.00 |
| Repayment of long term borrowings | (3,774.26) | (2,253.14) |
| Proceeds from / repayment of short term borrowings (net) | 5,480.40 | 823.23 |
| Payment of final Dividend | (942.05) | (935.70) |
| Share issue expenses | (31.52) | (29.33) |
| Proceeds from issue of equity shares | 380.61 | - |
| Payment of principal portion of lease liabilities | (667.76) | (654.12) |
| Payment of interest portion of lease liabilities | (208.30) | (211.67) |
| Other borrowing cost | (648.92) | (878.46) |
| Interest paid | (2,462.27) | (2,375.34) |
| **Net cash inflow from financing activities (C)** | **5,755.47** | **(1,689.53)** |

HERO MOTORS LIMITED

Deloitte Haskins & Sells LLP Chartered Accountants

**Hero Motors Limited**
**Consolidated Statement of Cash Flows for the year ended March 31, 2025**
**CIN : U29299PB1998PLC039602**
**(Amount in ₹ lakhs, unless otherwise stated)**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Net decrease in cash and cash equivalents (A+B+C)** | **(3,319.68)** | **3,470.30** |
| Opening balance of cash and cash equivalents | 4,226.09 | 755.79 |
| Effect of exchange rate changes on cash and cash equivalents | 38.41 | - |
| **Total cash and cash equivalents (Note no. 19)** | **944.82** | **4,226.09** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 0.30 | 0.26 |
| With banks - Current account* | 694.52 | 2,225.83 |
| With banks - Deposit account | 250.00 | 2,000.00 |
| **Total cash and cash equivalents (Note no. 19)** | **944.82** | **4,226.09** |

*Includes ₹ Nil as at March 31, 2025 (March 31, 2024: ₹ 0.68) as unpaid dividend account and is restrictive in nature.

**Notes :**

a) The statement of cash flow has been prepared in ordinance with 'indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under section 133 of Companies Act, 2013 read with relevant rules issued thereunder.

b) Refer note 46, for reconciliation of liabilities whose cash flow movements are disclosed as part of financing.

The accompanying material accounting policies and notes form an integral part of these consolidated financial statements

**As per our report of even date attached**

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

**Rajesh Kumar Agarwal**
*Partner*
*(Membership No. 105546)*
Place : Gurugram
Date: August 12, 2025

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

**Abhishek Munjal**
*Whole Time Director*
*(DIN: 05355274)*
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

**Utkarsh Sanghi**
Chief Financial Officer
Place : Noida
Date: August 12, 2025

**Esha Gupta**
Company Secretary
*M. No. A23608*
Place : Noida
Date: August 12, 2025

HERO MOTORS LIMITED

Deloitte Haskins & Sells LLP Chartered Accountants

## 1. Corporato Information

"Hero Motors Limited, 'the Group' was incorporated on April 30, 1998, as a unlisted Limited Group under the Companies Act, 1956, vide Registration Number U29299PB1998PLC039602. The Registered Office of the Group is at Hero Nagar G. T. Road Ludhiana, PB 141003. These consolidated financial statements comprise the Group, its subsidiaries (referred to collectively as the "Group").

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

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

Information on the Group's structure is provided in note 2.1. Information on other related party relationships of the Group is provided in Note 44.

Hewland Engineering Limited: A British company specializing in designing and manufacturing gearboxes and transmission systems for motorsport and high-performance vehicles. Hewland's product range includes manual and sequential gearboxes, differential units, and bespoke drivetrain components. Hewland collaborates with OEMs to develop customized transmission systems tailored to specific vehicle needs.

Hero Motors Thai Limited: An advanced gearbox assembly manufacturing facility in Samut Prakan, Thailand in 2023 to cater to the growing ASEAN region and global internal combustion engine ("ICE") and EV markets

HYM Drive System Private Limited: A Joint Venture company with Yamaha Motors Japan. focuses in design, validation, and production of motors for two-wheelers. The facility features latest and advanced motor assembly line built as per Japanese standards, along with in-house motor winding and comprehensive end-of-line testing, equipped with the [ODIN] software system to ensure 100% traceability.

Spur Technology Private Limited: Manufacturing components for high-end bikes and e-bikes.

Hero EDU System Private Limited: We ventured into the electric drive unit ("EDU") segment for micro-mobility under the 'ESYNC' brand. EDUs are integrated systems with motor, battery and controller as key components and have major impact on the overall performance and functionalities of the end-applications such as e-bikes or electric two-wheelers.

## 2. Material Accounting Policies:

### 2.1 Basis of Preparation and presentation

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

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

Deloitte Haskins & Sells LLP Chartered Accountants

HERO MOTORS LIMITED

The consolidated financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), up to two places of decimal, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous year.

**Basis of measurement**

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

- Certain financial assets and liabilities is (including derivative instrument and contingent consideration) measured at fair value.
- Defined benefit plans- plan assets are measured at fair value
- Share based payments

**Basis of Consolidation**

The consolidated financial statements comprise the financial statement of the Group, and the entities controlled by the Group including its subsidiaries, associates and its joint venture as at March 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and The ability to use its power over the investee to affects its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee. Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting holders.

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31, 2025.

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HERO MOTORS LIMITED

**Consolidation procedure:**

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group 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. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
(ii) Derecognises the carrying amount of any noncontrolling interests
(iii) Derecognises the cumulative translation differences recorded in equity
(iv) Recognises the fair value of the consideration received
(v) Recognises the fair value of any investment retained
(vi) Recognises any surplus or deficit in profit or loss
(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities."

**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.

**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 Group's investment in its associate are accounted for using the equity method from the date on which it becomes an associate. On acquisition of the investment, any difference between the cost of the investment and the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to an associate is included in the carrying amount of the investment. Such goodwill is not amortised.
- Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment (if material) is recognised directly in equity as capital reserve in the period in which the investment is acquired. "

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss includes the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as share of profit or loss of associate in the Statement of Profit or Loss.

The details of the consolidated entities are as follows:

| Name of the Entity | Principal Activities | Relationship | Country of Incorporation | % of Holding March 31, 2025 |
|---|---|---|---|---|
| Hero Motors Thai Limited (HMTL) | Manufacturer of auto component | Subsidiary | Thailand | 100% |
| Hewland Engineering Limited (HEL) | Manufacturer of auto component | Subsidiary | United Kingdom | 51% |
| HYM Drive Systems Private Limited | Manufacturer of auto component | Subsidiary | India | 90% |
| Hero EDU Systems Private Limited(HESPL) | Manufacturer of auto component | Subsidiary | India | 100% |
| Spur Technology Private Limited* | Manufacturer of auto component | Subsidiary | India | 100% |

*With effect from November 29, 2023. The Group has consolidated using the Business Combination under common control.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the carrying amount of any non-controlling interests. Derecognises the cumulative translation differences recorded in equity. Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained. Recognises any surplus or deficit in profit or loss.
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

**Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred, and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value rocognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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HERO MOTORS LIMITED

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**Business combination under Common Control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling of interest method as follows:

• The assets and liabilities of the combining entities are reflected at the carrying amounts.

• No adjustments are mede to reflect fair values or recognize new assets or liabilities. Adjustments are made to harmonize significant accounting policies.

• The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

## 2.2 Summary of Material accounting policies

### a. Current versus non-current classification

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

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

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

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

All other liabilities are classified as non-current.

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

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

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

**Recognition and measurement**

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

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

**Recognition criteria**

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

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

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

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

**Subsequent expenditure**

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

**Depreciation**

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

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

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

- Leasehold land & Leasehold improvement has been amortised over the lease term.
- Freehold Land is not depreciated.

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

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

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

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

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

Derecognition

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

**c. Intangible assets**

**Acquired Intangible**

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

**Subsequent expenditure**

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

**Amortisation**

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

These are amortized over a period of 3-5 years or license period whichever is later.

**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

**Useful lives of intangible assets**

Intangible assets, comprising of software, expenditure on websites, etc. incurred are amortised on a straight line method over a period of its useful life.

**Derecognition**

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

**d. Inventories**

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

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

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

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

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

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

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

**e. Retirement and other employee benefits**

**(i) Short-torm employee benefits**

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

**(ii) Post-employment benefits**

**a) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**b) Defined benefit plans**

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

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

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

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

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**c) Short term and other long term employee benefits:**

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

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

**d) Share - based payment**

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

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

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

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

**f. Provisions**

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

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

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

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

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

### g. Contingent liabilities and contingent assets

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

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

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

### h. Commitments

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

### i. Revenue from contract with customer

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.
Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract Step 3: Detarmine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

As per Ind AS 115, the Group determines whether there is a significant financing component in its contracts. However, the Group has decided to use practical expedient provided in Ind AS 115 and

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not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Group expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the Group does not account for a financing component. No long-term advances from customers are generally received by the Group.

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

The Group disaggregates revenue from contracts with customers by geography.

**Sale of services**

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

**Export benefits**

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

**Disaggregated revenue information**

The Group presents disaggregation of revenue from contracts with customers for the year ended March 31, 2025 by type of goods and services and timing of revenue recognition. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

**Contract balances**

***Trade Receivable***

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

***Contract liabilities***

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

**j. Recognition of interest income or expense**

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

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

Dividend income is recognized when the right to receive payment is established.
Claims receivables on account of insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

**k. Borrowing costs**

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

**l. Taxes**

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

**Current income tax**

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

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

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

**Deferred tax**

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

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

of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

**Value added taxes/GST paid on acquisition of assets or on incurring expenses**

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

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

**m. Leases**

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

**Group as a lessee**

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. "
Lease arrangements may include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities may include these options when it is reasonably certain that they will be exercised.

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to the Group. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

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

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

**Financial assets**
*Initial recognition and measurement*

All financial assets are recognised initially at fair value plus except trade receivables where there is no significant financing component, are recorded at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.
Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

**Debt instruments at amortised cost**

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

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

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**Debt instrument at FVOCI**

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

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

**Debt instrument at FVPL**

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

**Equity investments**

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

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.
Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

**Impairment of financial assets**

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

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

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

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

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

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

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

**Measurement of expected credit losses**

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

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

**Write-off**

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

**Derecognition of financial assets**

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

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

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

**Financial liabilities**

***Initial recognition and measurement***

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

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

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

***Subsequent measurement***

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

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

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

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

**Derecognition of financial liabilities**

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

**Derivative financial instruments**

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

**Offsetting**

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

**n. Impairment of non-financial assets**

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

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

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and

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Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**o. Operating Segments**

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

**p. Cash and cash equivalents**

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

**q. Cash flow statement**

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

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

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

**r. Government grants**

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

**s. Cash dividend**

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

**t. Earnings per share**

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

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

**u. Functional and presentation currency**

The Financial Statements are presented in Indian Rupees, which is the functional, and presentation currency of the Company.

The items included in Financial Statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

**Transactions and balances**

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at histerical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the OCI or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

**Foreign operations**

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their Statements of Profit and Loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. However, if exchange rates fluctuate significantly during the period, the exchange rates at the date of transactions are used. The resulting exchange differences arising on the translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

**Net Investment in Foreign Operations**

When a monetary item forms part of the Group's net investment in a foreign operation, the exchange differences are then recognised initially in other comprehensive income and are held within the FCTR. Such FCTR is reclassified from equity to profit and loss on disposal of the foreign operation.

**v. Fair value measurement**

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

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

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

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

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

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

**w. Exceptional items**

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

## 3. Changes in accounting policies and disclosures

**Recent 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. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

**Amendments to Ind AS issued but not yet effective:**

MCA has notified amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, vide the Companies (Indian Accounting Standards) Amendment Rules, 2025 through Notification No. G.S.R. 291(E) dated May 7, 2025. The amendment provide comprehensive guidance on assessing the exchangeability of currencies, determining spot exchange rates when currencies are not exchangeable and enhancing related disclosures. The amendment is effective for annual reporting periods beginning on or after April 1, 2025. The Company will evaluate the impact of this amendment and implement the necessary changes in its financial reporting for periods commencing on or after the effective date.

## 3.1 Key sources of estimation uncertainties and critical judgements

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

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

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**Judgements**

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

**Revenue from contracts with customers**

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

**Business Combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Non-Cumulative Compulsorily Convertible Preference Shares**

The Group has issued Non-Cumulative Compulsorily Convertible Preference Shares which meets the fixed-to-fixed criteria at the date of issuance. The Group has assessed the terms of such instruments and classified these as equity. (Refer footnote (h) of note 21)

**Impairment testing**

The Group has reviewed its carrying value of long term investments in equity shares as disclosed in note no. 11 of consolidated financial statements at the end of each reporting period, for possible impairment if there are events or changes in circumstances that indicate that carrying amount of assets may not be recoverable. If the recoverable value, which is based upon economic circumstances and future plan is less than its carrying amount, the impairment loss is accounted.

**Expected credit losses on financial assets**

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

**Determining the lease term**

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only

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revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

**Determining the incremental borrowing rate for lease contracts**

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Group has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk-free borrowing rates as adjusted for country / Company specific risk premiums.

**Estimates and Assumptions**

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

**Useful life of assets of Property, plant and equipment**

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

**Impairment of Property, plant and equipment, Capital work in progress and intangible assets**

Property, plant and equipment, Capital work in progress and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying value may not be recoverable.

**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 here are no factors which indicates that these assets have suffered any impairment loss.

**Provision and contingent liability**

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent gain are not recognized until the contingency has been resolved and amounts are received or receivable.

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**Recoverability of deferred taxes**

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

**Estimation of Taxes**

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

**Government grant**

During the period, 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.

**Climate – related matters**

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the consolidated financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are Useful life of property, plant and equipment and Impairment of non-financial assets.

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## 4 Property, Plant and Equipment

| Particulars | Free Hold Land | Leasehold Improvements | Buildings | Plant & Machinery | Furniture & Fixtures | Vehicles | Office Equipment | Computer | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost / Deemed Cost** | | | | | | | | | |
| **Balance as at April 1, 2025** | **460.67** | **641.28** | **5,479.58** | **34,100.70** | **1,848.75** | **248.17** | **1,690.04** | **407.88** | **44,877.07** |
| Add: Additions made during the year | 2,282.00 | 537.51 | 470.30 | 8,913.43 | 140.77 | 71.91 | 63.25 | 259.55 | 12,738.72 |
| Less: (Disposals)/adjustments during the year | - | (603.08) | 603.08 | (395.34) | (1.50) | (26.34) | 4.23 | (11.15) | (430.10) |
| Translation difference | - | (13.18) | - | 209.41 | 51.12 | - | 50.89 | (3.09) | 295.15 |
| **Balance as at March 31, 2024** | **2,742.67** | **562.53** | **6,552.96** | **42,828.20** | **2,039.14** | **293.74** | **1,808.41** | **653.19** | **57,480.84** |
| Add: Additions made during the year | 150.97 | 1,481.39 | 761.39 | 13,059.45 | 58.21 | 13.23 | 193.64 | 84.31 | 15,802.59 |
| Less: Disposals/(adjustments) during the year | - | - | - | (120.21) | - | (56.82) | (30.02) | (14.89) | (221.94) |
| Translation difference | - | 78.10 | - | 1,334.66 | 92.71 | - | 90.17 | 11.32 | 1,606.96 |
| **Balance as at March 31, 2025** | **2,893.64** | **2,122.02** | **7,314.35** | **57,102.10** | **2,190.06** | **250.15** | **2,062.20** | **733.93** | **74,668.45** |
| **Accumulated depreciation** | | | | | | | | | |
| **Balance as at April 1, 2025** | - | **476.62** | **287.17** | **15,367.11** | **1,382.06** | **44.66** | **1,460.96** | **145.60** | **19,164.18** |
| Add: Depreciation charge for the year | - | 47.74 | 233.58 | 1,676.13 | 76.49 | 36.39 | 70.97 | 127.51 | 2,268.81 |
| Less: (Disposals)/adjustments during the year | - | (469.24) | 469.24 | (386.04) | - | (15.37) | (3.89) | (10.57) | (415.87) |
| Translation difference | - | (0.61) | - | 343.24 | 44.59 | - | 46.84 | (0.26) | 433.80 |
| **Balance as at March 31, 2024** | - | **54.51** | **989.99** | **17,000.44** | **1,503.14** | **65.68** | **1,574.88** | **262.28** | **21,450.92** |
| Add: Depreciation charge for the year | - | 175.46 | 259.66 | 2,292.56 | 82.07 | 36.79 | 85.07 | 153.24 | 3,084.85 |
| Less: Disposals/(adjustments) during the year | - | 0.28 | (0.28) | (116.23) | - | (46.23) | (28.52) | (14.14) | (205.12) |
| Translation difference | - | 8.29 | - | 632.60 | 77.74 | - | 81.07 | 1.55 | 801.25 |
| **Balance as at March 31, 2025** | - | **238.54** | **1,249.37** | **19,809.37** | **1,662.95** | **56.24** | **1,712.50** | **402.93** | **25,131.90** |
| **Net carrying amount** | | | | | | | | | |
| **As at March 31, 2024** | **2,742.67** | **508.02** | **5,562.97** | **25,827.76** | **536.00** | **228.06** | **233.53** | **390.91** | **36,029.92** |
| **As at March 31, 2025** | **2,893.64** | **1,883.48** | **6,064.98** | **37,292.73** | **527.11** | **193.91** | **349.70** | **331.00** | **49,536.55** |

**Note :**

a) Refer note 23 and 24 for property, plant and equipment pledged/ hypothecated as security for borrowing by the group.

b) Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) During the previous year ended March 31, 2024, the management has reassessed useful life of plant and machineries based on technical evaluation carried at by management expert which is higher than as specified by Schedule II to the Companies Act , 2013, in order to reflect the actual usage of the assets. This has resulted in decrease in depreciation expenses during the year ended March 31, 2024 by ₹ 391.96 lakhs.

d) The group has capitalized depreciation amounting to ₹ 15.38 lakhs during the year ended March 31, 2025 in Hero EDU Systems Private Limited.

e) Refer note 62 for acquisition of land during the year ended March 31, 2024.

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### 5 Right of Use Assets

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

| | Particulars | Leasehold Buildling | Leasehold Land | Total |
|---|---|---|---|---|
| I | **Cost** | | | |
| | **Balance as at April 1, 2023** | **-** | **2,023.69** | **2,023.69** |
| | Additions | 850.46 | 2,357.36 | 3,207.82 |
| | Derecognition of Right of use Assets# | - | (1,132.73) | (1,132.73) |
| | Translation difference | - | 11.13 | 11.13 |
| | **Balance as at March 31, 2024** | **850.46** | **3,259.45** | **4,109.91** |
| | Derecognition of Right of use Assets* | (60.05) | - | (60.05) |
| | Translation difference | - | 149.28 | 149.28 |
| | **Balance as at March 31, 2025** | **790.41** | **3,408.73** | **4,199.14** |
| II | **Accumulated deprecation** | | | |
| | **Balance as at April 1, 2023** | - | **153.74** | **153.74** |
| | Charge for the year | - | 500.80 | 500.80 |
| | Adjustment during the year | 28.95 | 45.07 | 74.02 |
| | Derecognition of Right of use Assets# | - | (169.77) | (169.77) |
| | Translation difference | - | 3.56 | 3.56 |
| | **Balance as at March 31, 2024** | **28.95** | **533.40** | **562.35** |
| | Charge for the year | 87.85 | 514.18 | 602.03 |
| | Adjustment during the year | 15.23 | 24.23 | 39.46 |
| | Derecognition of right of use assets* | (29.81) | - | (29.81) |
| | Translation difference | - | 38.95 | 38.95 |
| | **Balance as at March 31, 2025** | **102.22** | **1,110.76** | **1,212.98** |
| III | **Net carrying amouat** | | | |
| | **As at March 31, 2024** | **821.51** | **2,726.05** | **3,547.56** |
| | **As at March 31, 2025** | **688.19** | **2,297.97** | **2,986.16** |

### 6 Leases liabilities

The following is the movement of lease liabilities during the year:-

| Particulars | Lease Hold Buildling | Lease Hold Land | Total |
|---|---|---|---|
| **Balance as at April 1, 2023** | **-** | **1,502.53** | **1,502.53** |
| Additions | 850.06 | 2,357.36 | 3,207.42 |
| Finance cost accrued during the year | 15.31 | 196.36 | 211.67 |
| Payment of lease liabilities | (15.54) | (850.24) | (865.78) |
| Deletion of Lease liability# | - | (1,068.07) | (1,068.07) |
| Translation difference | - | 11.51 | 11.51 |
| **Balance as at March 31, 2024** | **849.83** | **2,149.45** | **2,999.28** |
| Additions | - | - | - |
| Finance cost accrued during the year (Refer note 'd' below) | 73.72 | 134.58 | 208.30 |
| Payment of lease liabilities | (111.17) | (764.89) | (876.06) |
| Adjustment during the year | - | (19.17) | (19.17) |
| Deletion of Lease liability* | (32.89) | - | (32.89) |
| Translation difference | - | 122.34 | 122.34 |
| **Balance as at March 31, 2025** | **779.49** | **1,622.31** | **2,401.80** |

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

| Particulars | Current | Non - current |
|---|---|---|
| **As at March 31, 2024** | 666.28 | 2,333.00 |
| **As at March 31, 2025** | 588.52 | 1,813.28 |

The following is the movement in lease liabilities during the year :

**Other Disclosures**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Depreciation expense on right-of-use assets (Refer note 38) | 602.03 | 500.80 |
| Interest expense on lease liabilities (Refer note 37) | 190.23 | 184.12 |
| Expense relating to short-term leases (Refer note 39) | 299.48 | 252.97 |
| Total Cash outflow for leases | 876.06 | 865.78 |

**Note**

a) The effective discount rate for lease liabilities is 8.00%- 9.00% p.a.

b) The Leases generally have lease terms of 2 - 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning or sub leasing the leased assets.

c) Refer note 46, for maturity analysis of lease liabilities in the liquidity risk section.

d) The group has capitalized finance cost amounting to ₹ 18.07 lakhs during the year ended March 31, 2025 in subsidiary of Hewland Engineering Limited.

*During the year, the lease agreement for building in one of the subsidiary (Hero EDU Systems Private Limited) has been terminated, net gain on account of cancellation of building lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other Income' and adjusted with pre-operating expense.

# Refer note 62.

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## 7 Capital work in progress (CWIP)

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| Balance at the beginning of the year | 5,960.45 | 6,863.64 |
| Add: Addition made during the year | 11,458.00 | 8,000.72 |
| Less: Allocated to property plant and equipment during the year | (13,652.40) | (8,757.91) |
| Translation difference | 43.97 | (146.00) |
| | **3,810.02** | **5,960.45** |

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

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| Balance at the beginning of the year | 1,365.67 | 787.62 |
| Employee benefit expenses | 786.78 | 1,100.77 |
| Contract labour charges | 10.71 | 114.19 |
| Finance cost | 271.61 | 456.91 |
| Other Expenses | 242.93 | 713.60 |
| Translation difference | - | 38.29 |
| | **2,677.70** | **3,211.38** |
| Less: Allocated to property plant and equipment | (1,257.41) | (1,845.71) |
| **Closing balance included under Capital Work in progress** | **1,420.29** | **1,365.67** |

**Ageing schedule of CWIP as at March 31, 2025:**

| **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 | 2,962.55 | 769.40 | 78.07 | - | **3,810.02** |
| Projects temporarily suspended | - | - | - | - | - |

**Ageing schedule of CWIP as at March 31, 2024:**

| **Particulars** | **Amount in CWIP for a period of** | | | | **Total** |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | |
| Projects in progress | 5,719.42 | 241.03 | - | - | **5,960.45** |
| Projects temporarily suspended | - | - | - | - | - |

**Note: Project execution plans are modulated on an annual basis following a detailed assessment of requirements. All projects are undertaken in accordance with a rolling annual plan.**

## 8 Goodwill

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| Balance at the beginning of the year | 797.25 | 797.25 |
| Add/(Less): Addition/(Deletions) during the year | - | - |
| **Balance at the end of the year** | **797.25** | **797.25** |

**Note**
During the previous year ended March 31, 2023, the Group has acquired 32% share in Hewland Engineering Limited from Hero International B.V. pursuant to which Hewland Engineering Limited has become an associate of Hero Motor Limited; On February 21, 2023 Hero Motors Limited has made further investment directly in the shares of Hewland Engineering Limited and increased its stake to 51%; post which the Hewland Engineering Limited has became subsidiary of the Company
Net asset acquired and liability assumed of Hewland Engineering Limited as on March 31, 2023 is as below :

| **Particulars** | **As at March 31,2023** |
|---|---|
| Total Assets (A) | 7,667.23 |
| Total Liability (B) | 10,571.42 |
| **Identifiable net assets at fair value on the date of acquisition (A-B)** | **(2,904.19)** |
| **Fair value of net assets** | (2,904.19) |
| Less : Non-controlling interest measured at fair value | (1,423.05) |
| **Net asset for holding** | **(1,481.14)** |
| **Purchase Consideration** | 10.08 |
| **Goodwill arising on acquisition** | 1,491.22 |
| Adjusted through other equity* | (693.97) |
| **Goodwill Recognized** | **797.25** |

The Goodwill of ₹ 797.25 lakhs comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated to the acquired business as a whole.

* The Group adjusted its share of profit and other comprehensive income against the goodwill on the date it became subsidiary from associate.

The Group has not identified any Intangible assets and recognised goodwill as per Ind AS 103 - Business Combination.

**Impairment analysis**
The Group reviewed the carrying amounts of Goodwill to determine whether there is any indication of impairment and has determined that there are no impairment indicator as at March 31, 2025. The Group considers the relationship between recoverable value which is calculated based on future discounted cash flows/net sales price, as applicable and its book value, among other factors, when reviewing for indicators of impairment.

**Hewland- Powertrain**
The recoverable amount of this segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rate is a post-tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter.

**Growth rates:** The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average long term growth rates used were consistent with industry to 2%.

**Discount rates:** Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

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## 9 Other intangible assets

| | Particulars | Computer Software | Development Cost (Motor Design and Kit) | Websites | Trademark / Lables | Total |
|---|---|---|---|---|---|---|
| I | **Cost/deemed cost** | | | | | |
| | **Gross carrying amount** | | | | | |
| | **Balance as at April 1, 2023** | **316.06** | **105.20** | **-** | **44.64** | **465.90** |
| | Add: Additions during the year | 97.92 | 110.37 | 5.50 | 2.24 | **216.03** |
| | Less: (Disposals) / adjustments during the year | 4.72 | - | - | (5.91) | **(1.19)** |
| | **Balance as at March 31, 2024** | **418.70** | **215.57** | **5.50** | **40.97** | **680.74** |
| | Add: Additions during the year | 69.12 | 982.34 | - | - | 1,051.46 |
| | Less: Disposals/(adjustments) during the year | - | - | - | - | - |
| | **Balance as at March 31, 2025** | **487.82** | **1,197.91** | **5.50** | **40.97** | **1,732.20** |
| II | **Accumulated amortisation** | | | | | |
| | **Balance as at April 1, 2023** | **67.46** | **2.14** | **-** | **1.55** | **71.15** |
| | Add: Amortisation charge for the year | 62.61 | 18.61 | 0.11 | 4.20 | 85.53 |
| | Less: (Disposals) / adjustments during the year | (0.55) | - | - | (0.60) | (1.15) |
| | **Balance as at March 31, 2024** | **129.52** | **20.75** | **0.11** | **5.15** | **155.53** |
| | Add: Amortisation charge for the year | 76.47 | 41.79 | 0.69 | 4.28 | 123.23 |
| | Less: Disposals/(adjustments) during the year | - | - | - | - | - |
| | **Balance as at March 31, 2025** | **205.99** | **62.54** | **0.80** | **9.43** | **278.76** |
| III | **Net carrying amount balance (I-II)** | | | | | |
| | **As at March 31, 2024** | **289.18** | **194.82** | **5.39** | **35.82** | **525.21** |
| | **As at March 31, 2025** | **281.83** | **1,135.37** | **4.70** | **31.54** | **1,453.44** |

**Note:** The group has capitalized amortisation amounting to ₹ 0.30 lakhs during the year ended March 31, 2025 in one of the subsidiary Hero EDU Systems Private Limited.

## 10 Intangible assets under development (IAUD)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 1,800.56 | - |
| Add: Addition made during the year | 2,045.16 | 1,800.56 |
| Less: (Disposals)/adjustments during the year | (982.34) | - |
| **Balance at the end of the year** | **2,863.38** | **1,800.56** |

The Group has capitalised following expenses to the cost of Intangible assets under development in progress in relation to projects.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 1,735.50 | - |
| Employee benefit expenses | 1,022.68 | 1,355.37 |
| Finance cost | 2.88 | 38.67 |
| Other common expenses | 925.41 | 372.09 |
| **Pre-Operative expenses pending allocation** | **3,686.47** | **1,766.13** |
| Less: Sale of trial run production | - | (30.63) |
| Less: Capitalised during the year | (982.34) | - |
| **Total Pre-Operative expenses pending allocation** | **2,704.13** | **1,735.50** |

**Ageing schedule of intangile assets under development as at March 31, 2025:**

| Particulars | Amount in IAUD for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 2,045.17 | 818.21 | - | - | 2,863.38 |
| Projects temporarily suspended | - | - | - | - | - |

**Ageing schedule of intangile assets under development as at March 31, 2024:**

| Particulars | Amount in IAUD for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1,800.56 | - | - | - | 1,800.56 |
| Projects temporarily suspended | - | - | - | - | - |

**Note:**
i) Intangible assets under development related to below entities:-

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| HYM Drive Systems Private Limited | 705.08 | 326.30 |
| Hero Edu Systems Private Limited | 2,062.78 | 1,472.92 |
| Hero Motors Limited | 95.52 | 1.34 |
| **Total** | **2,863.38** | **1,800.56** |

(ii) Project execution plans are modulated on an annual basis following a detailed assessment of requirements. All projects are undertaken in accordance with a rolling annual plan.

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 11 Investment

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| | **Non- Current** | | |
| I) | **Investments in equity shares of Others - (unquoted)** **(valued at fair value through Other comprehensive income)** | | |
| a) | AMP Solar Urja Private Limited<br>1,51,200 equity shares (March 31, 2024: 1,51,200) of ₹ 10 each fully paid up | 15.12 | 15.12 |
| b) | Ludhiana Advanced Centre for Cycle Technology<br>50,000 equity shares (March 31, 2024: 50,000) of ₹ 10 each fully paid up | 5.00 | 5.00 |
| c) | AMP Energy Green Thirteen Private Limited<br>1,44,000 equity shares (March 31, 2024: Nil) of ₹ 10 each fully paid up | 14.40 | - |
| II) | **Investments in Debenture of Others - (unquoted)** **(valued at fair value through Other comprehensive income)** | | |
| a) | AMP Solar Urja Private Limited<br>13,608 Debentures (March 31, 2024: 13,608) of ₹ 1000 each fully paid up | 136.08 | 136.08 |
| b) | AMP Energy Green Thirteen Private Limited<br>12,960 Debentures of (March 31, 2024: Nil) ₹ 1,000 each fully paid up<br>The compulsory convertible debentures having par value of ₹ 1000 shall be entitled to interest at rate of 0.01% per annum. Interest shall be due and receivable at the end of every financial year. | 129.60 | - |
| | | **300.20** | **156.20** |
| | i) Aggregate value of unquoted investments | 300.20 | 156.20 |

## 12 Investments Others

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| | **Current** | | |
| | **Investments in Mutual funds measured at Fair Value through Profit and Loss** | | |
| | **Quoted Investments** | | |
| a) | Aditya Birla Sun Life Liquid Fund<br>19,746.73 Units (March 31, 2024 : 1,23,036.20) market linked Mutual Fund | 107.95 | 479.45 |
| b) | HDFC Liquid Fund<br>Nil (March 31, 2024 : 3,965.44 Units) market linked Mutual Fund | - | 188.11 |
| c) | Invesco India Arbitrage Fund - Direct Plan Growth<br>3,18,689.11 (March 31, 2024 : Nil) market linked Mutual Fund | 108.07 | |
| | | **216.02** | **667.56** |
| | a) Aggregate book value of quoted investments | 216.02 | 667.56 |
| | b) Aggregate market value of quoted investments | 216.02 | 667.56 |
| | c) The number of units in note above represents absolute numbers. | | |

*[This space has been left blank intentionally]*

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**13 Loans measured at amortized cost**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Unsecured, considered good** | | | | |
| Loans to Employees* | 136.32 | 131.07 | 111.35 | 60.19 |
| | **136.32** | **131.07** | **111.35** | **60.19** |

a) The Group has no outstanding loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 46)
* Loan to employees is repayable in 1-4 years.

**14 Other financial assets- at amortized cost**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Unsecured, considered good** | | | | |
| **At amortized cost** | | | | |
| **I. Interest accrued but not due on** | | | | |
| - Margin Money* | - | 251.69 | 96.43 | - |
| **II.Interest accrued and due on Deposit** | | | | |
| - On security deposits | - | 3.86 | 14.64 | - |
| **III.Others** | | | | |
| Balance with Banks: | | | | |
| In Deposit Accounts (with remaining maturity of less than twelve months) (Refer note below) | - | - | 60.04 | 155.33 |
| Security deposits -Others (Electricity, rent and others) | 497.63 | 483.58 | 0.47 | 7.69 |
| Other Receivables | - | - | 2,974.85 | 1,821.90 |
| **At Fair Value through Profit and Loss** | | | | |
| Forward Contract Receivable | - | - | 59.47 | 32.63 |
| | **497.63** | **739.13** | **3,205.90** | **2,017.55** |

**Note:**
a. Parent Company- Balances with Banks held as Margin Money Deposits against Bank Gurantee and Letter of Credit issued by Axis Bank.
b. There is no allowance in relation to any outstanding balance and no loss allowance has been recognised during the year in respect to receivables from related party.
* Includes ₹ 35.95 lakhs (March 31, 2024: 34.91 lakhs) against lien for fund based/non fund based working capital facility with Kotak Mahindra Bank. Axis Bank and SBI Bank, and ₹ 66.78 lakhs (March 31, 2024: 216.78 lakhs) against non-lien Margin money.

**15 Non Current Tax Asset**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Advance Income Tax<br>Net of provision of ₹ 1971.25 lakhs (March 31, 2024: 1465.00 lakhs) | 1,253.93 | 904.59 |
| | **1,253.93** | **904.59** |

**16 Other assets**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Unsecured, considered good | | | | |
| (i) Capital Advances (Refer Note No. 43) | 834.51 | 1,737.45 | - | - |
| | **834.51** | **1,737.45** | - | - |
| (ii) Balances with Government Authorities | | | | |
| Goods and service tax and Value added tax (VAT) | 223.67 | 3.46 | 1,126.54 | 1,252.55 |
| | **223.67** | **3.46** | **1,126.54** | **1,252.55** |
| (iii) Others | | | | |
| Export incentive receivable | - | - | 330.82 | 203.80 |
| Prepaid expenses | 0.11 | 0.79 | 425.30 | 626.17 |
| Share issue expenses recoverable* | | | 1,260.75 | 232.00 |
| Advances to employee | - | - | 41.22 | 42.56 |
| Advances to vendor | - | - | 701.66 | 545.53 |
| Advances to related party (Refer note 44) | - | - | - | 1,667.00 |
| | **0.11** | **0.79** | **2,759.75** | **3,317.06** |
| | **1,058.29** | **1,741.70** | **3,886.29** | **4,569.61** |

*The Company incurred and recognised expenses towards proposed Initial Public Offering of its equity shares based on the invoices accounted for the year ended March 31, 2025 and March 31, 2024. The Company expects to recover certain amounts from the selling share holders and the balance amount would be netted -off to securities premium account in accordance with Section 52 of the Companies Act, 2013 on issue of shares (Refer note- 61).

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**(Amount in ₹ lakhs, unless otherwise stated)**

**17 Inventories**
**(Valued at Lower of cost and or realisable value)**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Raw materials (Refer note i (a) below) | 4,473.78 | 3,709.63 |
| Work in progress (WIP) | 3,878.78 | 3,835.39 |
| Finished goods (Refer note I (b) below) | 8,443.26 | 8,663.42 |
| Stock-in-trade | 325.19 | 63.96 |
| Stores and spares | 1,975.05 | 1,670.27 |
| Scrap | 29.46 | 47.12 |
| **Total** | **19,125.52** | **17,989.79** |

**Notes:**
(i) Includes goods in transit:

| | | |
|---|---|---|
| (a) Raw material | 227.70 | 195.97 |
| (b) Finished goods | 5,173.06 | 5,078.95 |
| | **5,400.76** | **5,274.92** |

**18 Trade receivables**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Unsecured Considered good** | | |
| - Others | 20,233.12 | 19,478.69 |
| **Unsecured, Credit impaired** | | |
| - Others | 2.58 | 7.36 |
| Less: Allowance for receivables (credit impaired) | (2.58) | (7.36) |
| **Total** | **20,233.12** | **19,478.69** |

**Note:**

a) It includes amount due from related party as disclosed in note 44.

b) The group's exposure to credit and current risk and losses allowance related to trade receivables are disclosed in note 46.

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**(Amount in ₹ lakhs, unless otherwise stated)**

**a) Trade receivables ageing schedule as at March 31, 2025:**

| Particulars | Outstanding for following periods from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months* | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 19,516.09 | 87.61 | 6.80 | 622.62 | - | 20,233.12 |
| (ii) Undisputed Trade Receivables -which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Dispute Trade Receivables- considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables -which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | 0.78 | 1.80 | - | 2.58 |
| Less: Allowances for expected credit loss | - | - | (0.78) | (1.80) | - | (2.58) |
| **Net Trade receivables** | **19,516.09** | **87.61** | **6.80** | **622.62** | **-** | **20,233.12** |

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

| Particulars | Outstanding for following periods from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months* | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 18,790.14 | 60.19 | 628.36 | - | - | 19,478.69 |
| (ii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iii) Dispute Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – credit impaired | - | - | 7.36 | - | - | 7.36 |
| Less: Allowances for expected credit loss | - | - | (7.36) | - | - | (7.36) |
| **Net Trade receivables** | **18,790.14** | **60.19** | **628.36** | **-** | **-** | **19,478.69** |

* Includes unbilled and not due.

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

| **a) The movement in the allowance for expected credit loss allowance is as follows:** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| **Balance as at beginning of the year** | **7.36** | **-** |
| Loss allowances during the year | 0.78 | 7.36 |
| Trade receivables written off / written back during the year | (5.56) | - |
| **Balance as at the end of the year** | **2.58** | **7.36** |

a) Trade receivables from domestic customers are generally on terms of 45- 60 days (March 31, 2024: 45-60 days).

b) Trade receivables from export customers are generally on terms of 30-75 days (March 31, 2024: 30-75 days).

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

d) There are no indicators / default on receipts of amount from debtors (including related parties). Accordingly, the Group does not anticipate risk of recovery and expected credit loss in respect thereof. During the year, the subsidiries have created expected credit loss on old outstanding receivables.

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## 19 Cash and cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balances with banks: | | |
| - Current account | 694.52 | 2,225.83 |
| - Deposits with original maturity of less than 3 months (Refer Note 'b' below) | 250.00 | 2,000.00 |
| Cash on hand | 0.30 | 0.26 |
| | **944.82** | **4,226.09** |

a) For the purpose of the statement of cash flows, the cash and cash equivalent are same given above.

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

## 20 Bank balances other than cash & cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deposits with original maturity of more than 3 months but less than 12 months (Refer notes below) * | 3,831.00 | 4,600.00 |
| | **3,831.00** | **4,600.00** |

**Note:**
*The above deposits includes ₹ 2,000.00 lakhs (March 31, 2024 : ₹ 2,000.00 Lakhs) on which lien is marked on overdraft facility obtained from kotak bank (Refer note 24) .

## 21 Equity Share Capital

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised Share capital** | | |
| 58,00,00,000 (March 31, 2024: 38,00,00,000) Equity Shares of Rs. 10 each* | 58,000.00 | 38,000.00 |
| | **58,000.00** | **38,000.00** |
| **Issued, subscribed and fully paid up share capital** | | |
| 35,73,84,491 (March 31, 2024: 35,35,78,380) Equity Shares of Rs. 10 each* | 35,738.45 | 35,357.84 |
| | **35,738.45** | **35,357.84** |

**a) Reconciliation of issued and subscribed share capital:**

| Particulars | No. of Shares* | Amount |
|---|---|---|
| **Balance as at April 1, 2023** | 35,35,78,380 | 35,357.84 |
| Add: Shares issued during the year | - | - |
| **Balance as at March 31, 2024** | 35,35,78,380 | 35,357.84 |
| Add: Shares issued during the year | 38,06,111 | 380.61 |
| **Balance as at March 31, 2025** | **35,73,84,491** | **35,738.45** |

**b) Terms/ rights attached to equity shares:**

The parent company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and will rank pari passu with each other in all respect. In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive remaining assets of the parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the parent company**

| Name of Share Holder | As at March 31, 2025 No. of Shares* | Holding % | As at March 31, 2024 No. of Shares* | Holding % |
|---|---|---|---|---|
| Pankaj Munjal on behalf of OP Munjal Holding | 27,31,23,055 | 76.42% | 27,31,23,055 | 77.25% |
| South Asia Growth Invest LLC | 2,59,47,024 | 7.26% | 2,59,47,024 | 7.34% |
| Bhagyoday Investments Private limited | 2,39,78,804 | 6.71% | 2,39,78,804 | 6.78% |

* Number of Shares are given in absolute numbers.

**d) Details of Promoter's Shareholding:**

| Promoter's Name | As at March 31, 2025 | | As at March 31, 2024 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares* | % of total shares | No. of Shares* | % of total shares | |
| Pankaj Munjal on behalf of OP Munjal Holding | 27,31,23,055 | 76.42% | 27,31,23,055 | 77.25% | -0.83% |
| Pankaj Munjal | 94,00,436 | 2.63% | 94,00,047 | 2.66% | -0.03% |
| Charu Munjal | 9,42,425 | 0.26% | 9,42,425 | 0.27% | -0.01% |
| Abhishek Munjal | 7,06,210 | 0.20% | 7,06,210 | 0.20% | 0.00% |

Note: Promoter's refers to promoter as defined under Companies Act, 2013

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**e) Movement of share holding pattern during the year ended March 31, 2025 :**

| Equity Share holder | | As at March 31, 2024 | | Addition | | Deletion | | As at March 31, 2025 | |
|---|---|---|---|---|---|---|---|---|---|
| **Name Of Share Holder** | **Share Price** | **No of share*** | **₹ in lakhs** | **No of share*** | **₹ in lakhs** | **No of share *** | **₹ in lakhs** | **No of share*** | **₹ in lakhs** |
| Pankaj Munjal on behalf of OP Munjal Holding | 10 | 27,31,23,055 | 27,312.31 | - | - | - | - | 27,31,23,055 | 27,312.31 |
| South Asia Growth Invest LLC | 10 | 2,59,47,024 | 2,594.70 | - | - | - | - | 2,59,47,024 | 2,594.70 |
| Bhagyoday Investments P. Ltd. | 10 | 2,39,78,804 | 2,397.88 | - | - | - | - | 2,39,78,804 | 2,397.88 |
| Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP | 10 | 1,05,37,140 | 1,053.71 | - | - | - | - | 1,05,37,140 | 1,053.71 |
| Pankaj Munjal # | 10 | 94,00,047 | 940.00 | 389 | 0.04 | - | | 94,00,436 | 940.04 |
| Hero Cycles Limited** | 10 | 77,52,750 | 775.28 | - | - | | | 77,52,750 | 775.28 |
| Smt. Sudarshan Kumari Munjal # | 10 | 2,43,163 | 24.32 | | | (2,43,163) | (24.32) | - | - |
| Charu Munjal | 10 | 9,42,425 | 94.24 | - | - | - | - | 9,42,425 | 94.24 |
| Aditya Munjal | 10 | 7,07,022 | 70.70 | - | - | - | - | 7,07,022 | 70.70 |
| Abhishek Munjal | 10 | 7,06,210 | 70.62 | - | - | - | - | 7,06,210 | 70.62 |
| Pankaj Munjal on behalf of Munjal Sales Corporation# | 10 | 1,49,359 | 14.94 | 2,42,985 | 24.30 | - | - | 3,92,344 | 39.24 |
| Munjal Sales Corporation## | 10 | 211 | 0.02 | | | (211.00) | (0.02) | - | - |
| Orbis Trusteeship Services Private Limited on behalf of South Asia EBT Trust | 10 | 87,110 | 8.71 | - | - | - | - | 87,110 | 8.71 |
| Amit Gupta | 10 | - | - | 38,06,111 | 380.61 | (8,50,000) | (85.00) | 29,56,111 | 295.61 |
| Others | 10 | 4,060 | 0.41 | 8,50,000 | 85.00 | - | - | 8,54,060 | 85.41 |
| **Total** | | **35,35,78,380** | **35,357.84** | **48,99,485** | **489.95** | **(10,93,374)** | **(109.34)** | **35,73,84,491** | **35,738.45** |

**f) Movement of share holding pattern during the year March 31, 2024:**

| Type of capital | | As at March 31, 2023 | | Addition | | Deletion | | As at March 31, 2024 | |
|---|---|---|---|---|---|---|---|---|---|
| **Name Of Share Holder** | **Share Price** | **No of share*** | **₹ in lakhs** | **No of share** | **₹ in lakhs** | **No of share** | **₹ in lakhs** | **No of share*** | **₹ in lakhs** |
| Pankaj Munjal on behalf of OP Munjal Holding | 10 | 27,31,23,055 | 27,312.31 | - | - | - | - | 27,31,23,055 | 27,312.31 |
| South Asia Growth Invest LLC | 10 | 2,59,47,024 | 2,594.70 | - | - | - | - | 2,59,47,024 | 2,594.70 |
| Bhagyoday Investments P. Ltd. | 10 | 2,39,78,804 | 2,397.88 | - | - | - | - | 2,39,78,804 | 2,397.88 |
| Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP | 10 | 1,05,37,140 | 1,053.71 | - | - | - | - | 1,05,37,140 | 1,053.71 |
| Pankaj Munjal | 10 | 94,00,047 | 940.00 | - | - | - | - | 94,00,047 | 940.00 |
| Hero Cycles Limited | 10 | 77,52,750 | 775.28 | - | - | - | | 77,52,750 | 775.28 |
| Charu Munjal | 10 | 9,42,425 | 94.24 | - | - | - | - | 9,42,425 | 94.24 |
| Aditya Munjal | 10 | 7,07,022 | 70.70 | - | - | - | - | 7,07,022 | 70.70 |
| Abhishek Munjal | 10 | 7,06,210 | 70.62 | - | - | - | - | 7,06,210 | 70.62 |
| Smt. Sudarshan Kumari Munjal | 10 | 2,43,163 | 24.32 | - | - | - | - | 2,43,163 | 24.32 |
| Pankaj Munjal on behalf of Munjal Sales Corporation | 10 | 1,49,359 | 14.94 | - | - | - | - | 1,49,359 | 14.94 |
| South Asia EBT Trust | 10 | 87,110 | 8.71 | - | - | - | - | 87,110 | 8.71 |
| Others | 10 | 4,271 | 0.43 | - | - | - | - | 4,271 | 0.43 |
| **Total** | | **35,35,78,380** | **35,357.84** | - | - | - | - | **35,35,78,380** | **35,357.84** |

# 2,42,774 shares appearing in the name of Smt. Sudarshan Kumari Munjal in individual category as at March 31, 2024 be represented as "Smt. Sudarshan Kumari Munjal as Partner of Munjal Sales Corporation" has now been rectified and post demise of Smt. Sudarshan Kumari Munjal same was transferred in the name of Pankaj Munjal on behalf of Munjal Sales Corporation as at March 31, 2025

# 389 shares which were appearing in the name of Smt. Sudarshan Kumari Munjal were transferred in the name of Pankaj Munjal by way of transmission of shares post demise of Smt. Sudarshan Kumari Munjal.

## 211 shares appearing in the name of Munjal sales corporation are rectifed and transfered to the name of Pankaj Munjal on behalf of Munjal Sales Corporation due to both being the same entity.

**g) Shares held by holding/ultimate holding &/or Held Subsidiary**

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

**h)** **Pursuant to the Scheme of arrangement between Hero Cycles Limited, our Company and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Chandigarh bench vide its order November 4, 2022, Hero Cycles Limited is the legal and beneficial owner of 95 Equity Shares held by 12 shareholders who are appearing on the BENPOS statement of the Company as on March 31, 2025, on account of rejection of corporate action for transfer of the Equity Shares from the accounts of the 12 shareholders to Hero Cycles Limited due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective depositories or otherwise.

*Number of Shares are given in absolute numbers.

(Amount in ₹ lakhs, unless otherwise stated)

**I) Preference Share Capital**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised Preference Share Capital** | | |
| Non Cumulative Convertible Preference Shares (CCPS) of ₹ 10 each 9,95,00,000 (March 31, 2024: 9,95,00,000) | 9,950.00 | 9,950.00 |
| | **9,950.00** | **9,950.00** |
| **Issued, subscribed and fully paid up** | | |
| Non Cumulative Convertible Preference Shares of 2,09,71,941 of ₹ 10 each (March 31, 2024: 2,09,71,941)^ | 2,097.19 | 2,097.19 |
| | 2,097.19 | 2,097.19 |

^ During the year ended March 31, 2023 the group has issued 209,71,941 non cumulative compulsory convertible preference share @ ₹ 69.13 (face value ₹ 10 each) convertible in to equity shares in the ratio of 1:1 each. The details of CCPS holders are at March 31, 2025 are given below:

Details of shareholders holding more than 5% shares in the parent company:

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **Name Of Share Holder** | **Number of Shares*** | **Amount** | **Number of Shares*** | **Amount** |
| South Asia Growth Invest LLC | 2,09,08,282 | 2,090.83 | 2,09,08,282 | 2,090.83 |
| South Asia EBT Trust | 63,658 | 6.37 | 63,658 | 6.37 |
| **Total** | **2,09,71,940** | **2,097.20** | **2,09,71,940** | **2,097.20** |

**Terms and rights of Compulsorily Convertible Preference Shares (CCPS) issued to South Asia Growth Invest LLC and South Asia EBT Trust:**
CCPS would be compulsorily converted into 2,09,71,920 number of equity shares as agreed between the company and CCPS holders at the option of the CCPS holders at any time after the date of allotment of CCPS but not later than 5 years from the date of allotment.

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

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

The holders of CCPS –
a) carry a pre-determined non-cumulative dividend rate of 0.0001% per annum in priority to any dividend on the Equity shares.
b) carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital during winding up.
c) Each CCPS shall entitle the holder to such voting rights that such holder would have been entitled to exercise if such CCPS had been converted into Equity Shares in accordance with these terms prior to the date of such general meeting.

d) The CCPS shall be participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

* Number of Shares are given in absolute numbers.

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(Amount in ₹ lakhs, unless otherwise stated)

## 22 Other Equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **a. Securities premium:** | | |
| Balance at the beginning of year | 55,410.27 | 55,439.60 |
| Add: Share based payment reserve on shares excercised transferred to Security Premium | 2,319.06 | - |
| Less : Share issue expenses (Refer note 7 below) | (31.52) | (29.33) |
| **Balance at the end of year** | **57,697.81** | **55,410.27** |
| **b. CCPS classified as equity:** | | |
| Balance at the beginning of year (Refer note 21(i)) | 2,097.19 | 2,097.19 |
| Add /(Less): Change during the year | - | |
| **Balance at the end of year** | **2,097.19** | **2,097.19** |
| **c. Share-based payment reserve** | | |
| Balance at the beginning of year | 5,281.16 | 1,334.99 |
| Add: Credit to equity for equity-settled share-based payments | 1,481.65 | 3,946.17 |
| Less: Share based payment reserve on shares excercised transferred to Security Premium | (2,319.06) | - |
| **Balance at the end of financial year** | **4,443.75** | **5,281.16** |
| **d. Capital reserve-Common Control** | | |
| Balance at the beginning of year (Refer note 5 below) | 160.76 | 160.76 |
| Add /(Less): Change during the year | - | |
| **Balance at the end of year** | **160.76** | **160.76** |
| **e. Retained earnings** | | |
| Balance at the beginning of year | 15,677.99 | 15,497.22 |
| Add: Profit for the year | 2,520.15 | 1,341.84 |
| Add: Remeasurement of defined benefit obligations (net of tax) | 459.57 | (225.37) |
| Less : Share issue expenses reloted to earlier year | (17.69) | - |
| Less: Dividend distribution | (942.05) | (935.70) |
| **Balance at the end of year** | **17,697.97** | **15,677.99** |
| **f. Demerger adjustment deficit account** | | |
| Balance at the beginning of year (Refer note 8 below) | (75,279.98) | (75,279.98) |
| Add / Less -Change during the year | - | |
| **Balance at the end of year** | **(75,279.98)** | **(75,279.98)** |
| **g. Foreign Currency Translation Reserve** | | |
| Balance at the beginning of year | (121.30) | 256.04 |
| Add: Addition during the year | 29.99 | (423.71) |
| Less: Attributable to Non Controling Interest | 44.35 | 46.37 |
| **Balance at the end of year** | **(46.96)** | **(121.30)** |
| **h. Non controling Interest** | | |
| Balance at the beginning of year | (1,102.33) | (1,131.41) |
| Adjustment related to share issue expense | 17.69 | - |
| Profit for the year | 759.63 | 361.79 |
| Remeasurement of defined benefit obligations (net of tax) | 461.27 | (286.34) |
| Non controling interest share of foreign currency translation reserve | (44.35) | (46.37) |
| **Balance at the end of year** | **91.91** | **(1,102.33)** |
| **Total other equity (a+b+c+d+e+f+g+h)** | **6,862.45** | **2,123.76** |

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**Notes:**

i) For Movement during the year in Other Equity, refer "Statement of Change in Equity".

ii) The description of the nature and purpose of each reserves within equity is as follows:

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

2 Share-based payments reserve: The Share-based payments reserve is used to recognise the grant date fair value of options issued to employees under employees stock options scheme. Refer Note 41 for further detail of this plan.

3 **Retained earnings:** Retained Earnings represents the undistributed profits of the group.

4 **Remeasurement of defined benefit obligations:** The Group transfers actuarial gain/ (loss) arising at the time of valuation of defined benefit obligations to other comprehensive income.

5 **Capital reserve-Common Control:** The capital reserve pertains to reserve created out of Business combinations for common control transactions. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

6 **Non Controlling Interest**
Non-controlling interest (NCI) pertains to Hewland Engineering Limited and HYM Drive System Private Limted.

7 **Share issue expense:**
For the year ended March 31, 2025 ₹ 31.52 lakhs (March 31, 2024 ₹ 29.33 lakhs) incurred for issuance of further equity share capital by Hero EDU Systems Private Limited and Spur Technology Private Limited.

8 **Demerger adjustment deficit account**
The difference between assets, liabilities and reserves transferred and the purchase consideration on Demerger is recorded as "Demerger Adjustment Deficit Account" (Refer note 47).

9 **Foreign Currency Translation Reserve**
This represent conversion of foreign subsidiaries from there respective functional currency to reporting currency i.e. ₹.

*[This space has been left blank intentionally]*

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## 23 Non Current Borrowing - at amortised cost

| Particulars | Represents non - current part long term borrowing | | Represents current part long term borrowing | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| (a) Term Loan from Banks | 10,828.35 | 5,967.14 | 3,707.96 | 1,338.77 |
| (b) External commercial Borrowing (ECB) | 1,508.63 | 2,208.15 | 754.32 | 736.05 |
| (c) Redeemable Non-Convertible Debenture | - | - | - | 1,667.00 |
| | **12,336.98** | **8,175.29** | **4,462.28** | **3,741.82** |
| Less: Amount disclosed under financial liabilities as 'Current Borrowings' (Refer note 24) | - | - | 4,462.28 | 3,741.82 |
| | **12,336.98** | **8,175.29** | **-** | **-** |

Amount disclosed under current Borrowing (Refer note 24)

**Security**

**Parent Company**

(i) The term loan and External Commercial Borrowing mentioned in (a) and (b) have been secured by first pari pasu charge on all movable Property, Plant and Equipment of parent company.

(ii) The Redeemable Non Convertible Debentures mentioned (RNCD) in (c) above have been secured by a first pari passu charge (equitable mortgage) on the land and building of Mangli plant held by Hero Cycles Limited and a first pari passu charge on Flat No 2A , 10th Floor Gurugram held by Hero Cycle Limited. These non convertible debenture were transferred to the Company via demerger scheme and are not transferred in the name of the company. On due date company used to pay its liability to Hero Cycles Limited and Hero Cycle Limited used to pay to Debenture Holder (HDFC Bank Limited) ; During the year ended March 31, 2024, the charge against the Mangli land has been released by the Bank. The Company has repaid the entire outstanding balance ₹ 1,667.00 lakhs amount to Hero Cycle Limited before the due date for onward repayment to Bank. Hero Cycle Limited has repaid the entire amount on due date.

**Subsidiary- Spur Technologies Private Limited**

The term loan have been secured by first pari pasu charge on all movable Property, Plant and Equipment of tha subsidiary company.

**Terms of Repayment-**

**Parent Company**

| Maturity profile of secured term loans is as set out below : | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Beyond 2029-30 |
|---|---|---|---|---|---|
| (i) Term loan from banks | 3707.96 | 4145.57 | 3505.93 | 2739.24 | 437.61 |
| (ii) External Commercial Borrowings | 754.32 | 754.32 | 754.31 | | - |

**Notes :**

**Parent Company**

a. The rate of interest for term loan from Axis bank is (Repo+2.10% spread) i.e. 8.60% p.a.

b. The rate of interest for term loan from Kotak mahindra bank is Repo + 2.15% i.e. 8.65%.

c. The rato of interest for term loan from ICICI Bank Limited is 3Months MCLR+ 0.00% spread i.e. 8.65% p.a .

d. The rate of interest for External commercial borrowings is 3 Months Secured overnight financing Rate + 2.75% p.a. i.e. 7.64% to 8.08% p.a.The parent company have entered in to Interest rate swap @ 6.65% p.a. with Axis Bank .

**Subsidiary- Spur Technologies Private Limited**

The rate of interest for term loan from Axis Bank Limited is Repo+ 2.45% p.a. i.e. 8.70%

**Subsidiary- Hero Motors Thai Limited**

1. The rate of interest for term Loan from Standard Chartered Bank Thor +1.97% i.e. 3.97%

**Details of borrowings availed and repaid during the year ended March 31, 2025:**

| Particulars | As at March 31, 2024 | Addition | Forex Reinstatement | Repayment | As at March 31, 2025 |
|---|---|---|---|---|---|
| External Commercial Borrowing | 2,944.20 | - | 26.87 | (708.12) | 2,262.95 |
| Non Convertible Debenture | 1,667.00 | - | - | (1,667.00) | - |
| Term Loan | 7,305.91 | 8,629.54 | - | (1,399.14) | 14,536.31 |
| **Total** | **11,917.11** | **8,629.54** | **26.87** | **(3,774.26)** | **16,799.26** |

**Details of borrowings availed and repaid during the year ended March 31, 2024:**

| Particulars | As at March 31, 2023 | Addition | Forex Reinstatement | Repayment | As at March 31, 2024 |
|---|---|---|---|---|---|
| External Commercial Borrowing | 2,900.60 | - | 43.60 | - | 2,944.20 |
| Non Convertible Debenture | 3,333.50 | - | - | (1,666.50) | 1,667.00 |
| Term Loan | 3,067.55 | 4,825.00 | - | (586.64) | 7,305.91 |
| **Total** | **9,301.65** | **4,825.00** | **43.60** | **(2,253.14)** | **11,917.11** |

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(Amount in ₹ lakhs, unless otherwise stated)

## 24 Current Borrowing - at amortised cost

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Secured** | | |
| (a) Working capital demand loan | 21,776.57 | 16,590.05 |
| (b) Cash credit | 162.49 | - |
| (c) Current maturities of long term borrowings (Refer Note 23) | 4,462.28 | 3,741.82 |
| (d) Bank overdraft | 2,023.86 | 892.47 |
| (e) Export packing credit | - | 1,000.00 |
| | **28,425.20** | **22,224.34** |

**Note**

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Floating Rate** | | |
| Expiring within one year (Bank overdraft and other facilities) | 3,448.65 | 3,624.00 |
| Expiring beyond one year (Bank Loans ) | - | - |
| | **3,448.65** | **3,624.00** |

**Security**

**Parent Company**

(a) The Working Capital Demand Loan and Export Packing Credit mentioned in (a) and (e) have been secured by first pari pasu charge on entire current assets of the parent company present and future for both Axis and Kotak Mahindra Bank.

(b) The Bank overdraft have been secured by fixed deposits equivalent to 100% of overdraft limit.

**Subsidiary- Spur Technologies Private Limited**

The Axis Bank cash credit limit have been secured by first pari pasu exclusive charge on entire current assets of the borrower, present and future of the subsidiary company.

**Subsidiary- Hero Motors Thai Limited**

The working capital loan is secured by parent company via stand by letter of credit from Standard Chartered Bahk -India.

**Subsidiary- Hewland Engineering Limited**

The working capital loan is secured by parent company via stand by letter of credit from ICICI Bank -India.

**Notes :**

**Parent Company**

a. The rate of interest for Working Capital Demand Loan from Axis Bank and Kotak Bank ranges 7.95% - 8.25% p.a.

b. The rate of interest for Bank Overdraft from Kotak Bank is term deposit +0.80% i.e. 8.10% p.a.

c. The rate of interest for Export packing credit from Kotak Bank is 7.90% p.a.

d. Refer Note No. 23 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Group).

**Subsidiary- Spur Technologies Private Limited**

The rate of interest for cash credit facility from Axis Bank is Repo + 2.90% i.e 9.15 %.

**Subsidiary- Hero Motors Thai Limited**

The rate of interest on working capital from Standard Chartered Bank is is Thai Overnight Repurchase Rate (THOR) + 1.97% i.e. 4.15%

**Subsidiary- Hewland Engineering Limited**

a. The rate of interest on working capital from Standard Chartered Bank is is Sterling Overnignt Index Average (SONIA) + 1.50% i.e. 5.96%

b. The rate of interest for Bank Overdraft from HSBC Bank is Base rate+5.5% i.e. 9.75% p.a.

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(Amount in ₹ lakhs, unless otherwise stated)

## 25 Other financial liabilities

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **At amortized cost** | | | | |
| Security deposit | 1.15 | 2.15 | - | - |
| Interest accrued but not due on borrowings | - | - | 53.67 | 42.97 |
| Employee related payable | - | - | 121.65 | 47.49 |
| Creditors for capital goods | 812.53 | 468.55 | 979.48 | 940.32 |
| Payable to related parties | - | - | 876.31 | 1,346.70 |
| Bonus / leave encashment / leave travel allowance | - | - | 272.78 | 248.92 |
| Bill Discounting / factoring | - | - | 4,181.83 | 7,568.93 |
| | **813.68** | **470.70** | **6,485.72** | **10,195.33** |

**Notes:**
a) The group's exposure to currency and liquidity risk related to trade payables is disclosed in note 46.

## 26 Other liabilities

| Particulars | Current | |
|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 |
| Advance from customer | 611.28 | 1,350.02 |
| Statutory dues | 918.67 | 816.86 |
| Others | - | 18.38 |
| | **1,529.95** | **2,185.26** |

## 27 Provisions

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Provision for employee benefits** | | | | |
| Provision for compensated absences (Refer note 42) | 370.19 | 274.47 | 81.32 | 45.50 |
| Provision for gratuity/defined benefit pension liability (Refer note 42) | 5,586.38 | 7,090.19 | 716.03 | 158.56 |
| | **5,956.57** | **7,364.66** | **797.35** | **204.06** |

## 28 Trade payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total outstanding dues of micro and small enterprises | 2,312.20 | 1,717.06 |
| Total outstanding dues of creditors other than micro and small enterprises | 11,407.99 | 11,907.22 |
| | **13,720.19** | **13,624.28** |

**a) Trade Payables ageing schedule as at March 31, 2025:**

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| (i) Total outstanding dues of micro and small enterprises | 2,312.20 | - | - | - | **2,312.20** |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 11,333.25 | 22.33 | 52.41 | - | **11,407.99** |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues — Others | - | - | - | - | - |

Note- Unbilled dues are included in less than 1 year.

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

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| (i) Total outstanding dues of micro and small enterprises | 1716.62 | 0.44 | - | | **1,717.06** |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 11859.11 | 45.24 | 2.87 | | **11,907.22** |
| (iii) Disputed dues — MSME | | | | | - |
| (iv) Disputed dues — Others | | | | | - |

Note- Unbilled dues are included in less than 1 year.

**(Amount in ₹ lakhs, unless otherwise stated)**

## 29 Deferred tax liabilities (net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deferred tax liabilities | 1,393.10 | 1,059.91 |
| Deferred tax assets | 214.25 | 41.59 |
| **Net deferred tax liabilities** | **1,178.85** | **1,018.32** |

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Deferred tax liabilities relates to followings:** | | |
| Property, plant and equipment and Intangible assets | 2,181.81 | 1,685.49 |
| Forward contract receivable | 14.97 | 8.21 |
| Right of use asset | 263.56 | 69.09 |
| Offsetting of deferred tax liabilities with deferred tax (assets) | (1,067.24) | (702.88) |
| **Deferred tax liabilities (net)** | **1,393.10** | **1,059.91** |
| **Deferred tax assets relates to followings:** | | |
| Employee benefit | 631.09 | 546.75 |
| Carry forward of losses | 376.75 | 183.97 |
| Preliminary expenses | 1.50 | 1.85 |
| Lease liability | 196.18 | 11.90 |
| Others | 75.97 | - |
| Offsetting of deferred tax (assets) with deferred tax liabilities | (1,067.24) | (702.88) |
| **Deferred tax assets (net)** | **214.25** | **41.59** |
| | **1178.85** | **1,018.32** |

**Deferred tax expense relates to followings:**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Property, plant and equipment and Intangible assets | 496.32 | 365.70 |
| Employee benefit | (391.15) | (69.50) |
| Carry forward of Losses | (192.78) | (151.12) |
| Preliminary expenses | 0.35 | (1.32) |
| Lease liability | (184.28) | 41.03 |
| Forward contract receivable | 6.76 | 13.24 |
| Right of use asset | 194.47 | 69.09 |
| Share based payment expenses | - | 335.99 |
| Others | (75.98) | - |
| | **(146.29)** | **603.11** |

**The movement in deferred tax assets and liabilities during the year is as follows:**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 1,018.32 | 391.59 |
| Tax expense/ (Credit) recognised in statement of Profit or Loss | (146.29) | 603.11 |
| Tax expense/ (credit) recognised in OCI: | | |
| - Re-measurement gain on defined benefit plans | 306.82 | 23.62 |
| **Balance at the end of the year** | **1,178.85** | **1,018.32** |

## 30 Income tax recognised in Statement of profit and loss

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Current tax expense:** | | |
| Current year | 660.03 | 548.54 |
| Prior year tax adjustment | 114.28 | (423.87) |
| **Total current tax (A)** | **774.31** | **124.67** |
| **Deferred tax assets/ (liabilities):** | | |
| Current year origination and reversals of temporary difference | (94.73) | 265.74 |
| Prior year tax adjustment | (51.56) | 337.37 |
| **Deferred tax charge/ (credit) (B)** | **(146.29)** | **603.11** |
| **Total tax expense recognised in statement of profit and loss** | **628.02** | **727.78** |

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Income tax recognised in other comprehensive income** | | |
| Income tax impact on remeasurement of defined benefits | 306.82 | 23.62 |
| **Total Income tax recognised in other comprehensive income** | **306.82** | **23.62** |

**Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the consolidated statement of profit and loss is as follows:**

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Profit before tax** | 3,907.80 | 2,431.41 |
| Applicable income tax rate | 25.17% | 25.17% |
| **Expected income tax expenses** | **983.52** | **611.94** |
| Adjustments: | | |
| Expenses that are not deductible in determining taxable profit | 23.76 | 21.94 |
| Deferred tax adjustment | 64.09 | - |
| Deferred tax not recognised on Subsidiary- Hewland Engineering Limited (Refer note c and d below) | (495.92) | 265.03 |
| Income tax related to prior year | 115.21 | (423.87) |
| Tax effect of amounts which are not deductible in calculating of taxable income (net of exempt income) | (63.61) | 157.68 |
| Difference in overseas tax rates | (18.99) | (1.67) |
| Others | 19.96 | 96.73 |
| **Reported income tax expenses** | **628.02** | **727.78** |

**Notes:**

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

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

**c)** The subsidiary (Hewland Engineering Limited) has unutilised tax losses of approximately ₹ 7,230.39 lakhs (March 31,2024: ₹ 5,986.85 lakhs) available for offset against future taxable profit subject to agreement from HMRC. A deferred tax asset (net) amounting to ₹ 1,989.02 lakhs (March 31, 2024 ₹ 3,045.89 lakhs), including amounts arising in relation to deferred tax liability has not been recognised on the basis that its future economic benefit is uncertain.

**d) The following is the Movement in unabsorbed tax losses in Hewland Engineering Limited:**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 3,045.89 | 2,134.60 |
| Changes during the year | (495.92) | 265.03 |
| Translation difference | (560.95) | 646.26 |
| **Balance at the end of the year** | **1,989.02** | **3,045.89** |

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 31 Revenue from operations

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Sale of product | 1,01,350.84 | 1,00,815.54 |
| Sale of service | 3,704.00 | 3,124.59 |
| | 1,05,054.84 | 1,03,940.13 |
| **Other Operating Revenues** | | |
| - Scrap sales | 1,734.31 | 1,380.81 |
| - Export Incentive | 473.41 | 360.25 |
| - Government Grant | 809.39 | 757.40 |
| - Other operating income | 887.44 | |
| | **1,08,959.39** | **1,06,438.59** |

**a) Performance obligation**

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

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

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

| Revenue based on Geography | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| India | 64,349.05 | 62,498.53 |
| Outside India | 44,610.34 | 43,940.06 |
| **Revenue from operations** | **1,08,959.39** | **1,06,438.59** |

**Revenue from operations**

| Timing of revenue recognition | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Revenue recognised at point in time | 1,05,255.39 | 1,03,314.00 |
| Revenue recognised over the time | 3,704.00 | 3,124.59 |
| **Revenue from operations** | **1,08,959.39** | **1,06,438.59** |

| c) Reconciliation of revenue from sale of products with contracted price | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Contracted Price* | 1,01,350.84 | 1,00,815.54 |
| Less: | - | |
| Sales Returns | - | - |
| Rebate and Discount | - | - |
| | **1,01,350.84** | **1,00,815.54** |

* It includes Sale of product and traded goods.

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(Amount in ₹ lakhs, unless otherwise stated)

**d) Assets and liabilities related to contract with customers**

| Particular | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Trade receivables | 20,233.12 | 19,478.69 |
| Advances from customer | 611.28 | 1350.02 |
| | **20,844.40** | **20,828.71** |

Remaining performance obligation as at the reporting date are expected to be substantially recognised over the next reporting period by the Group.

**e) Revenue recognised in relation to contract liabilities outstanding at the beginning of the year**

**Contract liabilities related to sale of services**

| Particualar | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Advances from customer | 1,350.02 | 1236.76 |

**f) Trade Receivables, Contract Balances**

For Trade Receivables, Refer note no. 18.

Further, the Group has no contracts where the year between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;
- It does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2025, except as disclosed in Trade receivable under note no 18.

Further, the group doesn't have any contract liabilities as at March 31, 2025.

## 32 Other Income

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Interest Income** | | |
| - On bank deposits | 408.86 | 600.37 |
| - Others | 65.48 | 367.21 |
| **Other non-operating income:** | | |
| Rental income | 4.78 | 2.35 |
| Profit on sale of property, plant and equipment | 11.64 | 13.22 |
| Profit on sale / fair valuation- Mutual funds | 49.24 | 87.29 |
| Mark to market gain on forward contract | 26.84 | 32.63 |
| Foreign exchange fluctuation gain (net) | 1,204.92 | 246.14 |
| Excess provision/ liabilities written back | 200.25 | 300.08 |
| Gain on derecognition of right of use asset and lease liability# | - | 105.12 |
| Commission income | 182.97 | 145.87 |
| Other non-operating income | 9.01 | 2.99 |
| | **2,163.99** | **1,903.27** |

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

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## 33 Cost of raw material consumed

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Raw Material** | | |
| Balance at the beginning of the year | 3,709.63 | 4,780.76 |
| Add:- Purchases during the year | 63,808.50 | 62,973.67 |
| | 67,518.13 | 67,754.43 |
| Less:- Balance at the end of the year | 4,473.78 | 3,709.63 |
| **Cost of material consumed** | **63,044.35** | **64,044.80** |

## 34 Purchase of stock in trade

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Purchases of traded goods | 765.67 | - |
| | **765.67** | **-** |

## 35 Changes in inventories of finished goods, work in progress and stock in trade

| Particulars | | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| **Inventories at the beginning of the year** | | | |
| Work-in-progress | | 3,835.39 | 4,736.24 |
| Finished goods | | 8,663.42 | 8,050.34 |
| Scrap Stock | | 47.12 | 73.68 |
| Stock in trade | | 63.96 | 206.40 |
| | (A) | **12,609.89** | **13,066.66** |
| **Inventories at the end of the year** | | | |
| Work-in-progress | | 3,878.78 | 3,835.39 |
| Finished goods | | 8,443.26 | 8,663.42 |
| Scrap Stock | | 29.46 | 47.12 |
| Stock in trade | | 325.19 | 63.96 |
| | (B) | **12,676.69** | **12,609.89** |
| **Increase in inventory (A-B)** | | **(66.80)** | **456.77** |

## 36 Employee benefits expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Salaries, wages & bonus | 13,408.83 | 11,778.57 |
| Contribution to provident and other fund (Refer note 42) | 1,185.46 | 1,092.14 |
| Gratuity/Pension expense (Refer note 42) | 703.93 | 547.44 |
| Compensated absences | 186.87 | 102.88 |
| Staff welfare expenses | 529.45 | 614.65 |
| Share based payment expenses (Refer note 41) | 1,481.65 | 3,946.17 |
| Director Sitting fees | 3.70 | 1.60 |
| | **17,499.89** | **18,083.45** |

## 37 Finance costs

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Interest expense on | | |
| -term loans & working capital facilities | 2,200.54 | 1,628.09 |
| -redeemable Non Convertible Debentures | - | 182.11 |
| -external commercial borrowings | 169.50 | 202.48 |
| - ICD Interest | - | - |
| - Others | 102.93 | 103.28 |
| Other borrowing cost | | |
| - Reverse discount | 231.95 | 152.77 |
| - Buyer credit | - | 5.76 |
| - Sales bill discounting | 339.17 | 354.23 |
| - Others | 77.80 | 181.58 |
| Interest on lease liability | 190.23 | 184.12 |
| | **3,312.12** | **2,994.42** |

**Note :**
The Group has capitalised the borrowing cost ₹ 271.61 lakhs (March 31, 2024: ₹ 456.91 lakhs). The interest rate used for capitalization ranges from 8.60% - 8.65% (March 31, 2024: 8.95% - 9.45%).

## 38 Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer note 4 & 4 (d)) | 3,069.46 | 2,268.81 |
| Amortisation of intangible assets (Refer note 9) | 122.93 | 85.53 |
| Depreciation of Right of use assets (Refer note 5) | 602.03 | 500.80 |
| | **3,794.42** | **2,855.14** |

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 39 Other expenses

| **Particulars** | **For the year ended March 31, 2025** | **For the year ended March 31, 2024** |
|---|---|---|
| Rent | 299.48 | 252.97 |
| Contract labour charges | 3,806.44 | 3,333.41 |
| Power & fuel | 2,977.52 | 2,819.82 |
| Consumption of stores & spare | 2,727.46 | 2,100.17 |
| Packing material consumed | 2,149.46 | 2,220.28 |
| Security charges | 266.95 | 204.38 |
| Repair & maintenance | | |
| - Plant & machinery | 978.02 | 972.57 |
| - Buildings | 128.78 | 96.63 |
| -Others | 511.86 | 460.58 |
| Legal & professional expenses | 593.18 | 420.73 |
| Payment to the auditors# | 112.68 | 140.76 |
| Freight & forward Charges | 1,520.04 | 1,498.32 |
| Other selling expenses | 435.04 | 388.01 |
| Rates & taxes | 197.22 | 190.27 |
| Travelling & conveyance | 480.91 | 459.31 |
| Insurance expenses | 404.00 | 363.82 |
| Allowance for expected credit loss | - | |
| Bank charges | 106.09 | 121.47 |
| Loss on sale/write off of Property, plant and equipment | 0.15 | 2.38 |
| Foreign exchange fluctuation loss (net) | - | 298.13 |
| Corporate social responsibilities expenses | 94.42 | 87.16 |
| Miscellaneous expenses | 1,076.22 | 1,044.70 |
| **Total** | **18,865.92** | **17,475.87** |

# It includes payment to the auditors of subsidiaries.

## 40 Earnings per share (EPS)

| **Particulars** | **For the year ended March 31, 2025** | **For the year ended March 31, 2024** |
|---|---|---|
| Profit attributable to the equity shareholders of parent company **(A)** | 2,520.15 | 1,341.84 |
| Number equity shares outstanding at the end of the year **(B)** | 35,73,84,491 | 35,35,78,380 |
| Weighted average number of potential equity shares for Non-Cumulative compulsory convertible preference shares | 2,09,71,941 | 2,09,71,941 |
| Weighted average number of equity shares for Basic EPS **(C)** | 37,76,29,178 | 37,45,50,321 |
| Nominal value of Equity shares (₹) | 10.00 | 10.00 |
| Basic Earning per share **(A/C) (₹)** | 0.67 | 0.36 |
| Weighted average number of potential equity shares on account of Pending Employee Stock option Scheme | 48,83,427 | 81,39,045 |
| Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS **(D)** | 38,25,12,605 | 38,26,89,366 |
| Nominal value of Equity shares (₹) | 10.00 | 10.00 |
| Diluted earnings per share **(A/D) (₹)** | 0.66 | 0.35 |

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(Amount in ₹ lakhs, unless otherwise stated)

## 41 Employee Stock option plan (ESOP)

**Details of Stock Option Scheme**

| Particulars | ESOP 2022 | | |
|---|---|---|---|
| | Option Value (₹) | Date of grant | Number of options granted |
| Tranche-1 | 60.93 | December 02, 2022 | 95,15,278 |
| Tranche-2 | 27.44 | December 30, 2022 | 49,43,511 |
| Tranche-3 | 29.97 | December 30, 2022 | 39,54,809 |
| Tranche-4 | 32.34 | March 01, 2023 | 11,54,196 |
| Tranche-5 | 16.57 | July 13, 2023 | 5,89,800 |
| Tranche-6 | 16.95 | November 17, 2023 | 1,44,975 |
| Tranche-7 | 10.96 | July 17, 2024 | 6,99,738 |
| Tranche-8 | 11.18 | December 12, 2024 | 1,06,620 |

| | |
|---|---|
| Date of Board approval of the relevant scheme | December 02, 2022 |
| Date of Shareholder's approval of the relevant scheme | December 02, 2022 |
| Date of last modification by shareholders | August 13, 2024 |
| Method of settlement (Cash/Equity) | Equity |
| Vesting period | Minimum of 1 Year and maximum of 8 year from grant date |
| Exercise period | 10 years from the vesting date |
| Exercise price | The options are granted to eligible employees at the latest available closing price of the shares of the parent company prior to the grant date as per the valuation report obtained by the parent company. |
| Vesting condition | Vesting of options is a function of achievement of performance criteria or any other criteria as specified by the parent company in the grant letter, further the vesting takes place on staggered basis over the respective vesting period. |

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Expenses arising from equity - settled share based payment transactions (Refer Note 36) | 1,481.65 | 3,946.17 |
| **Total expense arising from share-based payment transactions recognized in consolidated statement of profit and loss** | **1,481.65** | **3,946.17** |

**Notes:**

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

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

| | ESOP 2022 | | | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
| Particulars | Number of options* | Weighted Average Exercise Price (₹) | Number of options | Weighted Average Exercise Price (₹) |
| Outstanding at the beginning of the year | 2,00,70,524 | 41.10 | 1,95,67,794 | 40.38 |
| Granted during the year | 8,06,358 | 69.14 | 7,34,775 | 68.43 |
| Forfeited during the year | (1,37,847) | 69.14 | (2,32,045) | 68.43 |
| Exercised during the year | (38,06,111) | 10.00 | - | - |
| **Outstanding at the end of the year** | **1,69,32,924** | **49.48** | **2,00,70,524** | **41.10** |
| Vested and Excercliseable at the year end | 58,55,382 | | 73,75,491 | |
| Remaining average contractual life (in years) | | 3.60 | | 3.80 |

*Number of options are given in absolute number.

**Fair value of options granted**

The weighted average fair value of stock options granted during the period pertaining to ESOP 2022 plan is ₹ 10.98 (March 31, 2024: ₹ 16.64). The fair value at grant date is determined using the using the Black- Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying sbare, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans

| Particulars | For options granted during the year ended March 31,2025 | For options granted during the year ended March 31,2024 |
|---|---|---|
| | ESOP 2022 Plan | ESOP 2022 Plan |
| Dividend yield | 1.56% | 0.53% |
| Expected volatality | 53.16%-60.22% | 36.97%-43.00% |
| Risk free interest rate | 7.16% | 6.69%-6.91% |
| Expected life of share option | 3.5 to 6.4 years | 3.5 to 6.4 years |
| Share price at grant | 32.08 | 47.37 |

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**42 (i) : Defined contribution and defined benefit plans**

Below is the defined contribution and defined benefit plans for the group except for Hewland Engineering Limited and Hero Motors Thai Limited. Defined contribution and defined benefit plans for Hewland Engineering Limited, refer note 42(ii) and for Hero Motors Thai Limited, refer note 42(iii):

**a) Defined contribution plans**

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

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Employer's Contribution to Provident Fund | 577.37 | 513.08 |
| Employer's Contribution to Employee State Insurance | 36.73 | 37.46 |
| Employer's Contribution to Welfare Fund/Other Charges | 0.70 | 0.80 |
| **Total** | **614.80** | **551.34** |

**Note:**
Out of the above, an amount of ₹ 42.04 lakhs (March 31, 2024: ₹ 25.83 lakhs) has been capitalized in one of the subsidiary Hero EDU Systems Private Limited.

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

**b) Defined benefit plans**

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

**Gratuity scheme**

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

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

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **Change in benefit obligation** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| **Opening defined benefit obligation** | **569.13** | **1,376.04** | **538.65** | **1,350.34** |
| Interest cost | 39.12 | 99.66 | 38.65 | 100.14 |
| Current Service cost | 35.97 | 197.17 | 31.33 | 196.50 |
| Transfer of employee | - | 0.72 | - | - |
| Benefits paid | (54.22) | (137.38) | (39.65) | (170.12) |
| Actuarial (gain) / loss on obligations | (6.12) | 20.69 | 0.15 | (100.82) |
| **Present value of obligation as at the end of the year** | **583.88** | **1,556.90** | **569.13** | **1,376.04** |

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**(Amount in ₹ lakhs, unless otherwise stated)**

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

| | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|---|---|---|---|
| **Cost for the year included under employee benefit** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| Current service cost | 35.97 | 197.17 | 31.33 | 196.50 |
| Interest cost | 39.12 | 99.66 | 38.65 | 100.14 |
| Expected return on plan assets | (18.66) | - | (20.85) | - |
| **Net cost** | **56.43** | **296.83** | **49.13** | **296.64** |

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **e) Changes in the fair value of the plan assets are as follows:** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| Fair value of plan assets at the beginning | 263.16 | - | 284.80 | - |
| Expected return on plan assets | 18.66 | - | 20.85 | - |
| Contributions by employer | 2.33 | - | 1.59 | - |
| Benefits paid | (49.98) | - | (39.65) | - |
| Actuarial gains / (losses) on the plan assets | (3.95) | - | (4.43) | - |
| **Fair value of plan assets at the end** | **230.22** | **-** | **263.16** | **-** |

| | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|---|---|---|---|
| **f) Detail of actuarial gain/loss recognised in OCI is as follows:** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| Actuarial gain / (loss) for the year – obligation | 6.12 | (20.69) | (0.15) | 100.82 |
| Actuarial gain / (loss) for the year - plan assets | (3.95) | - | (4.43) | - |
| Unrecognised actuarial gains / (losses) at the end of year | **2.17** | **(20.69)** | **(4.58)** | **100.82** |

**Note:**

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| **g) Group company Principal actuarial assumptions at the balance sheet date** | **Gratuity (Funded)** | **Gratuity (Unfunded)** | **Gratuity (Funded)** | **Gratuity (Unfunded)** |
| **Economic assumptions** | | | | |
| 1. Discount rate | 6.68% | 6.92% - 7.01% | 7.09% | 7.09% |
| 2. Rate of increase in compensation levels | 8.00% | 5%-10% | 8.00% | 5%-10% |
| 3. Expected Return on Plan Assets | 6.68% | - | 7.09% | - |
| **Demographic assumptions** | | | | |
| 1. Retirement Age (years) | 58 | 58 | 58 | 58 |
| 2. Mortality Rate | Indian Assured Lives Mortality (2012-14) (modified) ultimate | | Indian Assured Lives Mortality (2012-14) (modified) ultimate | |
| **Withdrawal Rate** | | | | |
| 1. Ages from 0 to 30 Years | 3.90% | 1%-10% | 3.90% | 1%-10% |
| 2. Ages from 31 to 44 Years | 3.90% | 1%-10% | 3.90% | 1%-10% |
| 3. Ages Above 44 years | 3.90% | 1%-10% | 3.90% | 1%-10% |

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

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

| Particulars | As at March 31, 2025 Gratuity (Funded) | As at March 31, 2025 Gratuity (Unfunded) | As at March 31, 2024 Gratuity (Funded) | As at March 31, 2024 Gratuity (Unfunded) |
|---|---|---|---|---|
| Present value of obligation | 583.88 | 1,556.90 | 569.13 | 1,376.04 |
| Less: Fair value of plan assets | 230.22 | - | 263.16 | - |
| **Net assets /( liability)** | **(353.66)** | **(1,556.90)** | **(305.97)** | **(1,376.04)** |

i) Expected contribution for the next year is ₹ 391.17 lakhs (March 31, 2024: ₹ 340.70 lakhs) in respect of Gratuity for mangli unit.

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

| | As at March 31, 2025 Gratuity (Funded) | As at March 31, 2025 Gratuity (Unfunded) | As at March 31, 2024 Gratuity (Funded) | As at March 31, 2024 Gratuity (Unfunded) |
|---|---|---|---|---|
| **A. Discount rate** | | | | |
| Effect on DBO due to 1% increase in Discount Rate | (35.59) | (128.48) | (34.44) | (103.30) |
| Effect on DBO due to 1% decrease In Discount Rate | 39.81 | 152.27 | 38.54 | 121.16 |
| **B. Salary escalation rate** | | | | |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 36.84 | 150.39 | 36.21 | 120.25 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (35.37) | (126.62) | (34.48) | (104.58) |

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

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

**k) Risk**

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

**l) Maturity profile of Group cash outflows relating to defined benefit obligation are as follows:**

| | As at March 31, 2025 Gratuity (Funded) | As at March 31, 2025 Gratuity (Unfunded) | As at March 31, 2024 Gratuity (Funded) | As at March 31, 2024 Gratuity (Unfunded) |
|---|---|---|---|---|
| 0 to 1 years | 40.88 | 135.62 | 71.89 | 125.43 |
| 1 to 2 years | 47.52 | 179.89 | 66.61 | 132.65 |
| 2 to 3 years | 75.08 | 142.68 | 46.51 | 173.83 |
| 3 to 4 years | 64.56 | 169.02 | 69.95 | 137.63 |
| 4 to 5 years | 86.38 | 162.41 | 60.55 | 166.70 |
| From 5 years onwards | 290.87 | 504.67 | 310.69 | 563.48 |

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**(ii) Post-employment benefit plans of Subsidiary Company' i.e. Hewland Engineering Limited**

**a)** The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Employer's Contribution to Pension Fund | 267.69 | 280.90 |
| Employer's Contribution to Social Security Cost | 607.45 | 564.19 |
| | **875.14** | **845.09** |

**b) Defined benefit schemes**
The Group operates a defined benefit pension scheme in the UK funded by employer's contributions with assets held in a separate trustee administered fund.

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

**Change in benefit obligation**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Opening defined benefit obligation | 20,998.10 | 20,516.53 |
| Interest cost | 1,030.60 | 941.55 |
| Actuarial gains/(Losses) | (2,764.91) | (62.42) |
| Benefits paid | (1,215.25) | (1,078.88) |
| Translation adjustments | 1,066.56 | 681.32 |
| **Present value of obligation as at the end of the year** | **19,115.10** | **20,998.10** |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Fair value of plan assets at the beginning | 15,431.37 | 15,407.73 |
| Interest income on plan assets | 762.91 | 712.66 |
| Return on assets less interest income | (1,509.90) | (645.04) |
| Contributions by employer | 548.31 | 527.48 |
| Benefits paid | (1,215.25) | (1,078.88) |
| Other | (0.53) | (1.04) |
| Translation adjustments | 800.91 | 508.47 |
| **Fair value of plan assets at the end** | **14,817.82** | **15,431.37** |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Present value of plan liabilities | 19,115.10 | 20,998.10 |
| Fair value of plan assets | (14,817.82) | (15,431.37) |
| **Net pension scheme liability** | **4,297.28** | **5,566.72** |

**f)** Expected contribution for next year is ₹ 548.31 lakh (March 31, 2024 - ₹ 532.51 lakhs ) to its defined benefit pension scheme.

**g)** The following tables summarise the components of net benefit expanse recognised in the Statement of profit or loss and amounts recognised in the balance sheet for the respective plans:

| Cost for the year included under employee benefit | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Net interest cost | 267.69 | 280.90 |

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

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Actual return less interest income | (1,509.90) | (646.76) |
| Actuarial gains/(losses) | 2,764.91 | 62.42 |
| **Total amount charged to other comprehensive income** | **1,255.01** | **(584.34)** |

**i) Composition of plan assets**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Fixed income investment | 3,788.24 | 3,706.60 |
| Liability driven investment funds | 3,460.22 | 4,059.51 |
| Bank | 284.10 | 206.91 |
| Diversified growth fund units | 3,431.95 | 3,413.56 |
| Annuity policies | 3,853.31 | 4,044.80 |
| **Total** | **14,817.82** | **15,431.38** |

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**(Amount in ₹ lakhs, unless otherwise stated)**

**j) Principal actuarial assumptions used at the Statement of financial position date**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | % | % |
| Discount rates at start of year | 4.90 | 4.60 |
| Discount rate at end of year | 5.40 | 4.90 |
| Inflation - RPI | 3.20 | 3.30 |
| Inflation - CPI | 2.40 | 2.50 |
| Pension increases in deferment (Non GMP) | 2.40 | 2.50 |
| Pension increases in payment (RPI, max 5%) | 2.90 | 3.00 |
| Pension increases in payment (RPI, max 2.5%) | 1.90 | 2.00 |
| Pension increases in payment (RPI, max 3%) | 2.20 | 2.30 |
| Pension increases in payment (RPI, max 3%,max 5%) | 3.70 | 3.70 |

| k) Mortality rates | Number | Number |
|---|---|---|
| - for a male aged 65 now | 86.1 | 86.1 |
| - at 65 for a male member aged 45 now | 86.7 | 88.6 |
| - for a female aged 65 now | 88.6 | 86.8 |
| - at 65 for a female member aged 45 now | 89.4 | 89.4 |

| l) Sensitivity Analysis | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | Change to defined benefit obligation | |
| Increase/Decrease discount rate by 0.5% P.a. | -6% / +6% | -6% / +7% |
| Increase/Decrease assumed future rates of inflation by 0.5% P.a. | +4% /-3% | +4% /-4% |

*[This space has been left blank intentionally]*

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**(Amount in ₹ lakhs, unless otherwise stated)**

**(iii) Post-employment benefit plans of Subsidiary Company' i.e. Hero Motors Thai Limited**

**a) Defined contribution plans**

The Company makes contribution Social Security Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company during the year recognised the following amount in the Statement of profit and loss under company's contribution to defined contribution plan.

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Employer's Contribution to Social Security Cost | 5.25 | 2.43 |
| **Total** | **5.25** | **2.43** |

**b) Defined benefit schemes**

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

**c) Retirement benefits**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity

Past-service costs are recognised immediately in profit or loss.

**d) Termination benefits**
The Group recognises termination benefits at the earlier of a) when the Group can no longer withdraw the offer of those benefits; and b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

**Employee benefit obligations**

The plans are final salary retirement plans. The level of henefits provided debends on members' length of service and their salary in the final years leading up to retirement.

The amounts recognised in the statement of financial position are determined as follows:

| a) **Cost for the year included under employee benefit** | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Pension expense | 91.85 | - |
| **Total** | **91.85** | **-** |

b) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the fund status and amounts recognised in the balance sheet for the defined benefit plan and other long term benefits.

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening defined benefit obligation** | - | - |
| Current service Service cost | 91.85 | - |
| Translation adjustments | 2.68 | |
| **Present value of obligation as at the end of the year** | **94.53** | **-** |

c) **Principal assumptions used at the Statement of financial position date:**

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Discount Rate | 2.65% | - |
| Turnover Rate | 36.50% | - |

**43 Contingent liabilities and commitments**

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

The Group has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Group to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Group has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).
The Group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Group. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| - Legal cases of labour pending before labour court | 98.27 | 92.34 |
| - Claims against the company not acknowledged as debt (see note-I below) | 39.29 | 39.29 |
| - Bank Guarantee | 207.41 | 328.18 |

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

I A Vendor - Sadhu Forging Limited, has filed suit claiming ₹ 39.29 lakh as balance payment against supply of material. The Parent company has resisted the claim on the basis that the material supplied was faulty by the vendor, material was rejected by the parent company & Debit Note raised to the Vendor. The case is pending with Civil Court, Faridabad.

II The excise department issued a show cause notice to demand duty of ₹ 474.82 lakhs along with interest and penalties. Vide final order dated September 05,2017 the CESTAT set aside the SCN and dropped the demand. The Department filed Civil Appeal to impugn the final order passed by CESTAT , which is pending consideration before the Supreme Court.

| **b) Commitment** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of related capital advances) | 2,188.05 | 4,719.09 |

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

**44 Related party disclosures under Ind AS 24**

**a)** List of related parties

**(i) Ultimate controlling entity**
OP Munjal Holding (Partnership firm). It is held by significant beneficial owner Mr. Pankaj Munjal effectively controlling the said firm.

**(ii)** For subsidiaries of the Holding Company - Refer note 2.1

**(iii)**

| **Nature of Relationship** | **Name of the Related Party** |
|---|---|
| Enterprise over which Key Managerial Personnel and their relatives exercise Significant influence | Hero Cycles Limited<br>HMC E-Valley Private<br>HNF Gmbh<br>Hero Global Designs Limited<br>High Rise Industries<br>Lectro E-Mobility Private Limited<br>Munjal Kiriu Industries Private Limited<br>Nuvomax Nutritionals Private Limited<br>OMA Private Limited<br>Bhagyoday Investments Private Limited<br>Hero Lectro (A div of hero cycles limited)<br>Firefox Bikes Private Limited<br>Hero Global Design Limited<br>Meenakshi Polymer Private Limited<br>ZF Hero Chassis and Systems Private Limited |
| Enterprise over which Directors and their relatives exercise Significant influence | Nuvomax Nutritionals Private Limited |

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**(Amount in ₹ lakhs, unless otherwise stated)**

| (iv) | **Key Management Personnel (KMP) and their relative of Parent company** | | |
|---|---|---|---|
| | Mr. Pankaj Munjal | Chairman and Director | Appointment-May 24, 1998 |
| | Mr. Amit Gupta | Managing Director & CEO | Appointment-September 09,2022 |
| | Mr. Abhishek Munjal | Whole-time Director | Change in designation-September 09, 2022 |
| | Mrs. Ruhani Munjal | Advisor to chairman | Spouse of Mr. Abhishek Munjal |
| | Mr. Keshav Misra | Non Executive Director | Appointment-September 09, 2022 |
| | Mr. Pawan Puri | Non Executive Director | Cessation- March 01, 2023 |
| | Mr. Andrew Charles Palmer | Independent Director | Appointment-July 16, 2024 |
| | Mr. Sridhar Narayan | Non Executive Nominee Director | Appointment-January 04, 2023 |
| | Mr. Kulbir Singh | Independent Director | Appointment-February 01,2023 |
| | Ms. Pratibha Goyal | Independent Director | Appointment-May 26, 2021 |
| | Ms. Jyoti Arora | Independent Director | Appointment-January 28, 2025 |
| | Mr. Ashok Kumar Taneja | Independent Director | Appointment-August 12, 2024 |
| | Mr. Gaurav Dalmia | Independent Director | Appointment-August- 12, 2024<br>Cessation- Novemebr 06, 2024 |
| | Mr. Darpan Vasishta | Chief Financial Officer | Cessation- October 13, 2023 |
| | Mr. Ritesh Kumar Agrawal | Chief Financial Officer | Appointment- February 16, 2024<br>Cessation- June 25, 2025 |
| | Mr. Utkarsh Sanghi | Chief Financial Officer | Appointment- June 25, 2025 |
| | Ms. Sheeba Dhamija | Company Secretary | Cessation July 19, |
| | Ms. Sakshi Dureja | Company Secretary and Compliance officer | Appointment- August 12, 2024<br>Cessation- December 11, 2024 |
| | Ms. Esha Gupta | Company Secretary and Compliance officer | Appointment- December 12, 2024 |

**b) Related Party Transactions**

| S.No | Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| a. | **Sale of goods** | | |
| | Hero Cycles Limited | 667.97 | 579.15 |
| | Munjal Kiriu Industries Private Limited | 534.60 | - |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 830.73 | 708.38 |
| | Firefox Bikes Private Limited | - | 1.69 |
| b. | **Purchase of goods** | | |
| | Munjal Kiriu Industries Private Limited | 2,540.55 | 2,134.07 |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 20.02 | 118.02 |
| | High Rise Industries | 1,554.39 | 1,705.87 |
| | Hero Cycles Limited | 0.01 | 19.15 |
| | Oma Private Limited | 1.39 | 1.23 |
| | Lectro E-Mobility Private Limited | - | 1.01 |
| | Meenakshi Polymer Private Limited | 148.25 | - |
| c. | **Purchase of property, plant and equipmeot** | | |
| | Oma Private Limited | 15.67 | - |
| | Hero Cycles Limited | - | 2,308.78 |
| d. | **Consultancy Fees** | | |
| | Nuvomax Nutritionals Private Limited | 234.75 | 183.45 |
| e. | **Purchase of Service** | | |
| | Hero Cycles Limited | 2,234.15 | 2,416.51 |
| | HMC E-Valley Private Limited | 18.02 | - |
| f. | **Loan Received** | | |
| | Hero Cycles Limited | - | 381.00 |
| g. | **Loan Repaid** | | |
| | Hero Cycles Limited | - | 881.00 |
| | Bhagyoday Investments Private Limited | - | 500.00 |
| h. | **Issue of Share Capital** | | |
| | Hero Cycles Limited | - | 1,110.00 |

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**(Amount in ₹ lakhs, unless otherwise stated)**

| | Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| i. | **Other Income** | | |
| | Hero Cycles Limited | - | 300.00 |
| j. | **Royalty Income** | | |
| | Hero Cycles Limited | - | 3.53 |
| k. | **Interest Paid** | | |
| | Hero Cycles Limited | - | 29.44 |
| | Bhagyoday Investments Private Limited | - | 41.40 |
| l. | **Reimbursement of Expenses** | | |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 67.82 | 8.92 |
| | Hero Global Designs Limited | 1.34 | - |
| | Hero Cycles Limited | 101.55 | 3.83 |
| m. | **Rentel expense** | | |
| | Hero Cycles Limited | 1.24 | 0.40 |
| n. | **Lease liability paid for ROU assets** | | |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 150.00 | 177.00 |
| o. | **Dividend Paid** | | |
| | Hero Cycles Limited | 19.31 | |
| p. | **Other Expense** | | |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 46.00 | 16.83 |
| | Hero Cycles Limited | - | 49.97 |
| | Hero Global Designs Limited | - | 2.40 |
| q. | **Remuneration paid to Key Management Personnel** | | |
| | Refer note (c) below | | |
| | Amit Gupta | 364.69 | 396.57 |
| | Darpan Vashishtha | - | 93.52 |
| | Ritesh Agrawal | 143.28 | 16.65 |
| | Abhishek Munjal | 327.55 | 335.05 |
| | Ruhani Munjal | 22.56 | 20.93 |
| | Sheeba Dhamija | 6.68 | 20.95 |
| | Sakshi Dureja | 5.38 | - |
| | Esha Gupta | 10.34 | - |
| r. | **Share issued under ESOP Scheme** | | |
| | Amit Gupta | 380.61 | - |
| s. | **Directors sitting Fees:** | | |
| | Ms. Pratibha Goyal | 1.50 | 0.60 |
| | Mr. Kulbir Singh | 1.40 | 1.00 |
| | Mr. Ashok Kumar Taneja | 0.40 | - |
| | Mr. Gaurav Dalmia | 0.10 | - |
| | Mr. Andrew Charles Palmer | 0.30 | - |

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c) **Closing Balances**

| S.No | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| a. | **Trade Receivable** | | |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 824.14 | 640.58 |
| | Firefox Bikes Private Limited | - | 2.16 |
| | Hero Global Designs Limited | - | 1.10 |
| | Munjal Kiriu Industries Private Limited | 82.41 | - |
| | Hero Cycles Limited | 89.68 | 52.94 |
| b | **Trade Payable** | | |
| | Munjal Kiriu Industries Private Limited | 1,134.43 | 1,200.04 |
| | Nuvomax Nutritionals Private Limited | - | 28.03 |
| | Nuvomax Nutritionals Private Limited | - | 5.51 |
| | High Rise Industries | 25.49 | 61.96 |
| | HMC E-Valley Private Limited | - | - |
| | Hero Lectro (A div of hero cycles limited) | - | 3.90 |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 0.23 | - |
| | Oma Private Limited | - | 0.13 |
| | HNF Gmbh | - | 1.69 |
| | Meenakshi Polymer Private Limited | 14.12 | - |
| c. | **Other Payable** | | |
| | Hero Cycles Limited* | 1,001.13 | 1,343.91 |
| | Nuvomax Nutritionals Private Limited | 10.21 | - |
| | HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited) | 14.64 | - |
| | Hero Global Designs Limited | 0.04 | - |
| d. | **Other Advance** | | |
| | Hero Cycles Limited | - | 1,667.00 |
| e. | **Other Receivable** | | |
| | HMC E-Valley Private Limited | 5.48 | - |
| | Amit Gupta | 29.16 | - |
| f. | **Payable against purchase of propert, plant and equipment** | | |
| | Hero Cycles Limited | 228.20 | 228.20 |

The Parent Company has given:

a) Corporate guarantee to finance long term loan taken by subsidiary Spur Technologies Private Limited upto maximum exposure as on March 31, 2025 is ₹ 1,590.00 lakhs (March 31, 2024: 1,590.00 lakhs). The outstanding balance of drawdown as on March 31, 2025 is ₹ 963.56 lakhs (March 31, 2024: 1,103.66 lakhs).

b) Stand by letter of credit to finance long term loan taken by subsidiary Hero Motors Thai Limited upto maximum exposure as on March 31, 2025 is ₹ 4,709.10 Lekhs (March 31, 2024: Nil). The outstanding balance of drawdown as on March 31, 2025 is ₹ 4,355.98 Lakhs (March 31, 2024: Nil).

c) Stand by letter of credit to finance long term loan taken by subsidiary Hewland Engineering Limited upto maximum exposure as on March 31, 2025 is ₹ 2,878.27 Lakhs (March 31, 2024: Nil). The outstanding balance of drawdown as on March 31, 2025 is ₹ 2,615.90 Lakhs (March 31, 2024: Nil).

**Note** a) *These are the transactions/balances taken from entries parked in the books of Parent company.

b) Refer Note 21, for movement of shareholding pattern from erstwhile shareholders to new shareholders.

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

| **Name of Key Management Personnel** | **Amit Gupta** | | **Mr. Keshav Misra** |
|---|---|---|---|
| **ESOP scheme** | **ESOP Scheme Plan 2022** | | **ESOP Scheme Plan 2022** |
| ESOP Tranche | Tranche-1 | Tranche-2 | Tranche-1 |
| Exercise price (₹ per option) | 10.00 | 69.14 | 69.14 |
| Share option outstanding as at 31st March 2025 (In No's) | 57,09,167 | 49,43,511 | 39,54,809 |
| Share options outstanding as at March 31, 2024 (In Nos) | 95,15,278 | 49,43,511 | 39,54,809 |

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## 45 Fair value measurements

### I Financial instruments

#### a) Financial instruments by category

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

#### b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the consolidated financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.
The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

| Particulars | Level | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Financial assets measured at fair value through profit and loss** | | | |
| Investment in mutual funds | Level 1 | 216.02 | 667.56 |
| Forward contract receivable | Level 1 | 59.47 | 32.63 |
| **Financial assets measured at fair value through Other comprehensive income** | | | |
| Investments in equity shares of others - (Unquoted) | Level 3 | 34.52 | 20.12 |
| Investments in debenture of others - (Unquoted) | Level 3 | 265.68 | 136.08 |
| **Financial assets measured at amortized cost** | | | |
| Loan to employees | | 247.67 | 191.26 |
| Deposits with bank and others | | 60.04 | 155.33 |
| Security deposits -others (Electricity, rent and others) | | 498.10 | 491.27 |
| Interest accrued but not due on margin money | | 96.43 | 251.69 |
| Interest accrued and due on security deposits | | 14.64 | 3.86 |
| Other receivable | | 2,974.86 | 1,821.90 |
| Trade receivables | | 20,233.12 | 19,478.69 |
| Cash and cash equivalents | | 944.82 | 4,226.09 |
| Bank balances other than cash & cash equivalents | | 3,831.00 | 4,600.00 |
| **Total financial assets** | | **29,476.37** | **32,076.48** |
| **Financial liabilities valued at amortized cost** | | | |
| Borrowings | | 40,762.18 | 30,399.63 |
| Security deposits payable | | 1.15 | 2.15 |
| Interest accrued but not due on borrowings | | 53.67 | 42.97 |
| Trade payables | | 13,720.19 | 13,624.28 |
| Employee benefit payable | | 394.43 | 296.41 |
| Payable to related parties | | 876.31 | 1,346.70 |
| Bill discounting / factoring | | 4,181.83 | 7,568.93 |
| Lease liabilities | | 2,401.80 | 2,999.28 |
| Creditors for capital goods | | 1,792.01 | 1,408.87 |
| **Total financial liabilities** | | **64,183.57** | **57,689.22** |

#### c) Capital management

The group's capital management objectives are:
(a) to ensure the group's ability to continue as a going concern
(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
For the purpose of Group's capital management, capital includes equity attributable to the equity shareholders of the group and other equity reserves. The primary objective of the group capital management is to ensure that it maintains an efficient capital structure and maximize shareholders value.

**Gearing Ratio**

The Group has outstanding long term debt of ₹ 12,336.98 lakhs (March 31, 2024: ₹ 8,175.29 lakhs) at the end of reporting year and short term debt of ₹ 2,8425.20 lakhs at the end of reporting year (March 31, 2024: ₹ 22,224.34). Accordingly, the gearing ratio is worked out as follows:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Long term borrowing (Refer note 23) | 12,336.98 | 8,175.29 |
| Short term borrowing (Refer note 24) | 28,425.20 | 22,224.34 |
| Lease liabilities (Refer note 6) | 2,401.80 | 2,999.28 |
| **Total Debt** | **43,163.98** | **33,398.91** |
| Less: Cash and bank balances | 4,775.82 | 8,826.09 |
| **Adjusted net debt** | **38,388.16** | **24,572.82** |
| Total Equity | 42,600.90 | 37,481.60 |
| **Adjusted net debt to equity** | 90.11% | 65.56% |

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**(Amount in ₹ lakhs, unless otherwise stated)**

## 46 Financial risk management objectives and policies

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

The Group has exposure to the following risks arising from financial instruments:
- credit risk,
- liquidity risk and
- market risk.

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

### A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.
The parent company also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

### B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

| **As at March 31, 2025** | **Less than 1 year** | **1 to 5 years** | **> 5 years** | **Total** |
|---|---|---|---|---|
| Borrowings | 28,425.20 | 12,336.98 | - | 40,762.18 |
| Trade payables | 13,720.19 | - | - | 13,720.19 |
| Lease liabilities | 748.20 | 1,714.72 | 522.17 | 2,985.09 |
| Other financial liabilities | 6,485.72 | 813.68 | - | 7,299.40 |
| **Total** | **49,379.31** | **14,865.38** | **522.17** | **64,766.86** |
| **As at March 31, 2024** | **Less than 1 year** | **1 to 5 years** | **> 5 years** | **Total** |
| Borrowings | 22,224.34 | 8,175.29 | - | 30,399.63 |
| Trade payables | 13,624.28 | | - | 13,624.28 |
| Lease liabilities | 691.76 | 2,193.05 | 667.05 | 3,551.85 |
| Other financial liabilities | 10,195.33 | 470.70 | - | 10,666.03 |
| **Total** | **46,735.71** | **10,839.04** | **667.05** | **58,241.79** |

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

| **Balance sheet caption** | **Statement of cash flows line item** | **As at April 1, 2024** | **Cash Flows** | **Non Cash Changes** | | | | **As at March 31, 2025** |
|---|---|---|---|---|---|---|---|---|
| | | | | **Interest capitalised** | **Forex** | **Interest Expenses** | **Other** | |
| Borrowings | Proceeds/(repayments) from borrowings (including short term) | 30,399.63 | 10,335.68 | - | 26.87 | - | - | 40,762.18 |
| Lease liability | Payment / proceed from lease liability | 2,999.28 | (876.06) | 29.14 | 122.34 | 190.23 | (63.13) | 2,401.80 |
| Interest accrued but not due | Interest paid | 42.97 | (2,462.27) | - | - | 2,472.97 | - | 53.67 |

| **Balance sheet caption** | **Statements of cash flows line item** | **As at April 1, 2023** | **Cash Flows** | **Non Cash Changes** | | | **As at March 31, 2024** |
|---|---|---|---|---|---|---|---|
| | | | | **Forex** | **Interest Expenses** | **Other** | |
| Non current borrowings | Proceeds/(repayments) from borrowings (including short term) | 26,960.94 | 3,395.09 | 43.60 | - | - | 30,399.63 |
| Lease liability | Payment / proceed from lease liability | 1,502.54 | (364.99) | - | - | 1,861.73 | 2,999.28 |
| Interest accrued but not due | Interest paid | 486.47 | (2,375.34) | - | 1,931.84 | - | 42.97 |

**(Amount in ₹ lakhs, unless otherwise stated)**

**C. Market risk**

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

**D. Interest rate risk**

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

**Interest Rate Sensitivity:** The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024 . The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Group profit before tax is affected through the impact on floating rate borrowings, as follows:

| **Particulars** | **Increase or decrease in basis points** | **Decrease / (increase) in profit before tax** |
|---|---|---|
| March 31, 2025 | +50 | 213.01 |
| | -50 | (213.01) |
| March 31, 2024 | +50 | 156.44 |
| | -50 | (156.44) |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

**Unhedged foreign currency exposure**

The carrying amount of the group unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting year are as follows:

| **Particulars** | **As at March 31, 2025** | | | **As at March 31, 2024** | | |
|---|---|---|---|---|---|---|
| | **CCY** | **₹** | **Foreign currency** | **CCY** | **₹** | **Foreign currency** |
| **Trade payables** | | | | | | |
| | EUR | (144.05) | (1.57) | EUR | (99.48) | (1.11) |
| | CHF | (2.03) | (0.02) | CHF | - | - |
| | USD | (791.49) | (9.26) | USD | (70.73) | (0.85) |
| | TWD | - | - | TWD | (31.25) | (11.99) |
| **Trade receivables** | | | | | | |
| | EUR | 2,782.73 | 30.22 | EUR | 699.07 | 7.78 |
| | USD | 4,606.28 | 53.89 | USD | 3,204.37 | 38.42 |
| **Other financial assets** | | | | | | |
| | EUR | 920.90 | 10.00 | USD | - | - |

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

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**(Amount in ₹ lakhs, unless otherwise stated)**

### ii) Foreign currency risk

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

| | Impact on Profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **USD sensitivity** | | | | |
| Increase by 5 % | 201.30 | 157.26 | 201.30 | 157.26 |
| Decrease by 5 % | (201.30) | (157.26) | (201.30) | (157.26) |
| | - | - | - | - |

| | Impact on Profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **EURO sensitivity** | | | | |
| Increase by 5 % | 178.51 | 88.50 | 178.51 | 88.50 |
| Decrease by 5 % | (178.51) | (88.50) | (178.51) | (88.50) |
| | - | - | - | - |

| | Impact on Profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **GBP sensitivity** | | | | |
| Increase by 5 % | - | 71.92 | - | 71.92 |
| Decrease by 5 % | - | (71.92) | - | (71.92) |
| | - | - | - | - |

| | Impact on Profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **TWD sensitivity** | | | | |
| Increase by 5 % | - | (1.56) | - | (1.56) |
| Decrease by 5 % | - | 1.56 | - | 1.56 |
| | - | - | - | - |

| | Impact on Profit before tax | | Impact on total equity | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **CHF sensitivity** | | | | |
| Increase by 5 % | 0.10 | 0.08 | 0.10 | 0.08 |
| Decrease by 5 % | (0.10) | (0.08) | (0.10) | (0.08) |
| | - | - | - | - |

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

**(Amount in ₹ lakhs, unless otherwise stated)**

**47 Scheme of Arrangement**

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

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

Shareholders of the Demerged Company will receive 81,174 share of the Resulting Company for every 100 share they hold in the Demerged Company.

As par the Scheme, all assets and liabilities of the Auto Business ("Demerged Undertaking") stand transferred to the Resulting Company from the appointed date. The employees of the Demerged Undertaking have also moved to the Resulting Company and consequently the employee related henefits and all contracts and agreements in relation to them have been taken over by the Resulting Company. The approved Scheme has accordingly been given effect to in these standalone financial statements as on the appointed date.

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

1. Assets, Liabilities and Reserves of the Demerged Undertaking transferred to and vested in the Resulting Company were recorded at their carrying values as appearing in books of the Demerged Company at the time of the demerger effective date and in accordance with requirements of relevant Ind AS.

2. The Resulting Company will issue new equity shares pursuant to the approved Scheme to the shareholders of the Demerged Company

3. The inter-company balances between Demerged Company and Resulting Company relating to Demerged Undertaking, if any, in the books of accounts of Demerged Company and Resulting Company got cancelled.

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

5. As per para 43 of Ind-AS 7 - Statement of Cash Flows, transactions that do not require the use of cash and cash equivalents (i.e. the above transfer of assets and liabilities under the scheme of demerger) have been excluded from the standalone cash flow statement for the year ended March 31, 2022.

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

| Particulars | As at April 01, 2021 |
|---|---|
| **Assets** | |
| Non-current assets | 16,627.33 |
| Current assets | 31,231.48 |
| **Total assets** | **47,858.81** |
| | |
| **Equity and liabilities** | |
| **Equity** | |
| Other equity | 3,214.36 |
| **Total equity** | **3,214.36** |
| **Liabilities** | |
| Non- current liabilities | 13,860.89 |
| Current liabilities | 30,783.56 |
| **Total equity and liabilities** | **47,858.81** |
| | |
| Excess of assets over liabilities | Nil |
| Less: Issue of equity share capital of the Company due to demerger (Refer Note 22) | 75,279.98 |
| Amount credited to Demerger Adjustment Deficit Account pursuant to the above scheme of demerger | (75,279.98) |

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

**(Amount in ₹ lakhs, unless otherwise stated)**

## 48 Segment Reporting

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

The following is the segment information :

| Particulars | Power Train | | Alloy & Metallics | | Total | |
|---|---|---|---|---|---|---|
| | For the year ended March 31, | | For the year ended March 31, | | For the year ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **1. REVENUE** | | | | | | |
| External sales (Gross) | 50,943.30 | 51,429.35 | 54,111.54 | 53,268.18 | 1,05,054.84 | 1,04,697.53 |
| Other Operating Income | 2,481.49 | 593.72 | 1,423.06 | 1,147.34 | 3,904.55 | 1,741.06 |
| **Total revenue** | **53,424.79** | **52,023.07** | **55,534.60** | **54,415.52** | **1,08,959.39** | **1,06,438.59** |
| **2. RESULTS** | | | | | | |
| Segment results | 6,403.45 | 6,400.72 | 590.30 | 2,852.71 | 6,993.75 | 9,253.43 |
| Unallocated expenses (net of income) | - | - | - | - | 226.18 | (3,827.60) |
| **Operating profit** | **6,403.45** | **6,400.72** | **590.30** | **2,852.71** | **7,219.93** | **5,425.83** |
| Finance costs (Subsidiary) | 311.64 | 193.02 | 102.81 | 234.78 | 414.45 | 427.80 |
| Unallocable Finance Cost (Parent) | | | | | 2,897.68 | 2,566.62 |
| **Profit before tax** | **6,091.81** | **6,207.70** | **487.49** | **2,617.93** | **3,907.80** | **2,431.41** |
| Provision for taxation | | | | | | |
| - Current and deferred tax (Subsidiaries) | (135.97) | 180.64 | (182.21) | 28.03 | (318.18) | 208.67 |
| - Current and deferred tax (Parent) | | | | | 946.20 | 519.11 |
| **Net profit after tax** | **6,227.78** | **6,027.07** | **669.70** | **2,589.89** | **3,279.78** | **1,703.63** |
| | As at March 31, | | As at March 31, | | As at March 31, | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **3. OTHER INFORMATION** | | | | | | |
| **A. ASSETS** | | | | | | |
| Segment assets | 66,617.31 | 46,106.03 | 25,618.16 | 28,688.09 | 92,235.47 | 74,794.12 |
| Unallocated assets | - | - | - | - | 24,225.96 | 31,190.59 |
| **Total assets** | **66,617.31** | **46,106.03** | **25,618.16** | **28,688.09** | **1,16,461.43** | **1,05,984.71** |
| **B. EQUITY AND LIABILITIES** | | | | | | |
| Equity (Share Capital & Other Equity) | | | | | 42,600.90 | 37,481.60 |
| Segment liabilities | 23,040.72 | 18,975.91 | 9,653.10 | 16,982.79 | 32,693.82 | 37,090.09 |
| Secured and unsecured loans | 7,170.58 | 2,944.20 | 898.27 | 1,103.66 | 8,068.85 | 4,047.86 |
| Unallocable Secured and unsecured loans | - | - | - | - | 32,693.33 | 26,351.77 |
| Unallocated liabilities | - | - | - | - | 404.53 | 1,013.39 |
| **Total liabilities** | **30,211.30** | **21,920.11** | **10,551.37** | **18,086.45** | **1,16,461.45** | **1,05,984.71** |
| **C. OTHERS** | | | | | | |
| Capital expenditure | 3,933.54 | 18,975.91 | 614.67 | 221.60 | 4,548.21 | 4,753.55 |
| Unallocated capital expenditure | - | - | - | - | 9,046.03 | 8,945.99 |
| Depreciation and amortisation expense | 1,758.85 | 18,975.91 | 142.55 | 119.56 | 1,901.40 | 1,368.73 |
| Unallocated depreciation and amortisation expense | - | - | - | - | 1,893.02 | 1,486.41 |
| Unallocated non cash expenses other than depreciation | - | - | - | - | 1,481.65 | 3,946.17 |

**Geographical information**

Secondary segment reporting is performed on the basis of geographical location of customers. The operations of the Group are 59% (Previous year 59%) in India, with exports contributing to approximately 41% (Previous year 41%) of its annual sales. The management views the Indian market and export market as distinct geograpbical segments.

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**Revenue from external customers (Refer note 31)**

**Non-current operating assets:**

(₹ in lakhs)

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| India | 46,917.25 | 37,157.93 |
| Outside India | 13,732.30 | 10,705.77 |
| **Total** | **60,649.55** | **47,863.70** |

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

**Segment accounting policies:**

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

(i) **Segment revenue and expenses:**

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

(ii) **Segment assets and liabilities:**

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

**Segment revenue and profit**

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

**Segment assets and liabilities**

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

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

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

| Particulars | Type of Customer | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Customer A | Domestic | 42,439.49 | 41,347.60 |
| Customer B | Export | - | 9,483.89 |

[This space has been left blank intentionally]

**49 Transfer Pricing:**

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

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

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

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

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

**54 Relationship with Struck-off Groups**

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

**55 Registration of charges or satisfaction with Registrar of Companies**

There is no charge created on the assets of the Group with the Registrar of Companies other than those disclosed in note number 23 and 24.

**56 Details of Crypto Currency or Virtual Currency**

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

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

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

59 The Group does not have any transaction which is not recorded in the bpoks of account but has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

60 The company has declared and paid final dividend ₹ 942.05 lakhs (₹0.25 per share) (March31, 2024 interim dividend of ₹935.70 lakhs (₹0.25 per share) during the year .

61 The company is in the process of launching its initial public offer (IPO), accordingly the Parent Company is in the process of filing the DRHP with Securities and Exchange Board of India (SEBI). The Parent Company has incurred initial public offer related expenses of ₹ 1189.90 lakhs (March 31, 2024: 232 lakhs) in connection with proposed public offer of equity shares. The initial public offer related expenses shall be shared in proportion mutually agreed between the Parent Company and the Selling Shareholders in accordance with applicable law. The Parent Company' share of expenses will be adjusted against securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of initial public offer.

62 The company had entered into agreement of lease of land from Hero Cycles Limited for 10 years which was expiring on March 31, 2032; During the financial year 2023-24, the parent Company had entered into an agreement to buy this land at a consideration of ₹ 2,282.00 lakhs and continued to hold the possession of the land and accordingly has terminated the land lease agreement in F.Y. 2023-24. The Company had paid ₹ 2053.00 lakhs towards purchase consideration of the land and has disclosed the balance amount payable under the head capital creditors and has capitalized the land as free hold land and has reclassified the building constructed on this land from leasehold improvements to buildings in financial year 2023-24. Further, net gain on account of cancellation of land lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other Income' in Note 32 of signed financials pertaining to financial year 2023-24.
During the year, the parent company has got land of ₹ 2,053 lakhs (6.65 acres) registered in its name and registration charges paid amounting ₹ 151.14 lakhs has been capitalized. The Company is in process of registering the land amounting ₹ 228.00 lakhs (0.67 acres) in its name.

63 The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

64 The Ministry of Corporate Affairs (MCA) vide its notification No. GSR 206(E) dared March 24, 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021" read with sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred as "the Act") introducing Rule 11(g). As per this rule, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.
During the year, the Parent Company and its subsidiary Companies incorporated in India, maintained it's books of account in SAP S4 Hana accounting software where audit trail feature (edit log facility) was not evaluated during the year ended March 31, 2025. The Company is evaluating implementation of audit trail feature in accounting software used for maintaining its books of account to comply with the requirements of Proviso to Rule 3(1) of the Companies (Account) Rules, 2014.

Deloitte Haskins & Sells LLP Chartered Accountants

HERO MOTORS LIMITED

**65** Additional information as required by Paragraph 2 of the General Instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

| Name of the entity | As at March 31, 2025 | | For the year ended March 31, 2025 | | For the year ended March 31, 2025 | | For the year ended March 31, 2025 | |
|---|---|---|---|---|---|---|---|---|
| | Net assets, i.e. total assets less total liabilities | | Share in profit / (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount in ₹ Lakh | As % of consolidated profit or loss | Amount in ₹ Lakh | As % of total comprehensive income | Amount in ₹ Lakh | As % of total comprehensive income | Amount in ₹ Lakh |
| **Parent Company** | | | | | | | | |
| Hero Motor Limited | 84.39% | 43,797.07 | 67.36 % | 2,361.04 | (2.40)% | (22.78) | 52.48 % | 2,338.26 |
| **Subsidiary Companies** | | | | | | | | |
| **Indian** | | | | | | | | |
| Hero EDU Systems Private Limited | 3.16% | 1,641.14 | (2.37)% | (83.12) | 0.07 % | 0.64 | (1.85)% | (82.48) |
| HYM Drive Systems Private Limited | 4.07% | 2,112.38 | (18.53)% | (649.43) | 0.05 % | 0.45 | (14.56)% | (648.98) |
| Spur Technologies Private Limited | 5.80% | 3,008.41 | (3.55)% | (124.37) | 0.13 % | 1.26 | (2.76)% | (123.11) |
| **Foreign** | | | | | | | | |
| Hero Motors Thai Limited | 3.06% | 1,586.00 | 9.07 % | 318.06 | 12.67 % | 120.49 | 9.84 % | 438.55 |
| Hewland Engineering Limited | (0.48)% | (247.36) | 48.01 % | 1,682.80 | 89.48 % | 850.76 | 56.86 % | 2,533.56 |
| **TOTAL** | **100.00%** | **51,897.64** | **100.00%** | **3,504.98** | **100.00%** | **950.82** | **100.00%** | **4,455.80** |
| Adjustments arising out of consolidation | | (9,296.74) | | (225.21) | | - | | (225.21) |
| Non Controlling Interest | | 91.91 | | 759.63 | | 416.92 | | 1,176.55 |
| **TOTAL** | | **42,508.99** | | **2,520.14** | | **533.90** | | **3,054.04** |

| Name of the entity | As at March 31, 2024 | | For the year ended March 31, 2024 | | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Net assets, i.e., total assets minus total liabilities | | Share in profit / (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount in ₹ Lakh | As % of consolidated profit or loss | Amount in ₹ Lakh | As % of total comprehensive income | Amount in ₹ Lakh | As % of total comprehensive income | Amount in ₹ Lakh |
| **Parent Company** | | | | | | | | |
| Hero Motor Limited | 91.37% | 40,538.60 | 92.17% | 1,896.98 | (13.72)% | 70.23 | 127.21% | 1,967.21 |
| **Subsidiary Companies** | | | | - | | | | |
| **Indian** | | | | - | | | | |
| Hero EDU Systems Private Limited | 0.21% | 91.72 | (0.28)% | (5.77) | 0.00% | - | (0.37)% | (5.77) |
| HYM Drive Systems Private Limited | 6.22% | 2,761.35 | (15.26)% | (314.06) | 0.03% | (0.15) | (20.32)% | (314.21) |
| Spur Technologies Private Limited | 5.10% | 2,264.80 | (26.06)% | (536.42) | (0.50)% | 2.55 | (34.52)% | (533.87) |
| **Foreign** | | | | | | | | |
| Hero Motors Thai Limited | 3.36% | 1,492.49 | 10.44% | 214.89 | 0.00% | (0.00) | 13.90% | 214.89 |
| Hewland Engineering Limited | (6.27)% | (2,780.91) | 38.99% | 802.46 | 114.19% | (584.34) | 14.11% | 218.12 |
| **TOTAL** | **100.00%** | **44,368.06** | **100.00%** | **2,058.08** | **100.00%** | **(511.71)** | **100.00%** | **1,546.37** |
| Adjustments arising out of consolidation | | (5,784.13) | | (716.24) | | (91.00) | | (807.24) |
| Non Controlling Interest | | (1,102.33) | | (361.79) | | 332.71 | | (29.08) |
| **TOTAL** | | **39,686.26** | | **1,703.63** | | **(935.42)** | | **768.21** |

**66** The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**67** **Ultimate Beneficiary**

The Parent Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether

**(i)** (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**(ii)** The Parent Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding (whether recorded in writing or otherwise) that the Parent Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties (ultimate beneficiaries), or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

**Abhishek Munjal**
*Whole Time Director*
*(DIN: 05355274)*
Place: Noida
Date: August 12, 2025

**Amit Gupta**
*Managing Director and Chief Executive Officer*
*(DIN: 02997032)*
Place: Noida
Date: August 12, 2025

**Utkarsh Sanghi**
Chief Financial Officer
Place: Noida
Date: August 12, 2025

**Esha Gupta**
Company Secretary
M. No. A23608
Place: Noida
Date: August 12, 2025