

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HERO MOTOCORP LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **HERO MOTOCORP LIMITED** ("the Company"), for the year ended March 31, 2017 ("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 compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements 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; and
  - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended March 31, 2017.



4. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



**Jaideep Bhargava**  
Partner  
(Membership No. 090295)

**GURUGRAM, May 10, 2017**



## **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF HERO MOTOCORP LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **HERO MOTOCORP LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit of its associates for the year ended March 31, 2017 ("the Statement"), being submitted by the Parent 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 Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 4 below, is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the subsidiaries, and associate referred to in paragraph 4 below, the Statement:





- a. includes the results of the following entities:

**Subsidiaries**

HMCL (NA) Inc., HMCL Americas Inc., HMCL Netherlands B.V. and HMCL Colombia S.A.S. and HMCL Niloy Bangladesh Limited (subsidiaries of HMCL Netherlands B.V.),

**Associates**

Hero FinCorp Limited and Ather Energy Private Limited;

- b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, Total comprehensive income and other financial information of the Group for the year ended March 31, 2017.
4. We did not audit the financial statements of HMCL (NA) Inc., HMCL Americas Inc., HMCL Netherlands B.V., HMCL Colombia S.A.S. and HMCL Niloy Bangladesh Limited, included in the consolidated financial results, whose financial statements reflect total assets of Rs. 435.94 crores as at March 31, 2017, total revenues of Rs. 167.04 crores, total net loss after tax of Rs. 71.49 crores and total comprehensive loss of Rs. 76 crores for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss of Rs. 1.27 crores and total comprehensive loss of Rs. 1.34 crores for the year ended March 31, 2017, as considered in the consolidated financial results, in respect of its associate Ather Energy Private Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

**Jaideep Bhargava**

(Partner)

(Membership No.90295)

Gurugram, May 10, 2017

# HERO MOTOCORP LIMITED

Regd. office :- 34, Community Centre, Basant Lok , Vasant Vihar, New Delhi-110057  
Statement of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2017

(Rupees in Crores)

S. No.	Particulars	Standalone					Consolidated	
		Quarter ended		Year ended			Year ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		Audited (Refer note 9)	Unaudited	Audited	Audited	Audited	Audited	Audited
1	No. of Two wheelers sold	16,21,805	14,73,548	17,21,240	66,64,240	66,32,322		
2	Income							
	(a) Revenue from Operations	7,488.08	6,898.64	8,111.17	30,846.12	30,700.88	30,958.19	30,715.33
	(b) Other income	118.23	131.88	116.76	522.43	422.43	521.95	412.83
	<b>Total Income</b>	<b>7,606.31</b>	<b>7,030.52</b>	<b>8,227.93</b>	<b>31,368.55</b>	<b>31,123.31</b>	<b>31,480.14</b>	<b>31,128.16</b>
3	Expenses							
	(a) Cost of materials consumed	4,568.72	4,227.20	4,900.84	18,948.64	19,321.72	18,993.87	19,357.96
	(b) Change in inventories of finished goods and work-in-progress	167.40	(103.92)	62.73	63.17	(11.88)	96.74	(49.86)
	(c) Excise duty on sales	572.88	534.04	606.00	2,371.13	2,258.18	2,373.23	2,258.21
	(d) Employees benefits expenses	328.07	374.27	351.47	1,396.01	1,315.93	1,432.49	1,339.46
	(e) Finance cost	1.48	1.52	1.22	6.05	4.89	27.28	14.61
	(f) Depreciation and amortisation expenses	135.30	124.36	114.74	492.73	437.64	502.25	443.25
	(g) Other expenses	893.45	787.75	1,000.95	3,432.36	3,361.96	3,485.89	3,411.86
	<b>Total Expenses</b>	<b>6,667.30</b>	<b>5,945.22</b>	<b>7,037.95</b>	<b>26,710.09</b>	<b>26,688.44</b>	<b>26,911.75</b>	<b>26,775.49</b>
4	Profit from ordinary activities before share of Profit / (Loss) of associates (2-3)	939.01	1,085.30	1,189.98	4,658.46	4,434.87	4,568.39	4,352.67
5	Profit/ (loss) from associates							
	Share in net profit / (loss) of associates	-	-	-	-	-	54.92	34.33
	Gain on dilution of interest in an associate	-	-	-	-	-	262.09	-
6	Profit from ordinary activities before tax	939.01	1,085.30	1,189.98	4,658.46	4,434.87	4,885.40	4,387.00
7	Tax expense							
	Current tax	164.80	265.26	257.83	1,082.08	960.88	1,082.24	960.91
	Deferred tax	56.46	47.99	98.86	199.26	313.80	256.86	313.80
		<b>221.26</b>	<b>313.25</b>	<b>356.69</b>	<b>1,281.34</b>	<b>1,274.68</b>	<b>1,339.10</b>	<b>1,274.71</b>
8	Net Profit from ordinary activities after tax (6-7)	717.75	772.05	833.29	3,377.12	3,160.19	3,546.30	3,112.29
9	Other comprehensive income /(expense) (net of tax)	(3.56)	-	0.41	(14.08)	(2.37)	(18.71)	(3.42)
10	Total comprehensive Income for the period (8-9)	714.19	772.05	833.70	3,363.04	3,157.82	3,527.59	3,108.87
11	Net Profit / (loss) attributable to							
	a) Owners of the Company	717.75	772.05	833.29	3,377.12	3,160.19	3,584.27	3,141.98
	b) Non controlling interest	-	-	-	-	-	(37.97)	(29.69)
12	Other comprehensive income attributable to							
	a) Owners of the Company	(3.56)	-	0.41	(14.08)	(2.37)	(16.71)	(2.56)
	b) Non controlling interest	-	-	-	-	-	(2.00)	(0.86)
13	Total comprehensive income attributable to							
	a) Owners of the Company	714.19	772.05	833.70	3,363.04	3,157.82	3,567.56	3,139.42
	b) Non controlling interest	-	-	-	-	-	(39.97)	(30.55)
14	Paid-up equity share capital	39.94	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	2.00
15	Total Reserves				10,071.35	8,794.47	10,275.57	8,794.17
16	Basic & diluted earning per equity share on Net profit from ordinary activities after tax (face value Rs. 2/- each)(In Rupees)	35.94	38.66	41.73	169.12	158.26	179.49	157.34



## Statement of Assets and Liabilities

(Rupees in Crores)

Particulars		Standalone		Consolidated	
		As at March	As at March	As at March	As at March
		31, 2017	31, 2016	31, 2017	31, 2016
		Audited	Audited	Audited	Audited
	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, plant and equipment	4,310.73	3,465.46	4,495.03	3,654.64
	(b) Capital work-in-progress	270.72	288.34	386.50	325.23
	(c) Intangible assets	84.86	118.89	103.82	129.07
	(d) Intangible assets under development	194.33	317.06	194.46	328.14
	(e) Financial assets				
	(i) Investments	1,349.00	1,111.91	1,522.31	1,029.51
	(ii) Loans	23.13	26.70	23.13	26.70
	(iii) Others	25.23	23.20	25.39	23.38
	(f) Income tax assets (net)	331.94	227.54	332.50	227.72
	(g) Other non-current assets	651.14	842.54	658.35	848.09
	<b>Total Non - Current Assets</b>	<b>7,241.08</b>	<b>6,421.64</b>	<b>7,741.49</b>	<b>6,592.48</b>
2	<b>Current assets</b>				
	(a) Inventories	656.31	672.98	708.58	761.99
	(b) Financial assets				
	(i) Investments	4,540.85	3,469.11	4,544.06	3,471.57
	(ii) Trade receivables	1,561.87	1,282.80	1,551.75	1,282.07
	(iii) Cash and cash equivalents	15.40	26.95	74.06	74.68
	(iv) Bank balances other than (iii) above	121.33	104.41	121.33	104.41
	(v) Loans	21.73	23.12	21.73	23.21
	(vi) Others	24.35	22.28	25.17	23.31
	(c) Other current assets	511.34	549.57	523.83	562.09
	<b>Total Current Assets</b>	<b>7,453.18</b>	<b>6,151.22</b>	<b>7,570.51</b>	<b>6,303.33</b>
	<b>Total Assets</b>	<b>14,694.26</b>	<b>12,572.86</b>	<b>15,312.00</b>	<b>12,895.81</b>
	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity share capital	39.94	39.94	39.94	39.94
	(b) Other equity	10,071.35	8,794.47	10,275.57	8,794.17
	<b>Total equity</b>	<b>10,111.29</b>	<b>8,834.41</b>	<b>10,315.51</b>	<b>8,834.11</b>
2	<b>Minority interest</b>			67.38	54.63
	<b>LIABILITIES</b>				
3	<b>Non-current liabilities</b>				
	(a) financial liabilities-borrowings	-	-	207.90	145.98
	(b) Provisions	75.30	67.60	75.62	67.80
	(c) Deferred tax liabilities (net)	414.34	222.53	468.90	221.77
	<b>Total Non - Current Liabilities</b>	<b>489.64</b>	<b>290.13</b>	<b>752.42</b>	<b>435.55</b>
4	<b>Current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings			40.08	84.06
	(ii) Trade payables	3,247.27	2,650.56	3,266.20	2,675.34
	(iii) Other financial liabilities	352.77	265.70	371.21	276.02
	(b) Other current liabilities	454.28	502.40	456.63	506.30
	(c) Provisions	39.01	29.66	42.57	29.80
	<b>Total Current Liabilities</b>	<b>4,093.33</b>	<b>3,448.32</b>	<b>4,176.69</b>	<b>3,571.52</b>
	<b>Total Equity and Liabilities</b>	<b>14,694.26</b>	<b>12,572.86</b>	<b>15,312.00</b>	<b>12,895.81</b>

**Notes:**

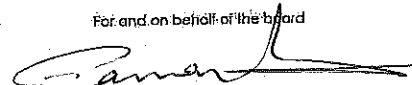
- These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted Ind-AS with effect from April 1, 2016.
- The Board at its meeting held on May 10, 2017 considered and recommended a final dividend @ 1500% i.e. Rs.30 per equity share of Rs. 2.00 each for the financial year 2016-17. The date of the Book Closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time. This dividend together with the interim dividend @ 2750% i.e. Rs. 55 per equity share of Rs. 2.00 each, already paid to the members would aggregate to @4250%.
- Standalone and consolidated total comprehensive income and equity reconciliation to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as below:

Particulars	(Rupees in Crores)		
	Standalone	Consolidated	
	Quarter ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2016
Profit after tax as reported under previous GAAP	814.16	3,132.37	3,089.67
Impact of measuring investments at Fair Value through Profit or Loss (FVPL)	10.99	28.42	28.42
Impact of revenue deferral	13.64	1.10	1.10
Impact of measuring derivative contracts at Fair Value through Profit or Loss (FVPL)	3.61	3.41	3.41
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to "Other Comprehensive Income"	10.62	3.63	3.63
Share of profit in associates			(5.13)
Other adjustments	0.09	3.73	8.66
Tax adjustments	(0.58)	(12.47)	(12.47)
Profit after tax as reported under Ind-AS	833.29	3,160.19	3,112.29
Other comprehensive income (net of tax)	0.41	(2.37)	(3.42)
Total comprehensive income as reported under Ind-AS	833.70	3,157.82	3,108.87

Particulars	(Rupees in Crores)	
	Standalone	Consolidated
	As at March 31, 2016	As at March 31, 2016
Equity as reported under previous GAAP	7,944.25	7,952.68
Add: Proposed dividend (including tax thereon)	769.09	769.09
Add: Impact of measuring investments at Fair Value through Profit or Loss (FVPL) (net of tax)	192.94	192.94
Add: Impact of discounting of provisions under IND-AS 37 (net of tax)	11.01	11.01
Add: Impact of measuring derivative financial instruments at fair value (net of tax)	4.05	4.05
Less: Impact of revenue deferral on future performance (net of tax)	(87.43)	(87.43)
Less: Impact in investment in associate		(6.30)
Add: Other adjustments		0.07
Equity as reported under Ind-AS	8,834.41	8,834.11
Comprising:		
Paid up equity share capital	39.94	39.94
Total Reserves	8,794.47	8,794.17

- As the Group 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 requirement of Ind-AS 108 "Operating Segments", are not applicable.
- Revenue from operations reported in the above financials for the quarter ended March 31, 2017 is netted off by Rs.193.28 crores being discount allowed to domestic customers during March 2017 for sale of BS-III compliant two wheelers.
- Particulars of subsidiaries and associate as on March 31, 2017:  
a) Subsidiaries (held directly) - HMCL (MA) Inc., HMCL Netherlands B.V., HMC MM Auto Limited, HMCL Americas Inc.  
b) Subsidiaries (held indirectly) - HMCL Colombia S.A.S., HMCL Nilay Bangladesh Limited (subsidiaries of HMCL Netherlands B.V.)  
c) Associates - Hero FinCorp Limited & Ather Energy Pvt Ltd (effective January 3, 2017)
- During the year, the Company has invested Rs. 50.79 crores and Rs. 6.60 crores as part of capital contribution in HMCL Netherlands B.V. and HMC MM Auto Ltd. respectively, the subsidiary companies. Further, the Company has invested in associate companies Rs. 36.40 crores as part payment of total investment of Rs. 106.43 crores in preferential allotment of Hero FinCorp Limited and 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. The subsidiaries and associate would act towards furtherance of business interest of the Company.
- Previous periods' / years' figures have been regrouped / reclassified wherever necessary, to make them comparable.
- The figures of the last quarter are the balancing figures between the audited figures in respect of full year and the unaudited published figures up to the third quarter ended December 31.
- The above results for the quarter and year ended March 31, 2017 have been reviewed and recommended by the Audit Committee meeting held on May 9, 2017 and approved by the Board of Directors in their meeting held on May 10, 2017. These results have been subjected to audit by the statutory auditors.
- The above results of the Company are available on the Company's website [www.heromotocorp.com](http://www.heromotocorp.com) and also on [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

For and on behalf of the board



**PAWAN MUNJAL**  
Chairman, Managing Director & CEO  
DIN: 00004223

New Delhi  
May 10, 2017

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