

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

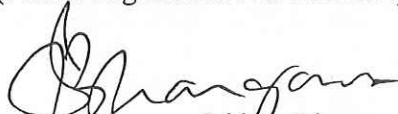
TO THE BOARD OF DIRECTORS OF HERO MOTOCORP LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HERO MOTOCORP LIMITED** ("the Company") for the quarter and nine months ended December 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)


Jaideep Bhargava
Partner
(Membership No. 090295)

New Delhi, February 8, 2017

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HERO MOTOCORP LIMITED

Regd. office :- 34, Community Centre, Basant Lok , Vasant Vihar, New Delhi-110057
Statement of Standalone Financial Results for the quarter and nine months ended December 31, 2016

(Rupees in Crores)

S. No.	Particulars	Standalone					
		Quarter ended			Nine months ended		Year ended
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	No. of Two wheelers sold	14,73,548	18,23,498	16,90,354	50,42,435	49,11,082	66,32,322
1	Income from Operations						
	(a) Gross sales/ Income from Operations	6,779.94	8,321.99	7,686.29	23,003.27	22,275.10	30,258.96
	(b) Sales of services and other Operating Income	118.70	126.75	121.48	354.77	314.61	441.92
	Total Income from operations	6,898.64	8,448.74	7,807.77	23,358.04	22,589.71	30,700.88
2	Expenses						
	(a) Cost of materials consumed	4,227.20	5,119.06	4,921.28	14,379.92	14,420.88	19,321.72
	(b) Change in inventories of finished goods and work-in-progress	(99.22)	64.19	(37.97)	(103.28)	(60.85)	(6.82)
	(c) Employees benefits expenses	374.27	357.48	343.08	1,067.94	964.46	1,315.93
	(d) Excise duty on sales	534.04	652.46	584.26	1,798.25	1,652.18	2,258.18
	(e) Depreciation and amortisation expenses	124.85	119.25	113.94	359.34	325.95	441.40
	(f) Other expenses	782.61	886.68	866.31	2,536.52	2,344.64	3,353.63
	Total Expenses	5,943.75	7,199.12	6,790.90	20,038.69	19,647.26	26,684.04
3	Profit from Operations before Other Income and Finance costs (1-2)	954.89	1,249.62	1,016.87	3,319.35	2,942.45	4,016.84
4	Other Income	131.93	152.36	90.20	404.67	306.11	422.92
5	Profit from ordinary activities before finance cost and Tax (3+4)	1,086.82	1,401.98	1,107.07	3,724.02	3,248.56	4,439.76
6	Finance costs	1.52	1.55	1.23	4.57	3.67	4.89
7	Profit from ordinary activities before tax (5-6)	1,085.30	1,400.43	1,105.84	3,719.45	3,244.89	4,434.87
8	Tax expense (including deferred tax)	313.25	396.21	312.61	1,060.08	917.99	1,274.68
9	Net Profit from ordinary activities after tax (7-8)	772.05	1,004.22	793.23	2,659.37	2,326.90	3,160.19
10	Other comprehensive income /(expense) (net of tax)	-	(9.50)	(0.93)	(10.52)	(2.78)	(2.37)
11	Total comprehensive income (9+10)	772.05	994.72	792.30	2,648.85	2,324.12	3,157.82
12	Paid-up equity share capital	39.94	39.94	39.94	39.94	39.94	39.94
	Face value of the share (Rs.)	2.00	2.00	2.00	2.00	2.00	2.00
13	Total Reserves						8,794.50
14	Basic & diluted earning per equity share on Net profit from ordinary activities after tax (face value Rs. 2/- each)(In Rupees)	38.66	50.29	39.72	133.17	116.53	158.26

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Notes:-

- 1 The Company adopted Indian Accounting Standard ("Ind AS") from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- 2 Reconciliation of the standalone total comprehensive income to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as below:

Total Comprehensive Income Reconciliation			
(Rupees in Crores)			
Particulars	Quarter ended December 31, 2015	Nine months ended December 31, 2015	Year Ended March 31, 2016
	Unaudited	Unaudited	Unaudited
Profit after tax as reported under previous GAAP	795.81	2,318.21	3,132.37
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	6.04	17.43	28.42
Impact of revenue deferment	(13.10)	(12.54)	1.10
Impact of measuring derivative contracts at Fair Value through Profit or Loss (FVTPL)	1.12	(0.24)	3.37
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to "Other Comprehensive Income"	1.41	4.25	3.63
Other adjustments	0.76	3.68	3.77
Tax adjustments	1.19	(3.89)	(12.47)
Profit after tax as reported under Ind-AS	793.23	2,326.90	3,160.19
Other comprehensive income (net of tax)	(0.93)	(2.78)	(2.37)
Total comprehensive income as reported under Ind-AS	792.30	2,324.12	3,157.82

- 3 As the Company's business activity falls within a single primary business segment viz 'Two-wheelers, its parts and ancillary services' and is a single geographical segment, the disclosure requirements of Ind-AS-108 "Operating Segments", are not applicable.
- 4 The Company has started commercial production in its fifth plant situated at Halol, Gujarat on November 16, 2016.
- 5 Subsequent to quarter end, the Company has made an investment of Rs.180.52 crores in Ather Energy Pvt Ltd, a technology start-up engaged in the business of designing and manufacturing smart Electric vehicles and associated charging infrastructure.
- 6 Previous periods' / year's figures have been regrouped/ reclassified wherever necessary, to make them comparable.
- 7 The above results for the quarter and nine months ended December 31, 2016 have been reviewed and recommended by the Audit Committee meeting held on February 7, 2017 and approved by the Board of Directors in their meeting held on February 8, 2017. These results have been subjected to limited review by the statutory auditors.
- 8 The above results of the Company are available on the Company's website www.heromotocorp.com and also on www.bseindia.com and www.nseindia.com

For and on behalf of the board



PAWAN MUNJAL
Chairman, Managing Director & CEO
DIN : 00004223

New Delhi
February 8, 2017

