



Annual Report 2021-22

Hero MotoCorp Limited



Expanding horizons.
Shaping tomorrow.





EXPANDING HORIZONS. **SHAPING TOMORROW.**

With the strength and credibility of a global brand and the trust of more than 100 million customers, Hero MotoCorp is riding into the future to address the personal mobility needs – traditional and electric – of a bold new post-pandemic world. We are expanding horizons and strengthening our capabilities, with our eyes set firmly on reaching the next 100 million by 2030.

Be it through product innovation, or expanding the ecosystem, we aspire to stay at the forefront of the transformational shift in the personal mobility space. Leveraging our brand credibility, R&D capabilities and technology prowess, we are now geared up to redefine the clean mobility space with its new offering – Vida - Powered by Hero.

We have set well-defined aspirational sustainability targets, with Diversity & Inclusion (D&I) at the heart of our efforts. We have adopted the Women's Empowerment Principles, and socialisation programmes for specially-abled associates. Our \$100 million Global Sustainability Fund is aimed at encouraging 10,000 entrepreneurs to develop ESG solutions.

Together, we are shaping a greener, safer and equitable future.

After all, a Hero is what a Hero does!



ROBUST PERFORMANCE AMID CHALLENGES

₹3,369

crore
EBITDA

₹2,473

crore
PAT

₹9,528

crore
Contribution to
exchequer

₹616

crore
R&D spend

₹88

crore
CSR spend

12%

Reduction in
emissions

10%

Reduction
in water
consumption

8%

Reduction
in waste
generation

95%

Product
recyclability

106.7

lakh kwh
Clean energy
generated

9.3%

Gender
diversity

₹29,802

crore
Income



Over the next
5-7 years, we are
aiming to create the
next generation of
mobility solutions
that are relevant to
customers across
the world.

Dr. Pawan Munjal
Chairman & CEO, Hero MotoCorp Ltd.

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RIDING INTO A BETTER TOMORROW

Hero MotoCorp (Hero) has been the largest manufacturer of motorcycles and scooters globally, for more than two decades. Over the past 10 years, we have rapidly expanded our capacity, geographic footprint, customer touch points and R&D capabilities to emerge as a truly global brand. We also entered into synergistic partnerships to strengthen our ecosystem and further fortify the future.

GUIDED BY OUR VALUES

PASSION

INTEGRITY

RESPECT

COURAGE

RESPONSIBLE

GLOBAL BRAND

WORLD'S #1

Hero MotoCorp has been the world's largest two-wheeler company for over two decades

48.3%

Indian Motorcycle Market Share

34.6%

Indian Two-wheeler Market Share

106 MILLION+
Cumulative Sales to Date



WITH A WELL-DEFINED VISION “BE THE FUTURE OF MOBILITY”

TO ACHIEVE OUR MISSION WE

CREATE

- Re-define mobility through the creation of a robust mobility roadmap
- Set best practices and benchmarks for the industry

COLLABORATE

- Leverage partnerships and exhibit teamwork
- Co-create solutions that benefit the community, while caring for both the internal and external environmental ecosystems and support sustainability

INSPIRE

- Move forward with purpose
- Inspire our colleagues, customers and communities
- Thrive on the local and global stage

DRIVING SYNERGY AND SUSTAINABILITY

INVESTING IN SYNERGIES

Forged partnerships with leading global and Indian names:

- Iconic American motorcycle brand Harley-Davidson
- World’s largest battery-swapping network and EV maker Gogoro Inc.
- India’s leading fuel distribution network BPCL



BUILDING A SUSTAINABLE FUTURE

- Launched Vida - Powered by Hero, our in-house electric vehicle brand



HMCL Halol Plant



AN EXCITING DECADE OF EXPANDING HORIZONS

From the largest scooter and motorcycle company to a global brand with footprint across continents

	2011-12	2021-22
Growing manufacturing capacity	3 facilities in India	8 world-class facilities across the globe including Colombia and Bangladesh, assembly lines in several other countries in Africa and Latin America
Expanding global footprint	4 countries	43 countries
Enhanced reach	2,600+ Customer touchpoints across the globe	9,000+ Customer touchpoints across the globe
Robust R&D	~6,700 sq. m set-up in India	~69,000+ sq. m state-of-the-art R&D centres in India and Germany
Making a mark in international motorsports	-	Flagbearer of Indian motorsports, with race wins and podium finishes in several global rallies



MANUFACTURING FACILITIES



1984

DHARUHERA
2.1 MILLION



1997

GURUGRAM
2.1 MILLION



2015

COLOMBIA
0.08 MILLION



2016

HALOL
1.2 MILLION

Note:
1. Domestic overall 9.3 million
2. Overseas overall 0.23 million
All figures are annual capacities.



TOTAL
CAPACITY
~9.5
MILLION
ANNUALLY



2008

HARIDWAR
2.7 MILLION



2014

NEEMRANA
0.8 MILLION



2017

BANGLADESH
0.15 MILLION



2020

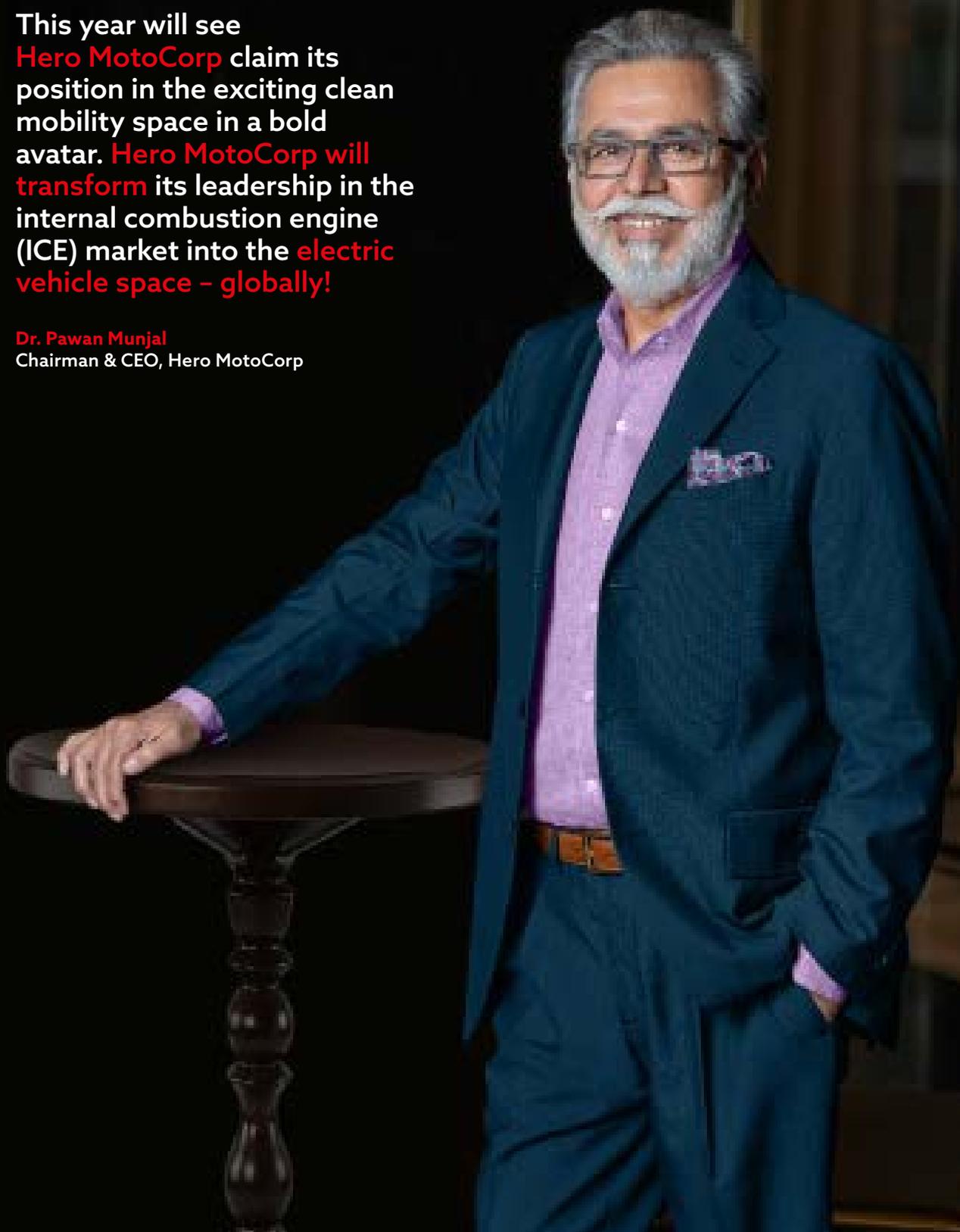
CHITTOOR
0.4 MILLION

CELEBRATING A GLORIOUS JOURNEY



This year will see **Hero MotoCorp** claim its position in the exciting clean mobility space in a bold avatar. **Hero MotoCorp will transform** its leadership in the internal combustion engine (ICE) market into the **electric vehicle space – globally!**

Dr. Pawan Munjal
Chairman & CEO, Hero MotoCorp





Dear Shareholders,

I hope you and all your loved ones are keeping **well** and **staying safe**.

The year under review has been about change, resilience, about resetting priorities and the drive towards the achievement of our dreams. This is true not just for Hero MotoCorp; this is also the story for most of humankind since the Coronavirus pandemic manifested itself in 2020.

Navigating a difficult environment and the unforeseeable circumstances during the more intense second wave of the pandemic, Hero MotoCorp proved its resilience with prudent leadership and the tremendous hard work of our colleagues through FY 2021-22.

As I sit down to write my annual message, a lot is going through my mind. The foremost being – is there a global debt crisis looming on the horizon? The global markets seem to be in a free fall. Asian markets have lost upwards of \$2 trillion in the past four months, primarily as a consequence of rolling lockdowns in various parts of the world. The Indian rupee has hit an all-time low against the US dollar. With no sign of an early end to the war in Ukraine, it is quite likely that the conflict will tip the already fragile global economy into a slump.

While Hero MotoCorp also faced multiple headwinds during this trying year, the Company maintained its global leadership position. With the customer's needs at the centre of our mission, Hero MotoCorp continued to offer the best products and services. In line with the Company's Mission Statement to 'Create, Collaborate and Inspire', we are leading the world into a sustainable future! The best ideas often come to fruition when different partners collaborate and work together. Collaboration is what defines Brand Hero. As the Japanese author, Ryunosuke Satoro wrote, "Individually, we are one drop. Together, we are an ocean."

Adapting to the constantly changing conditions, transforming our methods as well as processes and working together relentlessly have resulted in our success and continuous growth during this period. This hard work and tenacity has enabled Hero MotoCorp to continue to retain its coveted position as the world's no. 1 two-wheeler company for more than two decades.

Hero MotoCorp is not only a proud contributor to India's great economy, but also the harbinger of the nation's ingenuity and manufacturing prowess and a major contributor towards its position in the global economic and geopolitical space. During the past decade of our Corporate journey, we have expanded our global footprint to 40+ countries; doubled our manufacturing base to eight plants, including one each in Colombia and Bangladesh; scaled up our in-house research and development capabilities with a world-class R&D ecosystem in India and Germany and, above all, we have built an organisation on the pillars of diversity and inclusion (D&I). With women workers comprising almost 10% of our workforce and associates from over a dozen countries around the world, we are spearheading the industry in inculcating D&I in the organisational culture.

An Electrifying Future

Mobility is undergoing one of the most transformational shifts of the century, with far-reaching implications such as shifting consumer demands, ownership, and breakthrough technologies. With a move towards electric drive-trains and Government regulation, mobility of the next decade will look dramatically different than it does today.

We believe that this transformational shift will be marked by rapid strides in intelligent mobility that will be governed by big data, machine learning and artificial intelligence (AI). The vehicles of tomorrow will not just take you from Point A to Point B in a sustainable manner; they will also be smart, intuitive and intelligent. Hero MotoCorp will be right at the forefront of this transformation, fully in keeping with our Vision – Be the Future of Mobility.

This year will see Hero MotoCorp claim its position in the exciting clean mobility space in a bold avatar. Hero MotoCorp will transform its leadership in the internal combustion engine (ICE) market into the electric vehicle space – globally!

In keeping with our vision to lead the migration to this new future of mobility, we have unveiled Vida - Powered by Hero – as our new brand identity for emerging mobility solutions. Through Vida, which means 'life', we will not only revolutionise the electric mobility space, but will also ensure a cleaner, greener and better future for generations to come.



At Hero MotoCorp, we continue to leverage our partnerships to strengthen our capabilities. With our partnership with Gogoro Inc. of Taiwan, we will bring the largest battery-swapping network to India. We are also in discussions with Bharat Petroleum Corporation Limited to set up battery charging infrastructure for EVs across the country. With the investment in Ather Energy, starting from 2016, Hero MotoCorp is also accelerating its electric journey and bringing sustainable mobility solutions that deliver value to our stakeholders.

Riding into New Markets

In keeping with our strategy of strengthening our core business and amid the transformation of the automotive industry, we aim to capitalise on all the opportunities presented by the global automotive and emerging markets.

Hero MotoCorp's new strategy for its Global Business (GB), called 'R4' which was launched in 2021, has been transformative and has delivered great results. The R4 mission was to Recalibrate, Revitalise, Revolutionise and Revive our Global Business. This programme has been a strong success and our Global Business delivered 300,624 two-wheelers in 43 markets during the year under review. This was a remarkable growth of 57% compared to total units sold in the previous year.

During FY 2021-22, we significantly expanded our presence in the Central and South American markets through strategic partnerships. Having already commenced retail sales in Mexico, in partnership with Grupo Salinas, we aim to become a key player in that market. We have partnered with Gilera Motors in Argentina, which is one of the leading automotive companies in the country. Our new partnerships in Central America with Grupo Casa Pellas in Nicaragua and Movesa S.S. in Honduras are also extremely promising and should deliver results.

We further expanded our presence in El Salvador and reinvigorated our strategy in Nigeria, with a goal to attain market leadership in the African markets. Our new dealership in Dubai will help us tap into the growing market in the Gulf region. Our aim is to reach out to the youth,

 2021 was a transformative year for the Company under its R4 strategy. We are clearly on our way to **Recalibrate, Revitalise, Revolutionise, Revive** our Global Business.

cater to their aspirations and provide our customers an enhanced riding experience through our flagship stores and experience centres. The goal is to garner 15% of our total volumes from global markets by 2025.

Sustained Growth Despite Continued Headwinds

During the year under review, the two-wheeler industry faced multiple headwinds, owing to weak demand and continuous challenges in the supply chain. The rural markets, which account for over half the annual sales of motorcycles and scooters in India, remained under economic stress. Higher material costs, shortages of products and services and soaring fuel prices increased the cost of ownership, further dampening consumer sentiment and their ability to buy.

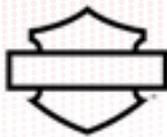
All of these events impacted two-wheeler sales in India. To offset the adverse impact, we focused on expanding our exports, optimising costs, prioritising projects, improving internal processes and re-evaluating options. While the rising costs for freight played spoilsport, we navigated through these challenges with grit, endurance and determination to ensure that our products reached our distributors and customers.

During this challenging year, we continued to focus on the short- and medium-term growth drivers for the Company. Together, with the move towards

Scaling New Heights

During the year under review, we grew our presence in the upper premium (1000cc+) segment with our strategic partnership with Harley-Davidson Motorcycles, the iconic American motorcycle brand.

- On October 28, 2020, when Hero MotoCorp decided to partner with Harley-Davidson in India, our mission was clear – to take the Harley-Davidson brand and market share to never seen before heights in India.



- The numbers tell us that we are well on our way to achieving this goal. Harley-Davidson's market share in the 1000cc+ segment grew to 37% in the year gone by. But it is in the stories of courage, strength and hard work where the real magic lies. It is the understanding of the market, the planning and the forging of new roads and relationships, the achievement of the milestones set and results that surpass the goals.

- In August 2021, I also joined the elite club of Harley Owners' Group (HOG) Life Members, and discovered first-hand the stories of camaraderie that characterise the world's largest motorcycle club. In October, we rode the H-D Pan America 1250 up to the formidable Key La Pass at a height of 18,603 feet above sea level. Riding through the world's highest unpaved motorable road – this expedition demonstrated and re-established the legendary capabilities of Harley-Davidson's first true Adventure Touring Motorcycle.



- In February 2022, we put the new H-D Sportster S through a gruelling, nail-biting endurance test at Hero MotoCorp's Centre for Innovation and Technology in Jaipur. The Sportster-S clocked a record distance of 3,141 kilometres in a 24-hour endurance ride.

- These are just some of the memorable events which prove that in India, the flag of Harley-Davidson continues to fly at greater heights with Hero MotoCorp powering it.



We are now geared up for the next decade and next horizon, as we eye the next **100 million** by the end of **2030**

premiumisation of our product portfolio and the focus on growing our Parts Accessories and Merchandise (PAM) business, we achieved both growth and profitability. The PAM business recorded a growth of 15% YoY, and revenue creation of over ₹1,000 crore per quarter. The PAM segment's contribution has been noteworthy and it continues to grow at a healthy rate.

Another key enabler for this fiscal year was Hero FinCorp, our finance arm, which has been growing at a phenomenal pace since 2012. It has helped serve seven million customers through its 2,000 locations spread across the country. Hero FinCorp recently raised ₹2,000 crore in growth capital, which will help it expand its reach and offering and drive two-wheeler sales. Hero FinCorp plans to evolve into a full-service finance company in the near future.

Digital platforms and cybernetic assistants are increasingly becoming an essential part of our work and daily lives. Our investments in the rapid modernisation and digitalisation of processes shows that we are precisely on the right track. The launch of our virtual showroom, providing our customers with an immersive buying experience, is among one of the several digital initiatives that have helped us drive process optimisation.

Hero MotoCorp has also launched a sales and aftersales services platform on WhatsApp. Going forward, we expect 30% of our sales to be generated from digital channels. Additionally, we have launched 7 new 'PHYGITAL Hero 2.0' stores across the country.

These new stores offer a warm and inviting environment for our consumers, with a High Digital Engagement Infrastructure. I dare say, these stores are a beacon of reference for the entire two-wheeler industry. In the year ahead, we plan to re-energise our dealership network across the country by opening a large number of these stores.

Diversity & Inclusion - The Ethos of Our Organisation

Hero MotoCorp sees diversity and inclusion (D&I) as its strength. A diverse workforce brings with it different perspectives, experiences and competencies - and thus makes us more innovative, inclusive and competitive. For this reason, we encourage a work environment that actively incorporates different ideas, perspectives and leadership styles.

We embrace diversity in all its facets and team Hero MotoCorp is constantly striving to increase the number of

women in the organisation, across the entire spectrum - from the shop floor to the Board room. I am personally driving the D&I agenda, with a stated mandate to all the leaders to replicate this concept in all of their respective functions.

Sustained Focus on ESG

Our 'people first' strategy is inseparable from our future plans which are tied to our focus on sustainability, responsible manufacturing and doing business the right way. Through the five pillars of People, Product Stewardship, Inclusive Growth, Eco-efficiency and Responsible Value Chain, we are evaluating every decision through the ESG lens. Our consistent efforts in stewarding sustainability have also been recognised by the Emerging Markets Dow Jones Sustainability Index for two consecutive years.

As a worldwide sustainability leader, we have initiated a major step during the year with the institution of a \$100 million Global Sustainability Fund. The fund will be used to nurture 10,000+ entrepreneurs on ESG solutions that will in turn, create a positive impact on the planet.

Riding Towards New Horizons

Hero MotoCorp is geared up for the next decade and the next horizon. As we have our eyes on the production of the next 100 million by the end of 2030, we are taking strides towards sustainability and electrification with a single-minded determination to *Be the Future of Mobility*.

All I can promise is that, while the first 100 million was achieved with the production of motorcycles and scooters, the next 100 would certainly be an all-new, innovative and greener body form.

I am confident that our leadership team and the entire Hero family, with their courage, confidence and dedication, will write the next chapter of the Company's unique success story.

Together, we will make a difference in the future.

On behalf of team Hero MotoCorp, I thank our valued shareholders, dealers, distributors, supply chain partners, associates, our entire workforce, our customers in India and across the world, for their unstinted support and faith in our Company, our people, as well as our products.

I wish everyone a healthy, safe and prosperous FY 2022-23.

Dr. Pawan Munjal
Chairman & CEO, Hero MotoCorp

STANDING TALL WITH AGILITY AND STRENGTH

OUR CAPITALS

FINANCIAL CAPITAL

Funds available to create value through production processes, or funds generated by operations. We have a strong, net debt-free balance sheet and we focus on efficient capital allocation.

MANUFACTURED CAPITAL

Our state-of-the-art infrastructure for two-wheeler production, logistics, warehousing, and sales.

INTELLECTUAL CAPITAL

Our knowledge base includes patents, trademarks, copyrights and innovative products and processes developed through R&D, improvement initiatives and collaboration with various institutions.

HUMAN CAPITAL

The skills, knowhow, capabilities, experience, diversity and level of motivation of direct and contractual associates. We promote innovative thinking and equip associates with the right development tools and trainings.

SOCIAL AND RELATIONSHIP CAPITAL

Trust-based, mutually beneficial relationships with key stakeholders such as customers, vendors, society, government, and other brands in the ecosystem, which play a vital role in our success.

NATURAL CAPITAL

Natural resources such as air, water, energy, land and biodiversity, which are either utilised by us or impacted by our operations.

INPUTS

₹15,783 crore
Net Worth

8 Manufacturing Facilities
~9.5 million Annual Capacity

₹15,717 crore
Gross Block

₹616 crore
R&D Investments
1000+ Strong Team
500+ Patents

28,955 Business Associates
9,76,701 Cumulative training hours
(34 hours per person)

₹115 crore
Investment into Human Capital

311 Suppliers
9,000+ Touchpoints across the Globe

₹720 crore
Advertising & Publicity Spend

₹88 crore
CSR Spend

1,370 lakh KWh Energy Consumed Including
106.66 KWh Renewable Energy

8,24,012 KL Water Consumption

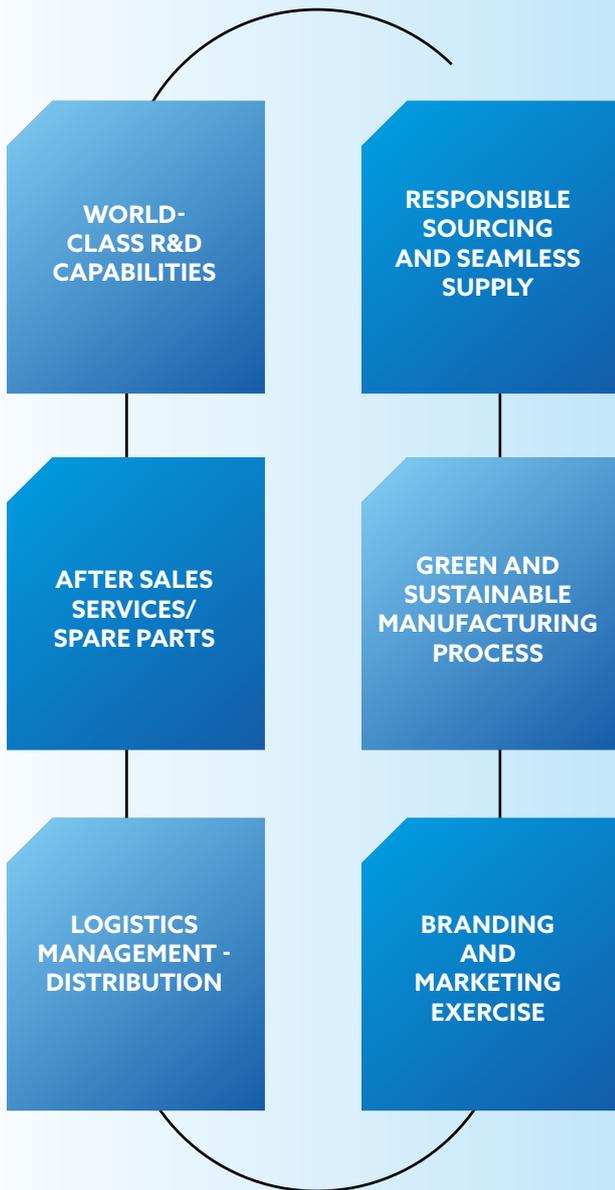
5 GreenCo Rated Facilities

4 Indian Green Building Council (IGBC)
Certified Facilities



GOVERNANCE

VALUE CHAIN



OUTPUT

DISPATCH VOLUME

DOMESTIC MARKET	INTERNATIONAL MARKET
46,43,526 Two-wheelers	3,00,624 Two-wheelers

OUTCOME

FINANCIAL CAPITAL

₹29,802 crore

Income

₹3,369 crore

EBITDA

₹2,473 crore PAT

20.06% Return on Capital Employed

(ROCE) Debt-Free

₹95 Dividend Per Share

MANUFACTURED CAPITAL

Domestic Market Share

34.6% in Two-wheelers

48.3% in Motorcycles

INTELLECTUAL CAPITAL

125 Patents Filed in FY 2021-22

10 New Models Launched

HUMAN CAPITAL

94.4% Retention Rate

9.3% Gender Diversity Ratio

0.1% Lost Time Injury Rate

0 Fatalities

7 Complaints received under POSH and all resolved

SOCIAL AND RELATIONSHIP CAPITAL

9.05 Customer Satisfaction Index (on a scale of 10)

65.3 NPS

98.9% Customer Complaints Resolved

NATURAL CAPITAL

1st Motorcycle and Scooter Company to be Recognised by Dow Jones Sustainability Indices (DJSI)

for Two Consecutive Years

17% Reduction in Energy Consumption

106.7 lakh KWh Clean Energy Generated

8.9% Reduction in Water Consumption

5,04,915 KL Water Recycled

CREATING A HERO FOR EVERYONE

We offer a comprehensive portfolio to address needs of the customers across the board from budget, comfort, ride experience, design, travel conditions, and product features, among others. Our EVs that are set to be launched later in the year, will help us fortify our portfolio by living up to the expectations of environmentally conscious buyers. Each of our diversified offerings are bound by an underlying inimitable quality assurance of Hero.

SEGMENT-WISE PERFORMANCE

Motorcycles



48.3%
43,37,634

Scoters



7.7%
3,05,892

Entry



62.1%
11,65,163

Deluxe



58.5%
31,05,051

Premium



3.7%
67,420

■ Market share ■ Volumes



GOING THE **EXTRA MILE** TO DELIVER DELIGHT

Right from offering two-wheeler purchase services, such as competitive financing, insurance assistance, extended warranties, and a best-in-class loyalty programme, we provide services throughout the product's lifecycle. Our service centres and spare parts' businesses make sure that our customers get a seamless after-sales experience.

We launched the official Hero merchandise business in August 2021, with the vision to be a part of our customers' lifestyles and aspirations. The business offers products spanning 10 categories in a gender inclusive portfolio, including t-shirts and t-shirt dresses, among others. The offerings are for a range of target audiences and are designed keeping in mind a particular theme. For instance, our collection for 'Xtreme' is curated based on ideas of precision, street-smartness, and youthful people, aspiring to make a style statement. Our 'Pleasure plus' collection inspired from 'Hero Girl Story for

Pleasure Plus,' with its signature bold and fierce graphics, is designed to find resonance among strong, independent and modern women.

→ Read more about our emerging mobility solutions on page 36 of the report.

→ Read about our pre-owned two-wheeler and PAM business in MDA on page 70

DOUBLED PREMIUM MARKET SHARE IN TWO YEARS

Our focus on the premium segment portfolio expansion with multiple new launches and upgrades is reflected in our numbers. Our premium segment market share has more than doubled, albeit on a low base, in the last two years, from 1.6% in FY 2019-20 to 3.7% in FY 2021-22. This is in spite of supply constraints due to semi-conductor shortages and overall slowdown in the two-wheeler industry.



LEADING WITH **EXPERIENCE** AND **FORESIGHT**

Our Board's robust knowledge and diverse experience enable us to create long-term value for all our stakeholders.

1.
DR. PAWAN MUNJAL
CHAIRMAN & CEO



2.
**AIR CHIEF MARSHAL
B.S. DHANOA (RETD.)**
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR



3.
MR. VIKRAM S. KASBEKAR
WHOLE-TIME DIRECTOR

4.
MS. CAMILLE TANG
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

5.
**MS. VASUDHA
DINODIA**
NON-EXECUTIVE
DIRECTOR





6
MR. PRADEEP DINODIA
 NON-EXECUTIVE DIRECTOR



7.
MR. MELEVEETIL DAMODARAN*
 NON-EXECUTIVE AND INDEPENDENT DIRECTOR



*Until the end of day of May 3, 2022

GENDER DIVERSITY

27%
WOMEN DIRECTORS

8.
MS. TINA TRIKHA
 NON-EXECUTIVE AND INDEPENDENT DIRECTOR



9.
PROF. JAGMOHAN SINGH RAJU
 NON-EXECUTIVE AND INDEPENDENT DIRECTOR



10.
MR. RAJNISH KUMAR
 NON-EXECUTIVE AND INDEPENDENT DIRECTOR

11.
MR. SUMAN KANT MUNJAL
 NON-EXECUTIVE DIRECTOR

COMMITTEES

Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	Stakeholders' Relationship Committee	Sustainability and Corporate Social Responsibility Committee
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C - Chairman M - Member



BOARD OF DIRECTORS

1. DR. PAWAN MUNJAL **CHAIRMAN AND CEO**

Dr. Pawan Munjal is one of India's renowned corporate leaders, championing growth, socio-economic progress and technological innovations. He is the Chairman and CEO of Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters. Under his leadership, Hero MotoCorp achieved the coveted title of World's No. 1 two-wheeler company in 2001 and has successfully retained this position till date, for 21 consecutive years. The Company also surpassed the rare milestone of 100 million cumulative production and sales. Having consistently demonstrated visionary leadership to guide Hero MotoCorp, to not just consolidate its leadership status, but also expand its global footprint across multiple continents, Hero MotoCorp currently sells its products in 43 countries across Asia, Africa, Latin America, and the Middle East. Hero MotoCorp has eight world-class manufacturing facilities, of which six are located in India and one each in Colombia and Bangladesh. Dr. Munjal sits on the Boards of various companies in addition to holding executive positions at key Indian industry bodies — Society of Indian Automobile Manufacturers (SIAM) and Confederation of Indian Industry (CII).

2. AIR CHIEF MARSHAL B. S. DHANOA (RETD.) **NON-EXECUTIVE AND INDEPENDENT DIRECTOR**

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

3. MR. VIKRAM S. KASBEKAR **EXECUTIVE DIRECTOR**

Mr. Kasbekar brings more than four decades of experience in the field of Operations, Supply Chain, R&D, Manufacturing and Project Engineering. He has been with Hero MotoCorp Limited for close to 21 years and has contributed significantly to the growth of the organisation.

Mr. Kasbekar is instrumental in formulating and driving the Company's sustainable manufacturing strategy to meet global standards in manufacturing quality and delivery, New Model Centre, Projects, Global Parts Centre, Green Initiatives and Compliances. He has been a part of the team driving strategic alliances for business growth. He is a part of various management committees for pricing, sourcing, statutory compliance and audit.

In the Auto industry, he has worked in Commercial Vehicles, Auto Ancillary and Two-wheelers Sectors. He is actively associated as a member of CII northern region council.

4. MS. CAMILLE TANG **NON-EXECUTIVE AND INDEPENDENT DIRECTOR**

Ms. Camille Tang has deep experience in innovation, intellectual property and productisation across Asia-Pacific, Europe and USA. Serving as co-founder, C-level management executive and member of the board in start-up's, leading multinationals and non-profit institutions, she has been responsible for strategy, finance, intellectual property, marketing and sales, product development, R&D, risk management and corporate communications. Ms. Tang's industry experience includes wireless power technology; leadership and management education with Harvard Business School Asia-Pacific Research Centre; financial derivatives and investment banking with Swiss Bank Corporation, SBC Warburg, HSBC, Continental Grain; lifestyle design and retail with Blanc de Chine and Macy's California.

Ms. Tang's work has spanned Tier 1 and other partners and customers across applications in mobile and consumer electronics, automotive, buildings and infrastructure, medical and health, surfacing materials, wearables. Her interests or advisory roles include artificial intelligence hardware and software co-exploration semiconductor design, enterprise collaboration integrating unified communications, e-marketplace, personal branding and social media.

She serves on the board of Asia America Multi-Technology Association Pearl River Delta. Previous advisory board memberships include Bunge Asia-Pacific, The 1990 Institute and Graduate Theological Union. In public service, she served as a member of the Hong Kong Government Central Policy Unit, Hong Kong Government Social Services Subventions and Lotteries Fund Advisory Committee and other non-profit's.

Ms. Tang received a Bachelor of Arts, Social Sciences, with Distinction, Stanford University, USA and a Master in Business Administration, Harvard University, USA. She is proficient in English, Cantonese, Putonghua and French.

5. MS. VASUDHA DINODIA **NON-EXECUTIVE DIRECTOR**

Ms. Vasudha Dinodia is a successful third generation entrepreneur from the eminent Munjal Family. She is credited with founding the boutique chocolate Company Choko La in the year 2005, of which she is the Managing Director.

Ms. Vasudha Dinodia has been an astute marketing strategist who has scaled Choko La to be a globally recognised, premier chocolate brand with its presence across the US, Europe and Asia. The brand has several Premium Chocolate Boutiques and has partnered with global Duty-Free operators across 13 international airports, including Singapore, Macau, Delhi, Mumbai, Bangalore, Chennai, Kolkata, Hyderabad, Ahmedabad, Goa, Jaipur and Raipur, and new outlets are coming up in Hong Kong, Berlin, Dubai, Melbourne and Philippines airports in the next fiscal.

In the next five years, the brand plans to expand its boutiques to London, Paris, New York, Dubai, Sydney and Tokyo.

A trendsetting chocolatier and an astute businesswoman, Ms. Dinodia has grown the brand and diversified it to create a Choko la Constellation that is unique in its approach towards customer satisfaction. The brand offers a wide array of products and services ranging from customised gifting to cafes and boutiques.



6. MR. PRADEEP DINODIA

NON-EXECUTIVE DIRECTOR

Mr. Pradeep Dinodia is a Non-Executive Director of the Company. He graduated in Economics with Honours from St. Stephen's College, Delhi University and obtained his Law Degree from the same University. He is a Fellow Member of The Institute of Chartered Accountants of India and Chairman and Managing Partner in the Delhi-based Chartered Accountancy firm M/s. S.R. Dinodia & Co. LLP. He is the Chairman of Shriram Pistons & Rings Limited and Non-Executive Independent Director in Hero FinCorp Limited and DCM Shriram Limited. He has co-authored the book, "Transfer Pricing Demystified".

7. MR. MELEVEETIL DAMODARAN

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr. M. Damodaran is the Non-Executive & Independent Director on the Board of the Company. He has held a number of important positions in the Central and State Governments and in India's financial sector, including Chairman, Securities and Exchange Board of India (SEBI), Chairman, Unit Trust of India (UTI), Chairman, Industrial Development Bank of India (IDBI), and Chief Secretary, Government of Tripura. After successful tenures at UTI and IDBI, where he led the turnaround efforts, and at SEBI, where he introduced improved corporate governance practices, he set up Excellence Enablers Private Limited (EEPL), a Corporate Governance and Board Advisory consultancy firm. His pioneering role in promoting Corporate Governance in India invests EEPL with an experience-based leadership role in corporate governance advisory work. In addition, he is a consultant, advisor, coach and mentor and serves on the Boards of some leading companies as well as on the Advisory Boards of some foreign entities. His tenure on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.

8. MS. TINA TRIKHA

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Ms. Tina Trikha was appointed as an Additional and Independent Director effective October 23, 2019. She has close to two decades of experience working with companies in India, the United States, and South-East Asia. A published author and an executive coach, she has served as the head of communications and talent development for SeaLink Capital Partners, an India-focused private equity firm. Previously, she was the Vice President of corporate planning and strategy at Godrej Industries Limited. Prior to that, Ms. Trikha was responsible for strategic planning and business development at Scholastic, a book publisher and distributor in New York. Her previous roles included providing financial and strategic advice to companies as a consultant with McKinsey & Company in New York and as an investment banker with Credit Suisse in New York and Hong Kong. Ms. Tina Trikha holds a Bachelor's degree in Economics from Massachusetts Institute of Technology and a Master's degree in Business Management from the Wharton School of Business, University of Pennsylvania.

9. PROF. JAGMOHAN SINGH RAJU

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Prof. Jagmohan Singh Raju holds a Ph.D. in Business, an M.S. in Operations Research, and an M.A. in Economics from Stanford University, California. He is an MBA from the Indian Institute of Management (IIM), Ahmedabad, and has a B.Tech. degree in electrical engineering from the Indian Institute of Technology (IIT), Delhi. He is currently the Joseph J. Aresty Professor of Marketing at the Wharton School of the University of Pennsylvania. Professor Raju served as the Vice Dean for

Wharton Executive Education and Wharton Online from July 2016 to March 2022. Prior to that, Professor Raju chaired Wharton's Marketing Department for six years and currently coordinates Wharton's relationship with the Indian School of Business. Prior to joining Wharton, he taught at the Anderson School at UCLA. He has received numerous teaching awards at Wharton and UCLA. He was recognised at IIM Ahmedabad for the best academic performance in each of the two years he attended and was on the merit list at IIT Delhi. His research interests include pricing, new product introduction strategies, retailing, strategic alliances, and advertising. He leads and teaches in many executive education programmes at Wharton, has consulted extensively with several leading companies around the world, and advises start-ups initiated by Wharton students.

The Company had a consultancy service agreement till December 31, 2021 with Prof. Jagmohan Singh Raju for providing consultancy and advisory services to the marketing and sales functions of the Company.

10. MR. RAJNISH KUMAR

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr. Rajnish Kumar is the former chairman of State Bank of India (SBI). He completed his three-year term as chairman of SBI in October 2020. He is credited with steering the bank successfully through challenging times and adopting key technology transformations. During his tenure, the Bank developed YONO, a digital platform, which established SBI as a global leader in the adoption of technology and innovation.

Mr. Kumar is a career banker with nearly four decades of service with the State Bank of India. His expertise in corporate credit and project finance is well recognised. He currently serves as an Independent Director on the Boards of many other prestigious companies viz. HSBC, Asia Pacific, L&T Infotech and is also the Non-Executive Chairman of Resilient Innovations P Ltd. (BharatPe).

Mr. Rajnish Kumar was also the Chairman of SBI's subsidiaries, some of the more important ones included, SBI Life Insurance Company Limited, SBI Foundation, SBI Capital Markets Limited and SBI Cards & Payments Services Limited. He also served as a Director on the boards of various organisations, viz. Export-Import Bank of India, Institute of Banking Personnel Selection, National Institute of Bank Management, Pune, Indian Banks' Association, Khadi & Village Industries Commission and Indian Institute of Banking & Finance, among others.

He has an M.Sc. in Physics from Meerut University and is also a Certified Associate of Indian Institute of Bankers (CAIIB).

11. MR. SUMAN KANT MUNJAL

NON-EXECUTIVE DIRECTOR

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

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

REFLECTING ACCOUNTABILITY AND VALUES

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



MR. SANJAY BHAN
HEAD - GLOBAL BUSINESS



MR. MIKE CLARKE
CHIEF OPERATING OFFICER
AND CHIEF HUMAN
RESOURCES OFFICER



MR. NIRANJAN GUPTA
CHIEF FINANCIAL OFFICER



MR. SURESH JAGIRDAR
GENERAL COUNSEL



MS. REEMA JAIN
CHIEF INFORMATION AND
DIGITAL OFFICER



DR. ARUN JAURA
CHIEF TECHNOLOGY
OFFICER



MR. BHARATENDU KABI
HEAD - CORPORATE
COMMUNICATIONS &
CORPORATE SOCIAL
RESPONSIBILITY



MR. RAM KUPPUSWAMY
CHIEF PROCUREMENT
OFFICER



MR. MALO LE MASSON
HEAD - STRATEGY AND
GLOBAL PRODUCT PLANNING



MR. RANJIVJIT SINGH
CHIEF GROWTH OFFICER



**MR. SWADESH
SRIVASTAVA**
HEAD - EMERGING MOBILITY
BUSINESS UNIT



MR. RAKESH VASISHT
EXECUTIVE SPONSOR
- SCOOTERS AND HEAD -
CORPORATE SERVICES



LOADED WITH FEATURES, HIGH ON POWER

The XPulse – India’s first 200cc adventure motorcycle – has captivated the youth across the world with its on-road-off-road readiness, cutting-edge technology and differentiated styling. The new XPulse 200 4 Valve is a powerful addition to the well-rounded X-range of the premium portfolio of Hero MotoCorp. Building on its DNA

of high-tech adventure experience, the new motorcycle comes with the 200cc BSVI 4 Valve Oil Cooled Engine, that offers 6% more power and 5% added torque, thereby ensuring a relaxed and stress-free ride at high speeds. This, along with an updated oil cooling system, improved seat profile and upgraded LED headlights, makes the motorcycle a perfect ride companion while discovering unknown terrains. In the short span since its launch, the bike has already won multiple accolades.

WINNER OF 5 PRESTIGIOUS AWARDS



TopGear

ADVENTURE MOTORCYCLE
OF THE YEAR



AUTOCAR

BIKE VARIANT
OF THE YEAR



Bike

THE VARIANT
OF THE YEAR



car&bike

ADVENTURE MOTORCYCLE
OF THE YEAR



car&bike

TWO WHEELER
OF THE YEAR







PERFORMANCE FY 2021-22

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RESILIENT PERFORMANCE AMID CHALLENGES

Metrics (in ₹ crore unless stated otherwise)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Sales Volume (in lakh)	61	62	66	66	67	76	78	64	58	49
Total Income	24,166	25,722	28,078	31,123	31,394	33,398	34,342	29,614	31,380	29,802
Gross Profit (Revenue from Operations Less Total Material Cost)	6,370	7,046	7,831	11,391	9,463	10,396	10,333	9,139	9,038	8,419
Profit After Tax	2,118	2,109	2,386	3,160	3,377	3,697	3,385	3,633	2,964	2,473
Earnings Per Share (₹)	106	106	119	158	169	185	169	182	148	124
Dividend Per Share (₹)	60	65	60	72	85	95	87	90	105	95
Debt (Borrowings)	-	-	-	-	-	-	-	-	-	-
Share Capital	39.94	39.94	39.94	39.94	39.94	39.94	39.95	39.95	39.96	39.96
Reserves & Surplus	4,966	5,560	7,318	8,794	10,071	11,729	12,817	14,096	15,158	15,743
Book Value (₹)	251	280	368	442	506	589	644	708	761	790
Profitability Metrics (in %)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
EBITDA/Income from Operations	13.82	14.01	12.84	14.51	16.26	16.38	14.65	13.73	13.05	11.52
Profit Before Tax/Total Income	10.47	11.15	12.41	14.25	14.84	15.7	14.59	15.44	12.43	10.91
Profit After Tax/Total Income	8.76	8.2	8.5	10.15	10.76	11.07	9.86	12.27	9.45	8.30
Return On Capital Employed (ROCE)	49.45	51.41	45.39	49.02	44.32	42.75	37.48	31.31	24.90	20.06
Return On Average Equity (ROAE)	45.57	39.77	36.82	39.03	35.65	33.80	27.49	26.92	20.21	15.96
Working Capital Management	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Inventory Period (in Days)	13.77	13.08	13.72	14.11	12.74	12.37	14.84	20.11	21.48	22.71
Inventory and Receivable Conversion Period (in Days)	20.97	24.54	29.04	31.45	31.17	30.18	38.76	48.61	45.75	52.81
Cash Cycle	(17.75)	(12.24)	(12.06)	(11.41)	(17.57)	(17.51)	(6.67)	(3.31)	(15.07)	(21.54)
Current Ratio	1.22	1.26	1.63	1.78	1.82	2.04	1.96	2.08	1.79	1.99
Acid Test Ratio	1.06	1.10	1.39	1.59	1.66	1.85	1.71	1.81	1.55	1.77

* Some of the ratios have been recalculated for the 10 years in line with the methodology suggested by the ICAI's Guidance note on Schedule III for the preparation of financial statements.



Gross Profit
(₹ in crore)



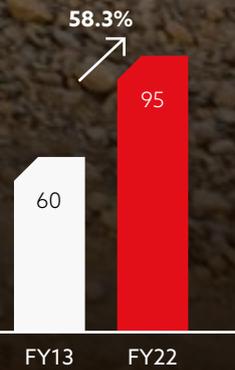
Profit After Tax
(₹ in crore)



Earnings Per Share
(In ₹)



Dividend Per Share
(In ₹)



STRENGTHENING GLOBAL BRAND POSITIONING

We continue to expand our global footprint and develop market-specific products, driven by our R4 (Revitalise, Recalibrate, Revive and Revolutionise) strategy. Despite facing headwinds in the past, we continue to enter new markets, strengthen our position in existing ones and deliver robust sales performance.

43	MEXICO
Market presence	New Markets Entered

3,00,624 UNITS	57%
Crossed the 3 lakh Mark in Two-wheeler Volumes	Growth in Exports

SETTING HIGH BENCHMARKS

34,390 UNITS	\$14 million
Monthly Dispatch	75% YoY Growth in PAM Business

EXCEPTIONAL PERFORMANCE

978%	37,500 Units	63%
Growth in Dispatch in Nigeria to 34,286	First Year Sales in Mexico	Growth in Premium Segment

GROWTH ENABLERS

183%	30%	41%
Growth in Network	Contribution from Premium Segment	Sales through Financing

18	Hunter	5%
New Models & Refreshes Including Xpulse 200 4V, 160 R and others in 100-125 cc	Tailored Model Launched in Nigeria	Digital Sales Contribution

STEADY STRATEGIC HEADWAY IN INTERNATIONAL MARKETS

We made significant progress in terms of our global expansion strategy. During FY 2021-22 we:

- Commenced retail sales in Mexico and introduced an extensive portfolio of products; relaunched products in Argentina and Nicaragua.
- Strengthened our presence in the strategically important Gulf region, expanding our network of touchpoints, including dealerships, service centres and spare parts outlets; entered into another exclusive dealership in Dubai.
- Reinvigorated our strategy for the Nigerian market, leading to a 978% dispatch growth. We also launched a new motorcycle - 'Hunter,' developed especially for the market. The model, extensively tested in native conditions, comes with an industry-first 12-month or 75,000 km engine warranty. Additionally, we are establishing outlets across the country through dealers and parts distributors and an extensive network of 5,000+ trained technicians to ensure easy access to services and parts for all customers.



ASIA

- 01 Srilanka
- 02 Bangladesh
- 03 Nepal
- 04 Mynamar

CENTRAL & LATIN AMERICA

- 05 Colombia
- 06 Peru
- 07 Ecuador
- 08 Guatemala
- 09 El Salvador
- 10 Honduras
- 11 Nicargua
- 12 Costa Rica
- 13 Panama
- 14 Bolivia
- 15 Dominican Republic
- 16 Argentina
- 17 Guyana
- 18 Trinidad & Tobago
- 19 Mexico

AFRICA & MIDDLE EAST

- 20 Kenya
- 21 Tanzania
- 22 Uganda
- 23 Ethiopia
- 24 Burkina Faso
- 25 Ivory Coast
- 26 Angola
- 27 Democratic Rep of Congo
- 28 Mozambique
- 29 Madagascar
- 30 Egypt
- 31 Liberia
- 32 Guinea
- 33 Nigeria
- 34 Ghana
- 35 Turkey
- 36 Dubai (UAE)
- 37 Iraq
- 38 Djibouti
- 39 Zambia
- 40 Mauritius
- 41 Kuwait
- 42 Sudan
- 43 Saudi Arabia

THE GLOBAL GROWTH ROADMAP

We remain well-positioned to capitalise on the growing preference for Indian brands in international markets through our R4 strategy.

CONTINUED EXPANSIONS AND CONSOLIDATED PRESENCE

We will continue to strategically enter new, developed and fast-growing economies, forging more partnerships to drive growth. We are also working on consolidating our presence and increasing our market share through network expansion, brand building, and focusing on retail finance in our top six markets - Bangladesh, Sri Lanka, Nepal, Nigeria, Colombia and Guatemala. Despite some recent socio-political challenges that have emerged in the developing economies of the Indian sub-continent, most of our global markets are going through strong and stable economic and political phases.

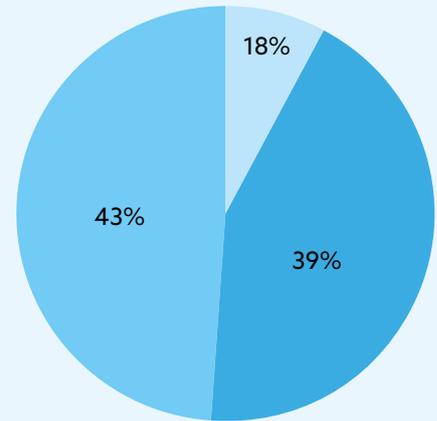
MARKET-SPECIFIC PRODUCT EXPANSION

The Xpulse 200 and Xtreme 160R motorcycles have appealed to customers across our key geographies. Our market-specific approach, focused on Hunter 100 motorcycles in Nigeria, Hunk 200 in Latin America and the Hunk 150 in the Middle East, has enabled us to fast-track growth. We will continue to provide relevant products for each of our strategic markets, develop and launch new products, services, use-cases and applications in key focus markets.

MAKING INROADS IN GLOBAL EV INDUSTRY

We have recently unveiled our EV brand, Vida - Powered by Hero and will launch the portfolio globally. Our primary focus will be Latin America, where we already have a strong presence, in addition to Europe, and explore other mature economies with strong EV demand. We believe the global push for the reduction of carbon footprint and the growing consciousness of consumers will open up several new geographies for us.

VOLUMES



- ASIA
- LATIN AMERICA
- AFRICA & MIDDLE EAST

15%
Contribution to Revenue by FY 2024-25

RACING AHEAD ON THE TOUGHEST CIRCUITS

The Hero MotoSports team witnessed great success across international and national racing arenas, delivering multiple wins during the season.



MAKING IT THROUGH THE HERCULEAN DAKAR RALLY

This was a landmark year, with our young team creating history as it entered the elite pool of the world's top performing rally racing brands. This achievement speaks volumes of the consistent growth of our men and their machines; and the team's unwavering commitment and passion to achieve its global mission. In its sixth consecutive appearance at the relentless Dakar, the Hero MotoSports Team Rally created history by winning Stage 3 - a first for the team, and also for our team rider Joaquim Rodrigues, in addition to the first-ever Dakar stage win for an Indian manufacturer. This has been the team's best performance at the Dakar Rally so far.

Through 2021, the team participated in multiple races, constantly upgrading its machines, and reaching top positions. The Hero Rally 450, the team's trusted machine, was continuously worked upon over the past year, and since then, it has not just survived but come across successfully through the Dakar and several other races with aplomb. Along with our riders, this is also a testament to our performance engineering, rigorous testing, and continuous improvement. The team entered the Dakar Rally, battling several last-minute hurdles — including two of our riders being dropped, owing to race injuries. Aaron Mare, a young South African rally racer was invited in as a temporary replacement rider to join Joaquim Rodrigues at the Dakar. The Dakar 2022, however, turned out to be a pivotal race for the team, as it overcame tough challenges and achieved historic results.



INTERNATIONAL RACING SEASON

While the previous year was short of racing activity due to the global pandemic, the team took on 2021-22 as a year to focus on rigorous training and testing, by putting the men and machines through a host of races across varied extreme terrains. Represented by a three-rider team of Joaquim Rodrigues, Sebastian Buhler and Franco Caimi, the team focused on utilising these races to improve their proficiency, while also gathering some powerful results. The team saw success throughout the season.

NATIONAL RACING SEASON

The National 2021-22 racing season team also found great success. Riding on their Rally Kit XPulse 200 and on the purpose-built Hero MotoSports XPulse Rally 200, factory riders Yuva Kumar and Sathyaraj participated in four independent racing events – Rally of Chamba 2021, Dakshin Dare 2022, SJOBA Rally 2022 and the RedBull Ace of Dirt 2022; and two National Championships – Indian National Rally Championship (INRC), and the Indian National Rally Sprint Championship (INRSC). Competing in the stock and modified classes, the National Team enjoyed a great season with its first National Championship win, as well as several podiums to its credit, helping strengthen the XPulse product credentials further, as well as creating product evangelists from within the racing fraternity.

Highlights of 2021-22 International Racing Season

'Best Ever Performance' at Dakar

Win at Hungarian Baja with Sebastian Buhler

3 Podiums including 2 podiums at the World Championship

4th Place Overall- FIM Cross-Country Rally World Championship

10 Stage Wins

Highlights of 2021-22 National Racing Season

Rally of Chamba – Winner overall; Winner – Stock class, Winner – Modified class

INRSC – National Champion – Stock class, National Champion – Modified class

Dakshin Dare – Winner – Stock class, Winner – Modified class

A CUSTOM-BUILT NEW RALLY MACHINE

We unveiled the Hero MotoSports XPulse Rally 200 4-Valve at the Indian National Rally Sprint Championship (INRSC) Finals in Goa. The bike boasts a substantial number of updates to the previous generation XPulse rally bike. It is powered by the all new powerful 200cc 4V engine, delivering higher torque, acceleration and overall performance for the rider. It also weighs 20% lighter than the standard XPulse 200 4V and rides on lightweight reinforced aluminium rims, and Maxxis tyres for a sportier performance. The new suspension package

on the rally bike encompasses longer travel upside-down forks and rear shocks to tame the high-performance engine with total control. The updated side panels provide an improved ergonomic package, in conjunction with the repositioned footsteps and tapered handlebars.

The new rally bike won the debut race at the INRSC finals in Goa, and went on to rake in victories at the Dakshin Dare in its second race. The national team will continue racing with this top machine, entirely developed by the team of experts at the Hero Centre for Innovation and Technology, Jaipur.





FUTURE READY

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RIDING TOGETHER WITHOUT FEAR

We embarked on a collaborative journey in 2020 with one of the world's most iconic brands – Harley-Davidson (H-D). Our Chairman and CEO, Dr. Pawan Munjal, pledged full support to H-D and its customers in India. We are going full throttle towards building a complete portfolio across engine capacities, aligned with our ambition of catering to the aspirational segment in the premium motorcycle market.

A YEAR IN THE HERO H-D NETWORK

Hero MotoCorp marked the milestone of becoming a top seller in the 1,000cc+ segment, taking our market share in the category to 37% as compared to 27% in FY 2020-21. Assurance of sales, service and parts, and customer connect initiatives helped increase customer confidence and is reflected in the strong growth in sales and thus the market share. We strongly believe in the mutual synergies that can be derived from the partnership. The journey has just begun. Going forward, we will be further scaling up the network, and strengthening the portfolio offerings.

APRIL 2021	NOVEMBER 2021	MARCH 2022	
FIRST SHIPMENT RECEIVED	399 Cumulative Units Sold*	601 Cumulative Units Sold#	
12 Touchpoints	23 Touchpoints	23 Touchpoints	
12 Dealers	13 Dealers	13 Dealers	1 Pipeline Dealers
	10 Authorised Service Centres	10 Authorised Service Centres	1 Planned Authorised Service centre
30% Market Share (1,000cc+)	36% Market Share	37% Market Share	

*This figure is from April 2021 to November 2021

#This figure is from April 2021 to March 2022



531 NOS.
1,000CC+
Units Sold in
FY 2021-22

37%
1,000CC+
Market Share
YTD March 2022



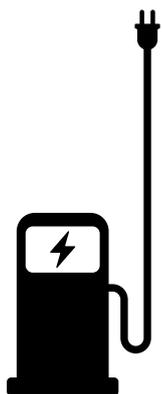
TOP-SELLER

In 1,000cc+ segment in India



INVESTING IN AN **ELECTRIFYING FUTURE**

As the market leader and a global automotive major, we have looked beyond the immediate future and have taken the lead in many areas that benefit the environment, customer and industry, and we remain fully committed to driving sustainability. Fast-tracking the adoption of environment-friendly mobility solutions is a priority area for us at Hero MotoCorp. The ongoing work on EVs within the Company and our strategic investment in the external ecosystem bear testimony to our commitment to electric mobility.



We have a clear plan for developing an expansive bouquet of electric mobility solutions and services. Our three-pronged approach for Electric Vehicles (EVs) includes, first and foremost, building a portfolio through internal projects at our R&D hub, secondly through Hero Hatch, our internal incubation centre, and thirdly through our collaborations with external entities.

CREATING A ROBUST ECOSYSTEM

We are committed to the common goal of accelerating the shift to smart,

sustainable electric mobility solutions in India and around the world. We are building collaborations with industry leaders across the entire EV ecosystem, comprising battery technologies and chemistry, battery management systems, powertrain, telematics, analytics, diagnostics and charging infrastructure. In our endeavour to make EV ownership a convenient, hassle-free and rewarding experience, we are strengthening our sales and service network. With our new collaborations, focused strategic interventions and a dedicated team, we are building a new paradigm in sustainable mobility.



HERO RISES IN THE EV SPACE

FY 2022-23 will mark a watershed year for Hero MotoCorp as we will unveil our first in-house Electric Vehicle in the near future. We will develop and build a line-up of EV products, to offer mobility solutions to a diverse customer-base around the globe. We will continue to invest in capability building, both in-house and through partnerships with global players, to capitalise on their unique strengths, and pave the way for expeditious adoption of sustainable mobility solutions over the coming years.

BUILDING A HOLISTIC PORTFOLIO

BATTERY OPTIONS

ATHER ENERGY CHARGING

We have been a part of the Ather Energy story since 2016. We made further investments of ~₹420 crore, raising our investment to 38%. Together, we are exploring various areas of collaboration, including technology and sourcing. We continue to support Ather Energy as strategic investors.

VIDA - POWERED BY HERO

CHARGING + SWAPPING

One of the few players in India to offer a battery-swapping option. We have invested thousands of engineering person-hours globally to develop a state-of-the-art technology, promising to deliver delightful consumer experiences. This year, we focused on refining and making final-test runs to launch a safe solution, to delight and amaze our customers.

ADDRESSING RANGE ANXIETY

In our drive to propel EV adoption by addressing customers' range anxiety, we have partnered with BPCL (Bharat Petroleum Corporation Limited). We are creating a dense network of smart and connected large-scale EV charging facilities across the length and breadth of the country. The collaboration will also help in unlocking asset allocations for future expansion.

COLLABORATING WITH WORLD LEADERS

In keeping with the spirit of collaboration, we have forged a strategic collaboration with Gogoro® Inc. of Taiwan to accelerate the shift to sustainable electric mobility in India and around the world. The partnership brings together Hero – the world's largest manufacturer of motorcycles and scooters – and Gogoro – the global leader in urban battery-swapping and smart mobility innovation. The companies will establish a battery-swapping network to bring Gogoro's industry leading battery-swapping platform to India. We will also collaborate on product development to bring multiple swappable battery vehicles that will be powered by the Gogoro Network. With this new partnership, we commit to introducing a sustainable mobility paradigm, first in India and then in other markets around the world. This partnership will strengthen and expedite the Indian government's electrification drive and will have a significant impact on India's energy and mobility future.



VIDA - CREATING FOREVER VALUE

In March 2022, we unveiled our emerging mobility solutions brand - Vida - Powered by Hero. All our initiatives for emerging mobility solutions will be introduced under this brand starting with an electric vehicle. The production of the soon to be launched Vida model will be done at our 'Green' manufacturing facility in Chittoor, India, and will be sold in India and global markets, including Europe and Latin America. "Vida means life, and the brand's sole purpose is to create a positive impact on the world and take us forward in meaningful ways. We believe the name is perfect for what we are building for our children and the next generation." – Dr. Pawan Munjal, Chairman and CEO

AUGMENTING CAPABILITIES FOR TOMORROW



We have rapidly scaled up to build a world class R&D ecosystem, including the state-of-the-art Centre of Innovation and Technology (CIT) in Jaipur, India and the Tech Centre Germany (TCG) near Munich. Global automotive experts and engineers from around the world are constantly engaged at the R&D centres, designing and developing mobility solutions of the future by adopting advanced technologies to stay ahead of the curve.

HTCG AND CIT

₹616
crore
R&D Spend

566
Patents Filed
till Date

TEAM SIZE

51
HTCG

1,094
CIT

HTCG- Hero Tech Centre in Germany; CIT- Centre of Innovation and Technology (CIT), Jaipur



Center of
Innovation &
Technology,
Jaipur



CIT — CREATING MILESTONES

Our CIT centre's latest accolade has been the successful filing of its 500th patent in a short span of six years. The team has built a strong pipeline of intellectual property, filing 200+ patents over the last two years. This milestone demonstrates our team's determination to innovate and achieve intellectual brilliance, serving our customers and staying ahead of the curve. CIT has also received a series of compliance ratings.

DIGITALISATION TO DRIVE GROWTH

Technological modernisations and digitalisation are propelling social innovation and adoption. Smart manufacturing and the use of cyber-physical systems are yielding significant results. Digitalisation and data analytics have become key tools in consumption demand prediction, resource consumption analysis and failure prediction. The digital ecosystem with data insights, integrated value chains for efficient demand fulfilment, smart manufacturing setups and online product availability have become imperative for efficient operations.

PATENTS AND RATINGS

500+

Cumulative Patents
Filed in 6 Years

India's First R&D
Unit to Receive
**GREENCO
PLATINUM RATING**

Only Unit to Receive
**GREEN RATING
Under CII-RSPCB**

CII-RSPCB: CII - Rajasthan State Pollution Control Board



BECOMING **FUTURE READY**

Our customers trust us to deliver the best, in terms of cost, quality, efficiency, experience and technology. To deliver on this trust and create new benchmarks, we have primarily focused on the extensive testing of the EV ecosystem, further increasing BSVI engine performance and adding features in the 110cc segment for an enhanced experience. Going forward, we will also focus on developing flexi fuel and alternate fuel engines.

'WE CARE' FOR A BETTER FUTURE

We remain committed to making meaningful contributions towards shaping a better future. To create a shared future with all our stakeholders and to build a sustainable enterprise, we focus on interventions across identified areas, with sustainability guiding our strategic decision-making.

SUSTAINABILITY TARGETS AND PROGRESS

2025			
Targets	500% Water Positive Facilities	100% Zero Waste to Neutral by 2025	
Status as of FY 2021-22	399% Water Positive Facilities	6 out of 8 Plants ZWL* Certified with 99%+ Diversion Rates Certified through Third Party Audit	
2030			
Targets	Carbon Footprint from Operations 100% Neutral	Product Recyclability 100%	Green Dealership 100%

*ZWL - Zero Waste to Landfill



HMCL
Colombia
Plant

SUSTAINABLE DEVELOPMENT GOALS (SDGS) ADOPTED



AIMING HIGH, ALWAYS

We received a prestigious recognition for our efforts in sustainability, coupled with our approach of maintaining strong and transparent communication with our stakeholders.



Dow Jones
Sustainability Indexes

2X-DOW JONES SUSTAINABILITY INDEX

EMERGING MARKETS INDEX MEMBER SINCE 2020 – ONLY MOTORCYCLE & SCOOTER COMPANY TO RECEIVE IT TWO YEARS IN A ROW



2X-LEADING PERFORMER IN SUSTAINALYTICS

FOR LOW ESG RISK SINCE 2020



'A' RATED

IN MORGAN STANLEY CAPITAL INTERNATIONAL (MSCI) ON ESG

Institutional Investor

BEST RATED CEO, CFO, INVESTOR RELATIONS & SUSTAINABILITY TEAMS BY INSTITUTIONAL INVESTOR INDEPENDENT PUBLICATION



ABOVE GLOBAL AUTO AVERAGE IN ESG RATINGS

GLOBAL SUSTAINABILITY FUND

On March 3, 2022, Dr. Pawan Munjal, our Chairman and CEO, announced a \$100 million Global Sustainability Fund. The fund will aim to establish global partnerships, spearheaded by the BML Munjal University (BMU) and Hero MotoCorp, with the objective of nurturing 10,000+ entrepreneurs on ESG solutions that have a positive impact on the planet. With a focus on sustainability, and the idea of a flourishing, meaningful world for future generations, Dr. Munjal highlighted targeted action-points for bringing his vision to life.

PROPELLING SUSTAINABLE OPERATIONS

We strive to contribute positively towards our natural capital, by constantly improving our products and processes.



LOCATION WISE ACHIEVEMENTS

ENERGY

17% REDUCTION IN ENERGY CONSUMPTION

- Our Dharuhera Plant has implemented several energy conservation projects like compressor efficiency improvement (KWh/CFM), resulting in the savings of 2,500 units per day. This is in addition to multiple other initiatives for reducing energy loss, power saving circuits, occupancy sensors, energy efficient lighting, etc., leading to an overall savings of 10,000 units per day.
- The Gurugram plant implemented a unique real time system for controlling and monitoring comfort cooling load, resulting in savings of 4,500 units per day. Other initiatives include ETP pump optimisations, which leads to savings of 79,000 units per year.
- The Haridwar plant has achieved energy efficiency by adopting process optimisation and energy efficient equipment, resulting in annual savings of 9 lakh units.
- The Neemrana plant has undertaken process optimisation and improvements in compressed generation, Variable Frequency Drive (VFD) optimisation and management, resulting in an annual savings of 2,930 units per day.

- The Halol plant has implemented a project for the improvement of the comfort cooling system, hot water generator operation optimisation, and compressed air system, resulting in savings of 4,600 units per day.
- The newly commissioned plant at Chittoor has implemented a unique, smart utilities cockpit concept for real-time monitoring and control of all utilities.
- The CIT adopted loss elimination techniques and technology improvement in the R&D equipment, centralised air handling systems, and adiabatic pad installation, resulting in an annual savings of 1.5 lakh units.
- Solar footprint increased to 11.2 MW with the potential generation of 12 million units annually.
- A team of energy managers and auditors across the operations steered the energy and climate change agenda with the support of cross-functional teams that implement these action plans.

FUTURE FOCUS AREA

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



HMCL
Haridwar
Plant

Solar footprint increased to 11.2 MW with the potential generation of 12 million units annually

WATER

10% REDUCTION IN WATER CONSUMPTION

- We have large-scale rainwater harvesting projects in place, which ensure water recovery, recycling and recharge of ground water. To prevent water pollution, we have also invested in an effluent treatment plant, which is capable of treating waste water that contains degreasing chemicals of acidic/alkaline nature, plating waste, heavy metals and waste oil that is generated out of processes. The waste water is either being re-used in general activities or recycled back to processes with the help of the reverse osmosis process and multi-effect evaporators, thereby dramatically reducing the need for fresh water.

FUTURE FOCUS AREA

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

WASTE

- 8% Reduction in waste generation.
- We have adopted a responsible approach of Extended Producer Responsibility (EPR) for the treatment or disposal of post-consumer plastics that goes with our products and parts. We are proactively working to take back the equivalent quantity of post-consumer plastic waste put in the market through the sales of our products and parts. We have appointed a waste management company that is executing the EPR Action Plan across the country. The collection and disposal of plastic waste across states is done in a geographically neutral way, with the Central Pollution Control Board registered as a brand owner.

FUTURE FOCUS AREA

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



HMCL Niloy
Bangladesh Plant

EMPOWERING OUR HUMAN ASSETS

Driven by our values and vision, our associates play a pivotal role in driving the growth story. We strive to be the preferred choice of our associates, and our policies and processes are accordingly keeping pace to remain relevant in such fast-changing times.



Frame assembly

28,955
Associates

94.4 %
Retention Rate

1,060
New Associates Hired
Including 128 Women
Associates

DIVERSITY AND INCLUSION

Over the past few years, we have taken multiple initiatives to increase women's participation in our offices and shop floors. As we continue working on breaking gender biases, we strive to be a more equitable and inclusive workplace.

Initiatives Undertaken in FY 2021-22

- Organised socialisation/sensitisation workshops at multiple locations for associates with disabilities, to create awareness and identify specific roles where they can thrive and grow as professionals.
- Introduced Transgender Equal Opportunity Policy to promote the philosophy of an equitable organisation. We have also revised our Prevention of Sexual Harassment (POSH) policy at workplace to be gender agnostic and also overhauled all our internal policies to be gender neutral.
- Focused on increasing participation of women across the organisation, starting from the Board and all key leadership positions to the shop floor.
- Pledged support to the UN-WEPs (Women's Empowerment Principles)
 - Principle 1: Establish high-level corporate leadership for gender equality
 - Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination
 - Principle 3: Ensure the health, safety and well-being of all women and men associates
- Won the ET Best Workplaces for Women award for FY 2021-22





THE GREEN SHOOTS

3X

Growth in Women at Board Level

2X

Growth in Women in Senior Management Roles

83%

Returning Mothers Continue to Work with Us

70%

Increase in Expats (by Nationality)

48%

WIL Engagement Ladies Transitioned into Leading Roles

45%

Growth in Women Deployed on Shop Floor

40%

Increase in specially-abled professionals

9%

Campus Recruits (women) growing into Middle Management Roles

Read more on our strategy to increase female participation in our workforce at: https://jobs.heromotocorp.com/content/Diversity-and-Inclusion/?locale=en_GB

TRAINING AND DEVELOPMENT

The Company is consistently investing in training programmes, on-the-job learning and special projects to bridge identified gaps and generate future ready talent.

- As an ongoing process we keep training associates on new technologies and processes, such as Industry 4.0, BS-VI and EVs. We are fostering the growth of subject matter experts (SME), who can establish and implement futuristic systems/processes, and already have 58 SMEs with both GI and Kaizen skills. We also encourage the development of highly skilled cell level 'Meister Operators,' who can understand the relationship between machinery and quality, foresee and detect the quality problems, and provide innovative solutions. Apart from this, we are also creating a 'future ready maintenance crew,' that will aid in adopting changes in global technologies.
- We are providing training to educate operators in making them equipment competent, process competent, and Meister Operators. Our TPM Training School in Gurukul and Jishu Hozen (JH) and General Inspection Training Gyms at plants are aiding a quick turnaround of skilled workforce. We have also standardised the Internal Trainer system to impart training contents through LMS, helping to develop self-managed team members.
- Our Hero Virtual Learning Centre (HVLC) continues to cater to the asynchronous learning needs of associates through Skillsoft (Percipio) and Virtual Learning Management System (VLMS) for behavioural and technical training, respectively. Over the past two years, we have launched four learning initiatives – #LearnAtHome, #LearningPremierLeague, #LearningNeverStops and #LearnWithLeaders, and have given out 3 lakh+ certifications. In our latest drive #LearnWithLeaders, our leadership team shares its learning playlist of the month (a list of four themes), helping associates enhance their skill capabilities.

30,238

Associate Participation

9,76,701

Hours of Training Imparted

58

SME in GI and Kaizen

1151

Meister Operators

Our aim is to move towards becoming a learning organisation. Our homegrown Hero Talent Academy will focus in consolidating all training programmes under one roof in order to build critical skills across the organisation.

DEVELOPING FUTURE LEADERS

- We have a structured approach towards leadership development across the organisation. The first two tiers focus on learning interventions for individual contributors, and managers are primarily driven through the outcome of Performance Appraisal & Competency Evaluation (PACE). Major interventions for Tier 3 and 4 are driven through 9-box talent categorisation, Tier 3 focuses on programmes to develop overall managerial capabilities for managers and Tier 4 focuses on leadership needs for managers of managers. Along with this, Tier 5 focuses on programmes for selected top leadership and is based on findings from Development centres/leadership assessment centres.
- In our journey to create a diversified leadership pipeline, we have successfully completed the fifth batch of the 'Women in Leadership (WIL)' programme. The nine-month-long programme has been designed to address and train women for the unique challenges faced by them in midle and junior level management roles.
- Hero Lead MBA, our executive MBA programme, specially designed for building capabilities of mid-level management, was launched in association with BML Munjal University. A weekend programme, powered by a range of high-quality career guidance partners, who help associates hone and develop key managerial skills.

75

NextGen
Leaders Trained

15

Budding WIL
Trained in the
5th Batch

18

Hero Lead MBA



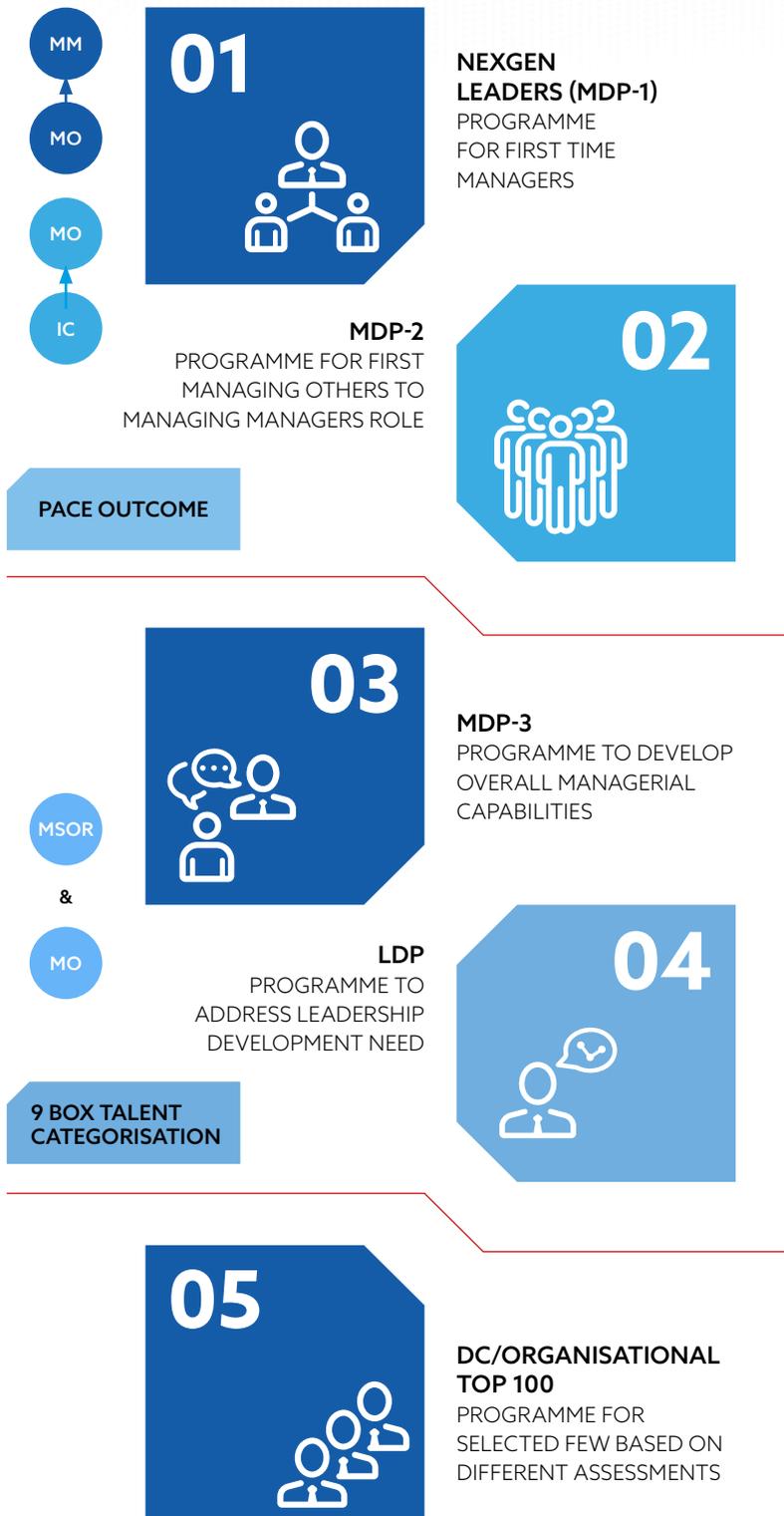


LEADERSHIP DEVELOPMENT FRAMEWORK

MDP: MANAGERIAL DEVELOPMENT PROGRAMME

LDP: LEADERSHIP DEVELOPMENT PROGRAMME

DC: DEVELOPMENT CENTRE



KEY INITIATIVES

As we grow, expanding our portfolio and presence, it's necessary we make some gradual fundamental changes in our organisational structure and culture. We will be taking multiple initiatives over the next couple of years to further strengthen our human capital.

- Embed diversity, equity and inclusion into the fabric of the enterprise with a more holistic view.
- Focus on further strengthening our succession planning through a well-structured talent review process for creating a robust leadership pipeline.
- Conceptualise and deploy a hybrid and flexible working model across the organisation, increasing efficiency and associate wellbeing.
- Consolidate all learning and training programmes, for seamless and ease of skills development under the single roof of **Hero Talent Academy**.
- Complete the implementation of HR Analytics road-map, for data-driven informed decisions, improving workforce processes and overall associate experience.

IC: INDIVIDUAL CONTRIBUTOR • MO: MANAGING OTHERS • MM: MANAGING MANAGERS
• MSOR: MANAGING STRATEGIES & ORGANISATION RESOURCES

Read more about our associate engagement initiatives and COVID-19 support on page 79 of this report.

TOGETHER FOR AN EQUITABLE WORLD



At Hero MotoCorp, contributing meaningfully towards the overall wellbeing of the society is a way of life, stemming from the resolute commitment of the organization to make the world Greener, Safer and Equitable.

Under its Corporate Social Responsibility (CSR) umbrella platform - 'Hero We Care' - we are continuously engaged in multiple community outreach programs, ranging from protection of biodiversity, supporting healthcare, education and sports to promoting road safety and adopting Covid-19 affected families across multiple sates.



ARAVALI BIODIVERSITY PARK - NURTURING AND PROTECTION OF BIODIVERSITY

The Aravali Biodiversity Park in Gurugram, Haryana has been declared by the Union Ministry of Environment, Forest and Climate Change (Govt. of India) as the country's first "other effective area-based conservation measures" (OECM) site.

Hero MotoCorp has adopted this park with the objective of conservation, restoration and protection of biodiversity.

The International Union for Conservation of Nature (IUCN) gives the OECM tag to those areas that has achieved effective conservation of biodiversity outside protected areas like forests. Spread over 380 acres, the Aravali Biodiversity Park contains ecologically restored and semi-amid land vegetation. It has around 300 native plant species and over 180 species of birds.



HERO FOR HUMANITY

Supporting families who lost their family members during Covid-19

During the FY 2021-22, Hero MotoCorp launched a unique initiative to support the families going through financial hardships on account of bereavement due to Covid-19. Under the initiative "**Hero for Humanity**", the company supported more than **380** such families by providing them with essential services such as food security and nutrition along with education for their children. Currently over **85** women have become financially independent after attending vocational training and receiving financial support as part of this project

This project is currently undergoing in Uttarakhand, Haryana, Rajasthan, Gujarat & Andhra Pradesh.

Other Initiative during Covid-19

- **Vaccination of 7042** beneficiaries including 2000 specially abled individuals
- Supported **900** Covid Beds in Hospitals across Haryana, Delhi, Gujarat, Rajasthan, Uttarakhand and Andhra Pradesh
- **Handed over 13** advanced life support ambulances to the Chief Minister of Uttarakhand for strengthening the health infrastructure across the state



BE A ROAD HERO 3.0

As a part of the ongoing efforts of Hero to make the roads of India a safer place for vehicle occupants and pedestrians, the Company launched the third edition of "**Be A Road Hero**" campaign to spread road safety awareness through print, radio, digital and social media.

- "Be a Road Hero **3.0** campaign" launched in partnership with HT Media
- Around **2,85,000** individuals have taken the pledge to follow traffic guidelines and make roads safer for all users.

ON THE ROAD, SWITCH ON THE RIDER MODE.
Be a hero, don't use your phone while riding.

#BeARoadHero

NO CALLS
NO MESSAGES
NO SELFIES
RIDER MODE: ON

Hero We Care
A Hero MotoCorp CSR INITIATIVE

BE A ROAD HERO 3.0

HT City

Be a Good Samaritan and save a life

Don't be afraid to help out a road accident victim and become a Road Hero. The law is there to protect you

As per the recent Health Ombudsman (NHC), road accidents are the leading cause of death in India. They are the first point of contact for the injured and help by calling for an ambulance, providing first aid or even taking the injured to the nearest hospital.

Most two-wheeler accidents, which result in thousands of lives on the road each year, are preventable. According to the Law Commission of India, every

pledged to save the lives of road accident victims and had received thousands of letters to the hospital over the last three decades.

Along the way, road law received many commendation certificates and a reward from the police. He was also the recipient of a national award for road safety given by the Union Minister of Road Transport and Highways in 2012. "Most people don't come forward to help in accident cases, not because they are

Kumar lost a dear friend three days before that lot of Medhans in Bihar, K.K. Thakur, in a road accident in Noida. They were riding a bike without a helmet and without serious injuries.

Since then, he has been distributing free helmets in memory of his friend. He has already distributed more than 22,000 helmets in Delhi, Bihar, Jharkhand, Uttar Pradesh, Madhya Pradesh, Rajasthan, Haryana, West Bengal and Himachal Pradesh.

ROAD SAFETY AWARENESS PROGRAMME THROUGH HERO TRAFFIC TRAINING PARK

- 1.5 lakh participants have been imparted road safety awareness training through 1795 programs held at our traffic training parks in Lucknow, Hyderabad, Gurugram, Delhi and Nagpur

HERO SALUTES HEROES OF THE NATION

Mobility Support in Partnership with Directorate of Indian Army Veterans (DIAV)

Saluting the exemplary grit and determination of Indian Army veterans, Hero MotoCorp is partnering with the Directorate of Indian Army Veterans (DIAV), to provide mobility support to the soldiers who were disabled while in service.

The retro-fitted Hero Destini 125 scooters are supported by two auxiliary wheels in the rear - which have been customised to provide a safe and convenient riding experience. The Company has already handed over these scooters to the soldiers of Indian Army across Gujarat, Delhi-NCR, Andhra Pradesh, Tamil Nadu, Punjab, Haryana, Uttar Pradesh, Jammu & Kashmir, Karnataka, Bihar, Maharashtra, Uttarakhand, Jharkhand, Himachal Pradesh, Assam and Kerala.

Other Initiatives

Hero has partnered with the police, forest and healthcare authorities across the country by providing them mobility support.

As part of the ongoing initiatives more than 3,800 Hero Motorcycles and Scooters were handed over to the authorities across 15 states.



COMMUNITY DEVELOPMENT

- Supporting 12 Associates of Chief Minister Good Governance program in Haryana on for various initiatives like convergence of government schemes, education, women empowerment etc

PROMOTING PREVENTIVE HEALTH CARE

- 43,037 beneficiaries were treated through 10 Mobile Medical Vans operating in Dharuhera, Jaipur, Haridwar, Sri-City Chittoor, Halol, Neemrana, Rewari, Delhi and Dehradun
- 5,710 patients benefitted by their eye check-up at satellite vision centres in Delhi and Dharuhera operated by Dr RP Centre-AIIMS.
- 208 patients underwent cataract surgery at RP Centre, AIIMS absolutely free of cost.





SUPPORTING SELF HELP GROUPS (SHG)

- More than 80 new women have been brought in to SHG program at Halol, Gujarat taking the aggregated numbers to 885 with 87 SHGs

EDUCATION SUPPORT

- 3197 students studying in government schools from rural areas are being supported for remedial education through 141 Asha Centres in Dharuhera, Neemrana, Jaipur and Haridwar
- More than 650 students benefited from infrastructure development work in Govt. Sr. Secondary school, Jaipur
- 1,479 students of Raman Munjal Vidya Mandir School were benefited through the support extended by Hero We Care
- 444 students benefited through University scholarship programs

SKILL DEVELOPMENT

- Partnering with Automotive Skills Development Council (ASDC) for upskilling two wheeler market technicians. ASDC is a professional body that seeks to bridge the skilling gap by providing skilling, upskilling and re-skilling opportunities to the Indian workforce in the Indian automotive sector
- More than 5800 technicians were trained on Fuel Injection technology in BS VI two wheelers across 33 cities/town in partnership with ASDC
- Additionally, more than 100 technicians completed a three month two wheeler training course through other Skill Development Centers supported by Hero MotoCorp



GARNERING HONOURS AND APPRECIATION

SOME OF THE KEY RECOGNITIONS RECEIVED DURING THE YEAR



HARLEY DAVIDSON PAN AMERICA 1250 S



ENVIRONMENT

★
Haridwar and Halol Plants
Certified as ZWL Facilities

★
Gurugram Plant
Winner in 'Within the Fence,' for Water Conservation Initiatives

★
Halol Plant Achieved Energy Management System
ISO 50001:2018 Certification

★
Neemrana Plant
Awarded by CII 'Most Innovative Environmental Project'



HUMAN RESOURCES



Economic Times recognition for 'Best Workplaces for Women 2021'



Neemrana Plant Awarded the State Safety Award 2021 in the Rajasthan Factory Safety Award Outline 2021

CSR



- Certificate of Appreciation from **Hon. Governor of Haryana, Shri Bandaru Dattareya**, for valuable contribution in combating the COVID-19 pandemic
- Letter of Appreciation from the Office of the Medical Director, **Lok Nayak Jai Prakash Narayan Hospital, Delhi**, for support in establishing a 50-bed dedicated COVID-19 ward
- Letter of Appreciation from **Janakpuri Super Speciality Hospital, Delhi** for support in establishing a 50-bed dedicated COVID-19 ward, including 20 ICU beds
- Certificate of Appreciation from **Republic Day CSR Awards** for COVID-19 relief initiatives in Haryana
- Commended by the **Economic Times** as 'Best Workplace for Women 2021'
- Mahatma Award for CSR Excellence
- 'CSR Shining Star Award' from the **Governor of Maharashtra**

OPERATIONS



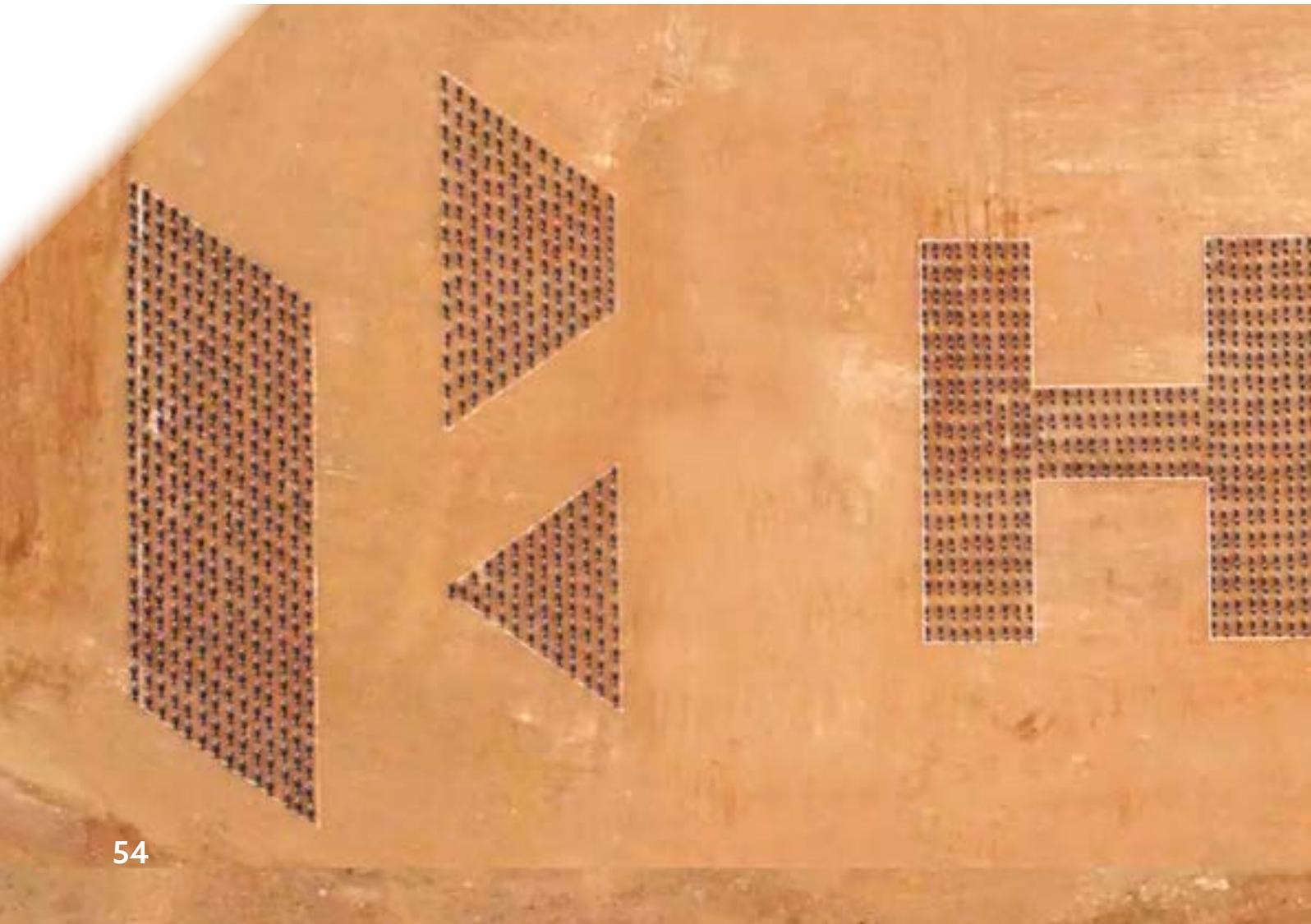
- Haryana Skill Development Mission felicitated **Dharuhera plant** in the state skills competition, 2021
- Certificate of Appreciation to **Dharuhera plant's Gurukul** for Best Placement from Automotive Skills Development Council of India
- Won 3 GOLD awards in 9th **CII National** Competition of **Gurugram plant**
- Recertification of Energy Management System ISO-50001:2018, ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 to **Gurugram and Haridwar plants**
- **CII National** Award for Excellence in Energy Management to **Haridwar plant**
- **Haridwar plant** certified for Food Safety Management System Certification (ISO 22000:2018) and also become the '**First Plant in HMCL**' to be certified for FSMS
- **CII national** safety practices competition 'Gold Award' bestowed on **Neemrana plant**
- **Neemrana plant** team emerged as Winner in Zero defect with Zero effect competition conducted by **CII**
- Certification for Productivity Improvement through TPS in VSME programme conducted by **CII to Neemrana plant**
- State Safety Award 2021 by **Government of Rajasthan for Parts business, Neemrana**
- Silver Medal in **CII National** Competition on Low-Cost Automation (LCA) to **Halol plant**
- **IMS recertification:** ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 to **Halol plant**

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

No one is safe until everyone is. This has been the cornerstone of the global concerted efforts to beat back the pandemic that has disrupted the 'normal' way of life for the past two years. However, as the world prepared to leave the worst behind, buoyed by the accelerating vaccination drive, the virus played truant, mutating and forcing governments to reimpose restrictions. The road to economic normalisation stretched, with supply chains staying in disarray, and high energy and commodity prices dampening sentiments. To make matters worse, Russia marched into Ukraine, threatening geopolitical stability and inviting large-scale economic sanctions that put the country's oil and gas off market and pushed up energy prices significantly. In India too, the story is no different with rising inflation weighing heavily on the fragile and divergent recovery.

At the same time, the pandemic has brought safety and sustainability at the core of future preparedness, creating a favourable demand environment for sustainable personal mobility. This bodes well for the two-wheeler industry, which had multiple external factors affecting growth, even before the world was hit by the pandemic. The semiconductor shortage and rising input costs due to continued supply chain disruptions compounded the challenges multi-fold. Despite this unfavourable external environment, Hero MotoCorp Limited (Hero) has remained the world's largest motorcycle and scooter company for more than two decades, with presence in over 40 countries across the globe. Our share in the Indian motorcycle market stands close to 50% on the back of our strong brand, wide product portfolio supported by our robust R&D, and well-entrenched distribution and service network. Our vision to 'Be the Future of Mobility' drives us to set





CIT Jaipur

'HERO DAY' – CELEBRATING 10 YEARS OF OUR SOLO RUN

Hero is committed to upholding the trust of 100 million+ customers across India and the world. On August 9, 2021, we celebrated the 10th year of our exhilarating solo journey by creating the world's largest motorcycle logo using 1,845 of India's most popular and iconic motorcycle, the Splendor+. Recognised by the Guinness World Records, the Hero logo was created at our facility in Chittoor, Andhra Pradesh. The 'Hero Day' became all the more special as we sold 1 lakh+ motorcycles and scooters for the first time in a single day during the non-festive season, a record for non-festive single day sales anywhere in the world. We also launched a global brand engagement programme, which brought together people from the entire ecosystem, from marketing to supply chain partners as well as associates in India to global operations and their families. It was our way of expressing gratitude to past and current customers, partners and associates for being part of Hero's success story.

new benchmarks. In March 2022, we launched a new brand 'Vida'-Powered by Hero and expect to unveil our first electric vehicle (EV) in the near future. We continue to strengthen our investments in emerging mobility solutions through our partnerships with Ather Energy and Gogoro, and have also collaborated with BPCL to build a vibrant two-wheeler charging ecosystem. At Hero, we are ready to build a sustainable future and capitalise on the emerging opportunities, backed by a strong team and focus on innovation.



Guinness world record for largest motorcycles logo created using 1,845 Splendor+ motorcycles

GLOBAL ECONOMY

The world economy grew by 6.1%¹ in FY 2021-22, posting one of the strongest post-recession recoveries in decades, as vaccination coverage gathered steam and pandemic-related restrictions eased. Private investments returned in response to a more robust demand, as governments and central banks of major economies maintained policy support.

¹<https://www.imf.org/en/Publications/WEO/weo-database/2022/April>





RECOVERY MODERATES AS GEOPOLITICAL TENSIONS, INFLATION WEIGH

The world economy grew by 6.1%¹ in FY 2021-22, posting one of the strongest post-recession recoveries in decades, as vaccination coverage gathered steam and pandemic-related restrictions eased. Private investments returned in response to a more robust demand, as governments and central banks of major economies maintained policy support.

Global trade improved progressively, surpassing pre-pandemic levels. The recovery was accompanied by an increase in inflation as commodity and energy prices shot up amid global supply chain disruptions. The prices increased further in the first quarter of FY 2021-22 on account of Russia-Ukraine crisis, and the subsequent imposition of economic sanctions.

In the United States, the services sector witnessed a strong rebound, though economic activity was slower in the second half of the year, due to rising inflation and supply chain issues. In western Europe, the recovery was delayed due to persisting waves of the pandemic, but as the opening became more widespread, consumer spending and demand picked up. The Eurozone grew by 5.3% in FY 2020-21, with growth forecast to moderate to 2.8% in FY 2021-22.

Latin America and the Caribbean (LAC) economies posted a solid recovery in FY 2020-21, growing by 6.8%. Growth was driven by robust trading with partners, higher commodity prices and favourable external financing conditions. On the domestic front, progress on vaccinations, continued fiscal support in some countries and accumulated savings from FY 2019-20 also supported growth.

Middle East and North Africa (MENA) rebounded with a growth of 5.8% in FY 2020-21. Demand increased in the region amid stronger investment growth and robust private spending. Growth in the region was also driven by higher oil production, as the Organization of the Petroleum Exporting Countries (OPEC) tapered output cuts, and a high price environment.

The Sub-Saharan Africa (SSA) grew by 4.5% in FY 2020-21. Recovery and vaccination remained varied in the region, depending on country-specific factors. The overall rebound was fuelled by elevated commodity prices, a relaxation of stringent pandemic measures and a recovery in global trade.

OUTLOOK

The IMF projects the world economy to grow by 3.6% in FY 2021-22, supported by healthy demand, improving supply chain, softening of commodity prices and the kickstart of a strong capex cycle. Most major economies appear to have crossed their pre-pandemic output levels, but potential headwinds pose downside risks to growth forecasts.

There are three major immediate risks – accelerating inflation, supply chain uncertainties, and newer COVID variants. Soaring inflation has been a concern for monetary authorities worldwide for some time now. Retail inflation has risen since H2 FY21 in almost every major economy. With crude prices hovering in triple digits, persistent supply disruptions and intensifying geopolitical tensions, inflation could remain elevated in the near term. The US Federal Reserve has already started tightening liquidity, and monetary authorities elsewhere are preparing to walk the tightrope of reining in inflation without dampening the fragile economic recovery. Geopolitics, once again, has exposed the supply-chain vulnerabilities worldwide, and a protracted divide especially within the G20 could increase the risk of stagflation. The third risk, albeit implicit, revolves around the possible emergence of newer COVID-19 variants and other viruses, with China struggling to contain the worst outbreak since Wuhan.

WORLD GDP GROWTH

Region	GDP Growth Rate		
	2020	2021 (F)	2022 (F)
World Output	-3.1	6.1	3.6
Advanced Economies	-4.5	5.2	3.3
United States	-3.4	5.7	3.7
Euro Area	-6.4	5.3	2.8
Japan	-4.5	1.6	2.4
United Kingdom	-9.3	7.4	3.7
Emerging Market and Developing Economies	-2.0	6.8	3.8
Emerging and Developing Asia	-0.8	7.3	5.4
China	2.2	8.1	4.4
India	-6.6	8.9	8.2
ASEAN-5	-3.4	3.4	5.3
Russia	-2.7	4.7	-8.5

Source: World Economic Outlook, April 2022



Robotic weld Shop

INDIAN ECONOMY

STRUCTURAL GROWTH DRIVERS INTACT; INFLATION AN OVERHANG

As per National Statistical Office's Second Advanced Estimates, India's real GDP is expected to grow by 8.9%² in FY 2021-22, bouncing back from a contraction in FY 2020-21. Although the recovery was hampered by the much severe second wave of the pandemic in early FY 2021-22, it picked up momentum as the infection curve started to flatten and restrictions got lifted in a phased manner. When the third wave arrived in January 2022, the country was much better prepared compared to the previous waves.

The pandemic has triggered certain structural changes within the economy, which may impact the viability and future prospects of businesses. Formalisation has risen significantly over the course of years; further accelerating in the past two years since the onset of the pandemic. Digitisation is scaling new peaks and forms, impacting various functions of business – from marketing, production to customer delivery. Further, the principle of sustainable development is gaining wide acceptance and appreciation by multiple stakeholders – public agencies, private corporations, customers, etc.

Growth in FY 2021-22 was on account of increased exports, capital expenditure in infrastructure and higher industrial activity. The recovery was not broad-based as private consumption and contact-intensive services struggled to reach pre-COVID levels while rural demand lagged that of urban as the second wave hit the hinterland hard. However, improving consumer confidence from a highly successful vaccination drive and resilience of the economy to external shocks are positives. Further, favourable monsoon and higher agricultural production, along with increased support prices, are likely to improve rural demand.

Industry-wise real GVA (YoY%)	FY21	FY22
Agriculture, Forestry & Fishing	3.3	3.3
Mining & Quarrying	-8.6	12.6
Manufacturing	-0.6	10.5
Electricity, Gas, Water Supply & Other Utility Services	-3.6	7.8
Construction	-7.3	10
Trade, Hotels, Transport, Communication	-20.2	11.6
Financial, Real Estate & Professional Services	2.2	4.3
Public Administration, Defense & Other Services	-5.5	12.5
Gross Value Added (GVA)	-4.8	8.3

²<https://www.mospi.gov.in/documents/213904/416359//PRESS%20NOTE%20SAE%2028-02-2022M1646051035697.pdf/f0035128-6098-8329-3e7b-6d7df22e8b2d>



OUTLOOK

The RBI expects real GDP to grow by 7.2% in FY 2022-23, though rising inflation poses downside risks to the forecast. The country is not immune from the three major global downside risks. Rapid and comprehensive vaccination of the entire population continues to be the key to negating the impact of the virus. This will aid in improving sentiment and enabling consumption growth. The long-term structural growth drivers remain intact, boosted by continued reforms, increased capital spending, and higher private investments.

INDUSTRY OVERVIEW

The global two-wheeler market recorded a CAGR of 1.5% from 2012 to 2021, led by robust demand in developing and underdeveloped economies, despite higher cost of ownership due to increasingly stringent emission norms and pandemic-related disruptions. Demand for two-wheelers bounced back after the easing of lockdown restrictions across major markets, the need for safe personal mobility solutions took centre-stage, and adherence to social distancing norms called for avoiding public and shared mobility.



In hindsight, the pandemic may be a long-term positive, for the two-wheeler industry, as customers revel in owning two-wheelers for personal mobility, even in countries with advanced and high-quality public transportation system.

OUTLOOK

Demand for personal and sustainable mobility solutions continue to keep the global two-wheeler market buoyant. The expected softening in commodity prices and normalising semiconductor availability will aid in meeting the demand. In the long term, the market is expected to benefit from tailwinds such as superior technology, higher fuel efficiency, better drive experience and lower environmental impact.



INDIAN TWO-WHEELER INDUSTRY

RESILIENCE ALONG THE WAY

The past few years have been a bit challenging for the two-wheeler industry with multiple headwinds impacting demand. With the increased thrust of the Indian Government towards capital expenditure and infrastructure development, the two-wheeler industry is expected to witness an impetus especially considering the industry status. The two-wheeler industry has strong medium- to long-term potential owing to resilient fundamentals globally and in India. In addition to being a means of transport for short to medium distances and providing end to end connectivity, even amid less than adequate public infrastructure, two-wheelers have also become an income enabler for many, especially in the developing and emerging markets.



The Indian two-wheeler industry from having an adoptive stance on emission norms in FY 2016-17, to leading lower emission norms with the adoption of BSVI norms in FY 2020-21 has come a long way. It has also adopted broader insurance coverage in FY 2018-19, aligning to the global norms and stringent braking requirements in FY 2019-20, for uncompromising safety regulations.

In addition to industry specific challenges and changing dynamics, the industry was also impacted by broader concerns due to macro-factors such as demonetisation in FY 2016-17, GST adoption in FY2017-18 (with the industry not receiving favourable status), the NBFC crises in FY2018-19 and the more recent COVID-19 related sentiment. These multiple demand challenges have led to relatively lower volumes over the past few years.

Recently these have been further aggravated by supply uncertainties and commodity inflation. The surge in prices of key commodities like crude steel, aluminium, nickel, etc. resulted in further pressure on margins. In India, the rural distress caused by the second wave, uneven monsoon and rising cost of ownership due to soaring fuel prices impacted demand.



Engine assembly





Frame assembly
Halol plant



TWO-WHEELER INDUSTRY SYNOPSIS

Major Headwinds in FY 2021-22

- Income uncertainties, caused by job losses, pay cuts or limited increments
- Moderated agri-sentiments caused by uneven monsoon and delayed harvesting across regions impacted rural demand
- Delay in reopening of schools and colleges, and extended work-from-home policies
- Increasing raw material prices and supply chain challenges
- Rise in cost of ownership with increasing fuel prices
- Financiers' caution – limiting financing availability in select segments
- Semi-conductor related shortage caused supply constraints

Major Tailwinds

- Overall economic recovery and consumption rebound
- Opening up of educational institutions, workplaces, etc. (subject to resurgent variants of COVID-19)
- Pivot towards personal mobility from shared mobility in the post-pandemic world
- Drive to move towards premium product segments
- Increased demand from global markets



The pandemic has provided an impetus to personal mobility, with people preferring owned mobility over shared mobility due to safety and hygiene concerns. The year saw demand coming back in a robust manner on multiple festive occasions, such as Rath Yatra, Eid, and Guru Purnima, reinforcing the resilient nature of the demand and the unscathed long-term potential of the industry.

India continues to be an attractive market for two-wheelers given its large middle- and low-income population and subpar penetration of motorcycles and scooters at ~110 per 1,000 people vs. ~240 in Southeast Asian countries. Two-wheelers have emerged as reliable mobility solutions for faster and easier commuting. Motorcycles account for close to two-third of the overall market with scooters and mopeds accounting for majority of the rest. EV scooters, which accounted for just 0.3% in 2021, are gaining traction.

HIGHEST EVER SALES IN GLOBAL BUSINESS (GB)

The Indian two-wheeler industry achieved its highest ever exports, with increased demand from African and Latin American (LATAM) regions. This speaks volumes about the growing appeal of Indian two-wheelers, for their quality, cost and performance leadership.





Dispatch storage area

GROWING IN GLOBAL MARKETS

Our strategic focus on expanding our geographic presence enabled us to maximise on the demand for Indian made two-wheelers in the global markets. Our volumes in GB grew by 57% and we recorded the highest ever volumes in the month of March 2022 at 34,390 units.



Outlook

As the economy returns to normalcy, the need for mobility is gathering pace once again. The next fiscal is expected to be a year of rebound for the industry. A sustained recovery in the economy, corroborated by multiple macroeconomic indicators viz. consumer confidence, consumption pickup, air congestion, Goods and Services Tax (GST) collections, all point towards an optimistic scenario. As we further move up the curve with Gross Domestic Product (GDP) growth and the positive sentiment returns, the industry is expected to make a double-digit volume recovery.

Digitisation of the economy and higher finance penetration will play a pivotal role in shaping the face of the industry in the years to come. Various online end-to-end marketing and sales campaigns have already started to take root, ranging from e-visit of showrooms to contactless deliveries, with the industry moving towards a phygital model.

STRATEGIC PROGRESS

In line with our mission and vision, we strive to redefine mobility by adopting best practices and setting industry benchmarks. During the year, we made steady progress on our strategic priorities.





ENHANCED PRODUCT PORTFOLIO

We continue to focus on expanding our portfolio across all segments to cater to the continuously evolving and competitive market dynamics. While we maintain our leadership in the mass market or commuter segment, we are gaining share in the other segments. We are continuously launching premium variants with enhanced features of our existing products in addition to launching newer models, thus providing consumers with wider choices.

PREMIUMISATION OF PRODUCT CATEGORY



HF



Splendor



Passion



Glamour

COLLABORATION

We have entered into multiple partnerships in recent years to expand our offerings and derive synergistic benefits, as well as drive portfolio premiumisation. In 2016, we invested in Ather Energy with an eye on the nascent electric mobility space. Our partnership with Gogoro Inc., entered in 2021, is aimed at bringing swappable battery technology to India. To set up charging infrastructure across the country, we recently tied up with Bharat Petroleum Corporation Limited (BPCL). These partnerships would play a pivotal role in driving EV adoption in the country. Further, we are building on our collaboration with Harley-Davidson to strategically augment our premium portfolio.

EV



Ather Energy



BPCL



Gogoro Inc.

PREMIUMISATION



Harley Davidson



MagnetiMarelli

GLOBAL EXPANSION



Grupo Salinas



Nitol Niloy

FINANCE



Hero FinCorp

TWO-WHEELER ELECTRIC VEHICLES

The two-wheeler EV market is evolving in India, growing at a fast pace driven by favourable government policies, such as lower goods and services tax (GST) and permit exemptions, developing charging infrastructure and lower running cost per km. The electric two-wheeler penetration stood at 1.9% during FY 2021-22 vs 1.0% in FY 2020-21. EV sales are expected to gain momentum going forward. Favourable Government policies driving EV adoption:

- ₹10,000 crore subsidy under FAME-II for one million two-wheeler EVs
- Production-linked incentive (PLI) schemes in the auto segment focus on EVs and other alternative energy technologies with an outlay of ₹25,938 crore to promote the manufacturing of battery and hydrogen fuel cell vehicles
- PLI schemes for advanced chemistry cells with an outlay of ₹18,100 crore to boost local battery cell production and to reduce the cost of batteries
- The proposed formulation of a battery-swapping policy along with the formalisation of interoperability standards for public charging
- The plan to create special mobility zones for EVs, which are already in place in other regions like China and Europe
- The inclusion of energy storage systems in the harmonised list of infrastructure will facilitate easier credit availability and cheaper financing

CAPITALISING ON THE OPPORTUNITY

We have been making significant investments in the electric mobility space for a long time. Our R&D team has developed a state-of-the-art technology, and we will soon be launching our first electric scooter under our new EV brand 'Vida'-Powered by Hero. We are building a strong product line-up to be launched over the next few years, and are also strengthening our teams to support the expansion.

We are also building on our collaborations and have made further investments in Ather Energy and Gogoro, partnered with BPCL to build a strong ecosystem.



New Hero 2.0 dealership, New Delhi

DIGITISATION

The COVID-19 pandemic has inevitably accelerated the pace of digitisation. We revamped our e-shop portal and virtual showrooms to offer a 360-degree shopping experience to the consumers in the midst of the pandemic-induced curbs. We are also using Augmented Reality (AR) technology to enable customers to explore, configure and experience our products from the comfort of their homes. This increased thrust on digital technologies has led to an increased number of enquiries through our virtual platforms, and we expect the trend to gather momentum going forward.





MARGIN RESILIENCE

Despite the demand softness, we have maintained our margins through efficient utilisation of resources, cost optimisation and calibrated pass-through of higher input costs to end users. Our cost-saving initiative, LEAP, held us in good stead. Further, our focus driving premiumisation in the portfolio mix and the robust parts, accessories and merchandise (PAM) businesses aided margins.



National Dealer
Conclave, FY 2021-22

CAPITALISING ON EMERGING TRENDS

Global warming and climate change issues are increasingly assuming centre stage, resulting in heightened interest in alternative fuel and green mobility. In line with our commitment to a sustainable and greener future, we are ready to unveil our first electric scooter in near future, under 'Vida', which means life in Spanish. We also aim to be 500% water positive and have Zero Waste to Landfill by 2025, and achieve carbon neutrality by 2030.

OPERATIONAL HIGHLIGHTS

Over the years, we have adopted best-in-class operational practices and multiple cost-control measures. Our adaptive, flexible and agile systems and processes enable us to respond quickly to any rapidly changing external environment.

4.64 million Domestic Sales	0.3 million Global Business Sales	34.6% Domestic market share (Two-wheelers)	48.3% Domestic market share (Motorcycles)
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Segment-wise Performance - Domestic			
11,65,163	31,05,051	67,420	3,05,892
Entry Level Volumes	Deluxe Level Volumes	Premium Level Volumes	Scooter Volumes

 Please refer to page 16 of this report to read more about our performance across segments.

Global Business Gains Momentum

Our global expansion strategy is starting to show results, with sales recording robust growth despite multiple supply chain challenges and restrictions across countries due to the pandemic.

Highest Ever-monthly Global Business Sales in March 2022 at 34,390 Units

57% Growth over Last Year

 Please refer to page 28 of this report to read more about our performance across geographies.

Pre-owned Motorcycle and Scooter Business

We recently forayed into the pre-owned two-wheeler business under our brand 'Hero Sure – Powered by Wheels of Trust'. As a phygital business model, it leverages technology to offer seamless one-stop solutions to both buyers and sellers. For sellers, app-driven valuation is offered for the best resale value. For buyers, every vehicle is certified for quality, and assurance of durability through warranty, along with the

45 New Outlets Added, Total 130

provision of value-added services like finance and service packages, to meet the most important requirements of the buyer. With leadership in two-wheeler parc size on Indian streets, we are aggressively expanding our presence in the pre-owned two-wheeler segment.

Parts Accessories and Merchandise (PAM) Business

Our spare parts business continues to grow at a healthy pace. Our overall PAM business in FY 2021-22 grew 24% to ₹3,934 crore. This speaks volumes about the effectiveness of our growth strategy.

Key Strategies

Increasing the Depth and Breadth of PAM business

In FY 2021-22, we increased the breadth of our PAM business by:

- Appointing 44 new Hero Genuine Part Distributors (HGPDs), taking the total to 304
- Expanding our retailer base by 10% to ~39,000, focusing on untapped markets to maintain distribution consistency
- Increasing the bin size per retailer to 58, compared to 50 in FY 2020-21, and 36 in FY 2019-20
- Increasing retailer participation focusing on area-specific fast-moving stock-keeping units
- With an intent to be a one-stop solution to meet all non-vehicular needs of a Hero customer, new product ranges, including unstripped parts, tyres, and washing, polishing and cleaning consumables were added
- Launching new accessories with distinct value propositions, including pleasure graphics, night glow helmets, locks, homologated rally-kit, canvas edition bikes

Engaging the Influencer Community

- Constantly engaged with our Asli Heroes (global change) and also encouraged their participation in vaccination drives
- Provided training to 15,000+ Asli Heroes in the technical skills needed for BS6 vehicles as well as provided ~ 4,500 Asli Heroes with a free vehicle communication interface (VCI) tool to help them service and repair BS6 vehicles
- A unique initiative, Hero Happiness Score was launched to measure and enhance the after-market partners' experience

Driving Meritocracy

To build a culture of meritocracy, we initiated a balanced scorecard (BSC). Through BSC parameters, we intend to drive the lead indicators that will help achieve the set business objectives.

Our Overall PAM Business in FY 2021-22 Grew 24% to ₹3,934 crore



Paint shop line, HMCL
Colombia plant

Capacity Utilisation

Our capacity utilisation during the year, which was above the industry average, remained low due to the subdued market scenario and a fast-moving product line. For us, capacity utilisation is a derivative of a model mix and impacts utilisation levels from one product to another. Going forward, we will continue to have a more flexible manufacturing process, which will enable us to introduce new models seamlessly with minimal investments.

Cost-Saving Initiatives

We launched the LEAP to optimise our fixed costs and reduce our material costs, with a targeted ~50 bps of annual savings. After the successful implementation of LEAP, we rolled out with LEAP-II, doubling our cost saving target to ~100 bps. This year as commodity inflation and softer volumes continued to add pressure on costs, we undertook revenue generation projects as well through LEAP. In FY 2021-22, LEAP contributed ₹1,002 crore of savings and ₹454 crore of accruals to the bottom line. We will continue to build on the programme, focusing primarily on reducing logistics cost and on eliminating waste across the value chain through great engagement with supply chain partners. Other cost-saving initiatives include fixed cost optimisation across plants as well as finding alternative sources for dies/moulds, cost avoidance on the duplication of tooling and product design changes, or refurbishment of old tooling.

Quality Initiatives

We have adopted a multi-pronged approach on quality that has evolved from traditional product-based to enterprise-wide quality. We undertook various initiatives to inculcate this quality culture across the organisation.

Quality Champions: This initiative was rolled out in FY 2021-22 to onboard and engage champions from the different internal functions in our journey of Quality Excellence. Bringing functional expertise and innovative thinking to the mix, the champions have charted out

the organisation's strategy to establish enterprise-wide quality.

Hoshin Kanri: Through this comprehensive process, we want to create a horizontal, vertical and interlocking cascade of goals, projects and tasks within each function to ensure stakeholder alignment across the value chain.

Quality 4.0: This is a holistic, integrated, system-wide approach to managing quality results through digitalisation and data-driven analytics. Quality 4.0 aims to leverage information from existing and incoming processes, data and available technologies to ensure quality, increase performance and yield, reduce costs, and optimise supply chains by implementing analytical solutions that provide actionable insights in real-time. The programme is currently under development in close coordination with the IS teams and will soon be rolled out across the organisation.

Global Quality Town Hall: To mark World Quality Day, Hero organised a town hall with teams from across the world. A series of interactions between the leadership teams of Hero MotoCorp's global entities and their associates was a stimulating experience for every participant.

ACCREDITATION FROM THE NATIONAL ACCREDITATION BOARD FOR TESTING AND CALIBRATION LABORATORIES (NABL)

Our material testing labs and metrology labs received the NABL accreditation during the year in accordance with ISO/IEC 17025:2017: General Requirements for the Competence of Testing and Calibration Laboratories. This validates that our testing and calibration infrastructure and practices are on par with global standards.

BRANDING AND MARKETING INITIATIVES

BRANDING AND MARKETING INITIATIVES

We have a 360° outreach with presence across channels and our customers have built a strong association with our brands. In line with our premiumisation strategy, we are strategically focusing on the Gen Z and millennials of the country. We are consistently present at places where today's youth is and spread the word and appeal to the next generation. We do this by youth media partnerships, college activations and many other such events. Our premium segment customers also expect and appreciate the special experience throughout their journey with the brand. We continue to build and scale up our experiential marketing, differentiated experience and community building to drive our brand engagement further. During the year we took multiple initiatives to increase our brand association especially amongst the young Indians. These include:

- We recently launched a whole new range of merchandise for our premium segments. As we move forward, we will continue to focus on stepping up our game in accessories and merchandise with the very expansive range of offerings in this space.
- XPulse 200 4V was launched with an unboxing video featuring International Hero MotoSports Team rider, CS Santosh and National Hero Motosports Team riders, Sathyaraj and Yuvakumar. The key message behind the launch and the following communication and collaterals was - "The bikes we race are the bikes we sell". We also sponsored multiple racing events and focused on increasing appeal of bikes for women riders breaking gender bias.

- We signed nine-time national drag racing champion Hemanth Muddappa as a Brand Ambassador for the Hero Xtreme 160R. In addition to participating in bike shows and drag races, we also featured in multiple cultural fests of premium engineering colleges such as IIT Bombay, Kharagpur, Kanpur and Hyderabad. This enabled us to reach out to college students and engage with the youth to spread the word and appeal to the next generation.

CUSTOMER SERVICE INITIATIVES

We constantly strive to improve our customer service. During the year under review, we undertook new service and technology initiatives and extended existing ones to enhance customer experience.

Service Initiatives

- **Mega Service Carnival:** This activity aims to extend various benefits to new and existing customers and includes services and repair at special discounted prices in addition to special offers on the purchase of new vehicles. These were executed in August 2021, October 2021 and March 2022 and reached 9.12 lakh customers across 6,000+ service points.
- **Road-side Assistance:** This initiative aims to provide our customers with peace of mind, during the ownership period providing all required support. It includes on-the-spot repair services, a tow service to the nearest Hero MotoCorp workshop, fuel delivery in case of fuel run-out, flat tyre support,





battery jump-start, accident assistance and key retrieval support. The programme collaborates with Europe Assistance (NZ, WZ, EZ), and AWP (SZ, CZ) has 3.7 lakh customers enrolled in FY 2021-22.

- **Hero Joy Ride Programme:** Our customers continue to benefit from our service package under the Hero Joyride Programme. We reached a total of 48.36 lakh customers and currently 18.58 lakh are availing the benefits under the annual maintenance contract (AMC). By the end of FY 2021-22, we had 8.17 lakh customer

enrolments under the '3 service per year package' launched in February 2020. We also introduced a new '2 service per year package' in October 2021, which had 1.73 lakh enrolments by FY 2021-22.

- **Hero Happiness Score (Service):** Our Hero Happiness Score continues to improve along with our efforts to improve in-store customer satisfaction. The score is monitored monthly, and issues are addressed on priority for an exemplary customer experience.



Figures as on 31st March 2022 unless otherwise mentioned

- **Micro Dealer Extension Counters and Express Service Centres:** This initiative provides extended service reach for the benefit of customers, especially those in metros and urban towns. It is currently running in 34 towns across India.

Digital Initiatives

- A one-stop solution from service booking to feedback was launched in May 2021 to enable our customers to connect with us and get all their vehicular needs addressed.
- The We-Connect Smart CRM is an auto-calling software that connects with customers for service reminders, post-service follow-ups and other activities; a 3x productivity improvement has been realised since the implementation of the tool.

Initiatives at the Dealer End

We conducted the following training and development exercises to improve customer service:

- **Hero eXpert Learning App:** A complete digital learning solution providing technical standard operating procedure (SOP) documents for our dealers' technical staff's reference and self-learning.
- **Vehicle Communication Interface (VCI) Scanner:** Diagnostic Tool for Asli Heros were distributed to 4,800+ Asli Hero technicians to provide diagnostic tools at a competitive rate.

- **Asli Hero Technicians – Market Capability Enhancement Programme:** Training for 9,000+ private garage owners to ensure their service support readiness for vehicles reporting to their outlets.
- We are creating a talent pool for dealers by collaborating with the Automotive Skills Development Council (ASDC) for technical training and certification; the centre has an annual capacity for 20,000 certifications, and the services can be accessed from 200 centres across the country.



NETWORK EXPANSION

We have strengthened our network to improve our customer outreach. We expanded our network by adding super stockists, authorised representatives of dealers, Hero Sure network and HGPD.

528

Domestic
Network
Expansion

25

New
Dealers
Appointed

We proactively worked on studying, analysing and taking action to improve customer service through our dealerships. These initiatives have aided in increasing our customer service and volumes.

- We are working on updating our channel format and have christened the programme as Hero 2.0 VI. We are currently running a pilot project with seven dealerships to revise our dealer extension counter policy to ensure better representation.
- In line with our objective of improving our customer service, we are taking necessary course corrective initiatives. We are working on having an improved and structured review mechanism and implementing secondary network sanitisation project.
- We are working on strengthening our dealer, super stockist and HGPD selection process with a Balance Score Card (BSC) based initial scrutiny. We have also onboarded an external consultant to further help improve the process.

SUPPLY CHAIN MANAGEMENT

Today's supply chains are incredibly complex, involving diverse partners across multiple geographies in an intertwined global trade ecosystem. The current market volatility highlights the significance of a strong supply chain management process in the organisational success.

COLLABORATION WITH SUPPLY CHAIN PARTNERS

Given the restrictions on physical mobility for our teams, we continue to strengthen our relationships with our suppliers through online events. We held virtual tech shows in collaboration with industry experts to discuss the latest industry and technology trends. These sessions helped us discover innovative techniques, gain actionable insights and learn more about recognised best practices.

SUSTAINABILITY INITIATIVES

We are undertaking multiple initiatives to create a sustainable value chain. Our focus is on reducing environmental impact with an inclusive and equitable atmosphere for all stakeholders. Our Green Partner Development Programme (GPDP) and Sustainable Partner Development Programme are two flagship initiatives that contribute to the overall sustainability goals of the Company.



Please refer to page 42 of this report to read more about the initiatives undertaken for a sustainable value chain during the year. More detailed information is provided in our Sustainability Report.

PORTFOLIO EXPANSION

We strengthened our portfolio, especially in the premium motorcycle and the scooter segment. Our world-class R&D facility – Centre of Innovation and Technology (CIT), Jaipur and Technical Centre Germany (TCG), which is also home to Hero MotoSports – worked in close coordination to design and develop a new range to address the changing market dynamics.

PREMIUM SEGMENT

Xpulse 200 4V

Xpulse 200 4V, launched in October 2021, garnered positive reviews from across the communities with demand outpacing supply. The bike won many coveted awards in a short period:

- Car & Bike – Motorcycle of the Year
- Car & Bike – Adventure Motorcycle of the Year
- Top Gear – Best Adventure Bike under 300cc
- Autocar – Bike Variant of the Year
- Bike India – Variant of the Year



Xtreme 160 R Stealth Edition

We launched the new Stealth variant, Xtreme 160R, a fast-pick up bike. With the capability to hit top speeds in a short time, the bike is designed to tap the fast-growing drag racing segment. The bike has caught the attention of motorcycle enthusiasts.

Scooter Segment

In line with our strategy, we bolstered our core models through a technology-led premiumisation under the Xtec brand umbrella. First introduced in the Glamour Xtec 125 model, and later expanded to Pleasure+110, special edition of Glamour Canvas and the Super Splendor refreshed, the launches have been well received by customers. With features like Bluetooth

connectivity, turn-by-turn navigation, digi-analog meter, and integrated USB charger along with increased fuel efficiency, the models are setting new benchmark in the category.

Electric Vehicles

In line with our vision 'Be the Future of Mobility', we unveiled Vida - Powered by Hero, a brand-new identity for our emerging mobility solutions, including upcoming EVs.

 Please refer to page 36 of this report for more detail on our EV strategy.



FINANCIAL PERFORMANCE

Particulars (Amount in ₹ crore)	Year-ended	
	FY	FY
	2021-22	2020-21
Number of Motorcycles and Scooters Sold (in lakh)	49	58
Income		
(a) Revenue from Operations	29,245	30,801
(b) Other Income	557	580
Total Income	29,802	31,381
Expenses		
(a) Cost of Materials Consumed & Changes in Inventories	20,827	21,762
(b) Employee Benefits Expense	1,935	1,899
(c) Other Expenses	3,790	3,819
Total expenses	26,552	27,480
Profit Before Tax	3,250	3,900
Tax Expense	777	936
Profit After Tax	2,473	2,964
Other Comprehensive Income/ (expense) [net of tax]	(5)	(21)
Total Comprehensive Income	2,468	2,943
Earning Per Equity Share on Profit After Tax (face value ₹2/- each) [In ₹] - Basic	124	148

Sales volume declined by 14.8% during FY 2021-22, on account of disruption in business activity due to spread of the pandemic and consequent lockdowns in different parts of the country. Domestic demand also declined due to slow recovery of Indian economy and lower demand from rural part of India. Global business registered healthy growth of 57% as against Industry Growth of 36% in the year. While there has been a volume drop of 14.8%, decrease in Revenue from Operations was lower at 5%. The Revenues were supported by healthy Spare Parts business growth

of 24% and price increases during the year. The increased revenue thereby helped in offsetting volume drop y-o-y to a great extent.

The Material Cost as a percentage of Revenue increase to 71.2% (vs 70.7% FY 2020-21), largely attributable to a surge in commodity prices, partly offset by aggressive leap savings and judicious price increases. The employee cost has grown nominally by 1.9%, due to increase in counts and impact of annual increments.

Depreciation and Amortisation cost decreased by ₹27 crore. Lower depreciation is mainly attributable to discontinuation of old asset and amortisation of ROU. Finance Cost increased by ₹4 crore on account of change in lease liability and financial liabilities. Other expenses came down marginally by 0.2% during FY 2021-22 to ₹3,115 crore. Effective tax rate has marginally decreased by 0.1% (23.91% vs 24.0% in FY 2020-21) in current year.

MAJOR MOVEMENTS IN BALANCE SHEET FIGURES

Non-Current Assets increased by ₹391 crore (₹11,599 crore in FY 2021-22 vs ₹11,208 crore in FY 2020-21). Increase in assets is mainly on account of increase in investment by ₹506 crore which is partially offset by a decrease in fixed assets by ₹160 crore.

Current Assets decreased by ₹838 crore (₹10,115 crore in FY 2021-22 vs ₹ 10,953 crore in FY 2020-21) pursuant to decrease in investment (₹354 crore), Trade receivables (₹123 crore) and Inventories (₹347 crore), reflecting an overall lower volume of business in the last quarter of the fiscal.

RESEARCH AND DEVELOPMENT

Our robust R&D units contribute to our long-term strategy and vision to shape the future of mobility. We remain committed to investing in and strengthening our research capabilities and improving our products to enrich customer experiences.

 Please refer to page 38 of this report to read more about our progress in terms of innovation and technology during the year.

INFORMATION TECHNOLOGY

Over the last couple of years, we have focused on increasing adoption of digital platforms. We have strategically focused on leveraging industry leading digital technologies to improve our customer journey, identify opportunities at every step of the value chain, and enhance productivity and efficiency levels.

 Please refer to page 39 of this report to read more about our technology adoption.

SUSTAINABILITY INITIATIVES

We undertake multiple initiatives to minimise our environmental footprint and give back to the society at large. We announced a \$100 million Global Sustainability Fund to support global collaborations in pursuit of eco-friendly solutions. The fund spearheaded by the BML Munjal University (BMU) and Hero, aims to nurture 10,000+ entrepreneurs.

 Please refer to page 42 of this report for more. Detailed information about our sustainability initiatives is provided in our Sustainability Report.



Non-Current Liabilities marginally increased by ₹7 crore (₹859 crore in FY 2021-22 vs ₹852 crore in FY 2020-21).

Current Liabilities decreased by ₹1,038 crore (₹5,072 in FY 2021-22 crore vs ₹6,110 crore FY 2020-21). Mainly

attributable to decrease in trade payables by ₹944 crore because of lower production in the last quarter of the fiscal. Other Current liabilities and Provisions reduced by ₹74 crore mainly on account of decrease in deferred revenue & statutory liabilities level.

KEY FINANCIAL RATIOS

Particulars	FY 2021-22	FY 2020-21	Change (in %)	Remarks 2021-22
Debtors Turnover Ratio-times	12.13	15.04	-19.36%	Debtor turnover ratio decreased from 15.04 times in FY 2020-21 to 12.13 times in FY 2021-22 predominantly on account of decrease in revenues.
Inventory Turnover Ratio-times	16.07	16.99	-5.43%	There has been a marginal fall in the inventory turnover ratio from 16.99 times in FY 2020-21 to 16.07 times in FY 2021-22.
Interest Coverage Ratio	140.04	204.98	-31.68%	Fall in the interest coverage ratio is largely attributable to lower profits during the year.
Current Ratio-times	1.99	1.79	11.25%	The current ratio has improved from 1.79 to 1.99 due to proportionally larger fall in current liabilities.
Debt Equity Ratio	0.01	0.01	8.25%	Includes Lease Liability.
Operating Profit Margin-%	9.30%	10.85%	-14.32%	Operating profit margin for the year has declined from 10.85% to 9.30% on account of negative operating leverage and higher commodity inflation.
Net Profit Margin-%	8.30%	9.45%	-12.15%	Net profit margin decreased from 9.45% to 8.30% mainly attributable to negative operating leverage and higher commodity inflation.
Return on Net Worth-%	15.96%	20.21%	-21.00%	Consequent to the fall in the profits the Return on net worth has decreased by 4.24% (15.96% vs 20.21% FY 2020-21) during the year.

HUMAN RESOURCES

Our people are the key to our success. We strive to promote diversity and create an inclusive environment, and provide our associates training and career development opportunities, while focusing on their health and safety. We took multiple initiatives to increase associate engagement during the year under review.

 Please refer to page 44 of this report to read more about our people initiatives and policies. Detailed discussion is provided in our Sustainability Report.

PARTNERSHIP AND COLLABORATIONS

We have exclusive distribution agreement with the iconic motorcycle maker Harley-Davidson and investments in emerging mobility solution companies like Ather Energy. We also collaborate and partner with players in the ecosystem to strengthen our operations and infrastructure.

 Please refer to page 34 of this report for more information on key partnerships and collaborations.



EMPLOYEE ENGAGEMENT

We celebrated the spirit of oneness of Hero with our immediate and extended family through multiple engagement programmes during the year.

BRINGING OUR VALUES TO LIFE

Our values are our 'beacon of light' that show us the good path to success, visual depiction of these values increase association. In a bottom-up approach, 22,000+ associates participated in a global survey to select five colours to be associated with each of the values.

EXCELLERATOR CLUB PROGRAMME

The Excellerator Club was created five years ago with the aim to recognise and engage the highest rated associates. This year, the club members were felicitated with badges and certificates during a day-long experiential learning session followed by interaction with the leadership team.

GENZ SPEAKS: FUTURE OF MOBILITY

On 3 August 2021, ~100 families participated with their kids in the programme. During the event, the kids were asked about their take on what a future Hero bike should be. The ideas were then collated and shared with the entire organisation.

WHAT IS YOUR HQ

Hero Quiz was started on 2 August 2021 in which ~7,000 answers were received across eight rounds of quizzes and sixteen of the fastest winners were rewarded.

JOY OF GIVING

Through this initiative associates took care of the underprivileged through donation drives for five different NGOs with focus on child education, elderly care, AIDS patients, animal welfare and environment.

REGENESIS: CONQUERING THE WORLD - MY HERO STORY

Held in August 2021, the programme extended to supply chain partners as well. A total of 70 stories appreciating a hero was written and the winning story was shared with entire the organisation.





NAVIGATING COVID-19 PANDEMIC

The recurring waves of COVID-19 pandemic was strenuous for everyone. We took multiple initiatives to help our associates navigate the testing times.

COVID CARE LEAVES



Trust-based unlimited sick leaves were provided to associates for self-care during the pandemic



A 10-day special leave provision provided to take care of ailing family members or in case of any unfortunate incident



A 5-day special leave provision provided to enable people to de-stress and rejuvenate



Two half-day leaves provided to encourage associates for vaccination

LIFE COVER



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



One Time support provided in case of unfortunate demise of third party associate

MEDICAL COVER



Four lakh additional self-cover provided for COVID related hospitalisation



Medical insurance coverage introduced for apprentices



Medical insurance enablement for next 10 years for surviving family in case of unfortunate demise of an associate



One-time payout of ₹20,000 to provide support for home care and COVID-19 treatment for associates and family members

HOME OFFICE SET-UP ALLOWANCE



A one-time payout of ₹15,000 given to all the associates including new joiners to setup the resources and tools required to ensure continued services from a work from home environment

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We have strengthened our network to improve our customer experience. We strive to create a healthy ecosystem for the communities we work with, undertaking sustainable projects under our corporate social responsibility programmes. This year, the projects were focused on supporting Covid-affected families, supplying necessary aids including mobility support to government institutes for better functioning, strengthening medical infrastructure, enhancing environment capital, supporting rural development and education, facilitating healthcare and skill development, creating sustainable livelihoods, supporting people with disabilities, promoting and inculcating road safety practices, and grass-root sports development.

 Please refer to page 48 of this report to read more about our key CSR initiatives. Detailed and more extensive information about these initiatives can be found in our Sustainability Report.

NAVIGATING COVID-19 PANDEMIC

Just as people started to get back to normalcy after the 2020 lockdowns and restrictions were lifted, the second wave took the country by storm. We joined forces with the nation to provide all necessary support to the government authorities and non-profit entities that were providing emergency and other essential services.

Creation of Hospital Beds Equipped with Oxygen and Other Support System

- Set up a 100-bed COVID Care Centre at the Government Girls College (Sector 14) in association with District Administration, Gurugram in Haryana
- Set up a 180-bed COVID Care Centre including intensive care facilities at Janakpuri Super Specialty Hospital, Lok Nayak Hospital and Maharaja Agrasen Hospital in Delhi
- Provided support for setting up a 122-bed COVID hospital to the Ramakrishna Mission Sevashrama in association with District Administration in Haridwar, Uttarakhand
- Installed 10 manual hand sanitiser setups at the Kumbh Mela in Haridwar
- Supported healthcare infrastructure by aiding the operations of the 250-bed Tajpura COVID-19 Hospital at Halol, Gujarat
- Extended support to the 50-bed COVID care facility at the Community Health Centre (CHC) in Sathyavedu, Andhra Pradesh; also provided 12,400 cooked meals to Covid patients in the CHC
- Helped strengthen the infrastructure of 13 CHCs in Jaipur provided PPE kits to police personnel across 26 police stations in the city



Hero for Humanity - Support to COVID-affected Families

We identified Covid-affected families and provided them essentials such as food items while supporting the education of their children for six months. We also provided skill development training and income generation opportunities to the women of these identified families. Under this initiative, we are currently supporting 370+ families across Jaipur, Rajasthan; Haridwar, Uttarakhand; Chittoor, Andhra Pradesh; Rewari and Gurugram, Haryana; and Panchmahal, Gujarat.

Distribution of Personal Protective Equipment to Frontline Workers

Under our COVID-19 relief work, we are continuously supporting the front-line warriors who are relentlessly fighting the pandemic risking their own lives. Till date, 50,000+ litres of hand sanitisers and 50.08 lakh+ face masks have been distributed. In addition, we have procured 15000+ PPE kits and distributed it among medical staff. Further, 2,300 pulse oximeters, 64000+ KN95 masks, 8,400+ surgical gloves, and 360 IR thermometers were handed over to the local administration for enhancing their capacity to fight the pandemic. Two oxygen plants were also installed.

Support to Uttarakhand Government to Augment COVID Relief Initiatives

- To support the vaccination initiatives of the Uttarakhand government, we provided a van to enable persons with disability to travel to the vaccination centre. The project benefited 2,000+ individuals in Haridwar.
- To augment efforts of the government, we set up several vaccination camps administering 5,000 Covishield doses in Haridwar.
- 13 advanced life support ambulances were handed over to the Chief Minister of Uttarakhand.

Corona Warrior on Wheels

Seventy two-wheelers were handed over to the Director General of Health Services, Haryana to undertake the COVID-19 vaccination drive at Kurukshetra.



RISK MANAGEMENT



Our risk management procedures consider both external and internal threats to devise effective mitigation strategies. Risk identification, analysis, mitigation and monitoring are undertaken periodically by the Management Team and overseen by the Risk Management Committee. Post-assessment mitigation plans are developed, and a report is submitted periodically to the Risk Management Committee of the Board.

MANAGING RISKS

Alongside developing a robust business continuity plan to manage the COVID-19-related disruptions, we also focused on other key risk areas and rolled out mitigation plans.

KEY RISK	RISK OVERVIEW	RISK MITIGATION
Semiconductor shortage	A semiconductor shortage affected almost every automobile OEM. Lead times increased, and many orders remained pending.	We ensured that the shortage did not significantly affect our supply chain and manufacturing output. We identified alternative sources for critical components and tracked inventories at a child part level. As we plan to enter the EV segment, the shortage of semiconductors could pose a credible threat, and we are developing plans to manage this risk.
Shifting consumer preferences towards electric mobility	The two-wheeler industry has shown unprecedented growth in EV adoption this year.	We are prepared to gain from this segmental shift. Our first in-house two-wheeler EV product will be launched in the first half of FY 2022-23 and will be branded Vida, which means life.
Risk due to climate change	Rising global temperatures make it mandatory for manufacturers to contribute to emission reduction initiatives.	While investing in electric mobility is definitely a step towards addressing this challenge, we are also exploring ways in which shared mobility can be promoted. A risk mitigation plan to this effect is being developed. Also, we are constantly working to increase the green coverage by planting trees in and around our facilities.
Geopolitical uncertainties in key global markets	Business sentiment continues to remain challenging, with many global economies yet to pick up. The logistics and supply chain industries were also hit hard.	We managed these risks by realising volumes from countries that soon returned to pre-pandemic growth and output levels. Furthermore, in the supply chain, we built a strong local base that helped ensure that our operations were not impacted.
Cost pressures in material sourcing	Raw material costs increased during the year.	As cost pressures continued to affect margins, we evaluated options to develop alternative and innovative strategies for parts manufacturing. A significant amount of cost increase could be offset due to the savings from the LEAP and LEAD programmes.

INTERNAL CONTROLS

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

OUTLOOK

The overall economic revival and private consumption rebound bodes well for demand recovery in the two-wheeler segment. Further, the return of discretionary spending towards aspirational purchases is likely to drive demand for premium products. Hero MotoCorp is well positioned to capitalise on the existing and emerging opportunities in the two-wheeler industry by focusing on the following factors.

NAVIGATING CHANGING NORMS

Currently the two-wheeler industry as a whole is challenged with a regulatory mandate to meet On-Board Diagnostic (OBD) 2, i.e. Phase 1 (already completed) and Phase 2 combined compliance before the onset of FY 2022-23, a challenge that even Europe is planning to address in two phases. Hero, as it has demonstrated through BS4, ABS, BS6 regulations changes, is on track to achieve conversion of the portfolio prior to the deadline.

PREMIUMISATION

We will continue fortifying our line-up with a packed lifecycle to further ring-fence our core while keeping technology at the heart of everything. We expect our premium segment to contribute substantially by FY 2024-25. We are investing in R&D to create an unparalleled premium portfolio to become the Empowering Adventure brand of choice for customers.

ELECTRIC VEHICLES TO BE A KEY PART OF THE FUTURE GROWTH STRATEGY

The industry is transforming towards electrification, and Hero has created a 360-degree approach for this transformation. We are driving the change through our investment in Ather Energy, our partnership for developing a swapping network with Taiwanese based start-up Gogoro, with BPCL India for a charging network expansion, as well as with our own internal EV programmes. We have a comprehensive approach to EV adoption and are strategically working on building a strong eco-system.



PARTNERSHIPS AND COLLABORATIONS

The collaboration with Harley-Davidson has progressed well. Our effort is to develop a platform that will offer models embedded with the Harley premium DNA of the brand, further strengthening our presence in the upper premium standard category. The new products should help us further our position in the premium segment and become an integral part of the premiumisation strategy.

GLOBAL EXPANSION

We aim to expand our footprint way beyond our existing markets, developing geography-specific products catering to the unique customer preferences of each country.



SCOT ANALYSIS

STRENGTHS

Brand Equity: We have held the position as the largest motorcycle and scooter company for more than two decades, delivering reliable and fuel-efficient products to 100 million plus customers.

R&D Capabilities: Our world-class R&D centres drive product innovation enabling us to launch products that are attuned to customer and market requirements.

Global Presence: We have presence in over 40 countries and continuously expanding into newer geographies.

Robust Network: We have one of the strongest networks with 9,000+ touchpoints across the globe.

Comprehensive Portfolio: We provide our customers an extensive range of options to suit their budget and style.

OPPORTUNITIES

Emerging Mobility: Government and consumers are becoming conscious of their environmental footprint giving rise to demand for clean mobility solutions.

Personal Mobility: Demand has once again shifted towards personal mobility from shared mobility in the post-COVID world.

Premiumisation: The consumers need to upgrade in life is leading to demand for premium products.

Income Enabler: Two-wheelers have become income enablers, with more e-commerce players joining the 'quick commerce' bandwagon.

CHALLENGES

Counterfeit Merchandise: Ensuring brand reputation and customer trust in an environment where counterfeit products is becoming common.

Rising Cost of Ownership: The rising cost of ownership due to increasing fuel prices and commodity prices can impact the consumer purchasing power.

Competitive Market: We face competition from multiple Indian and multinational two-wheeler manufacturers.

THREATS

Spread of new variants of corona virus, disrupting mobility

Weaker-than-expected global economic growth: Higher prices, supply chain disruptions and COVID-19 may derail economic growth.

Board's Report

Dear Members,

Your Directors are pleased to present the thirty ninth annual report, together with the Company's audited financial statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS – STANDALONE & CONSOLIDATED

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

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Total Income	29,802.38	31,380.47	30,106.29	31,517.09
Profit before Finance cost and Depreciation	3,925.68	4,599.09	3,999.78	4,657.41
Expenses				
Finance cost	25.80	21.84	53.10	46.41
Depreciation and amortisation expenses	649.75	676.87	689.52	715.12
Profit from ordinary activities before share of Profit / (Loss) of associates	3,250.13	3,900.38	3,257.16	3,895.88
Profit/(Loss) of associates				
Share in net profit/(loss) of associates	-	-	(199.05)	(46.56)
Profit from ordinary activities before tax	3,250.13	3,900.38	3,058.11	3,849.32
Tax expense				
Current tax	797.91	924.92	805.44	931.38
Deferred tax	(20.80)	11.26	(76.38)	(18.11)
	777.11	936.18	729.06	913.27
Net Profit from ordinary activities after tax	2,473.02	2,964.20	2,329.05	2,936.05
Other comprehensive income/(expense) (net of tax)	(5.44)	(21.06)	(0.60)	(25.87)
Total comprehensive income for the year	2,467.58	2,943.14	2,328.45	2,910.18
Net Profit/(loss) attributable to				
a) Owners of the Company	2,473.02	2,964.20	2,316.88	2,917.75
b) Non-controlling interest	-	-	12.17	18.30
Other comprehensive income attributable to				
a) Owners of the Company	(5.44)	(21.06)	(2.44)	(24.01)
b) Non-controlling interest	-	-	1.84	(1.86)
Total comprehensive income attributable to				
a) Owners of the Company	2,467.58	2,943.14	2,314.44	2,893.74
b) Non-controlling interest	-	-	14.01	16.44
Balance of profit brought forward	12,462.15	11,416.82	12,648.70	11,652.06
Dividend				
- Interim – 2021-22	1,198.87	1,398.46	1,198.87	1,398.46
- Final – 2020-21	699.26	499.35	699.26	499.35
Corporate Dividend Tax	-	-	1.12	2.49
Other comprehensive income arising from re-measurement of defined benefit obligation (net of income tax)	-	-	(6.28)	(20.81)
Balance carried to Balance Sheet	13,031.60	12,462.15	13,060.05	12,648.70
Earnings per equity share on Net Profit from ordinary activities after tax (face value ₹ 2/- each) (In Rupees)				
- Basic	123.78	148.39	115.96	146.07
- Diluted	123.74	148.37	115.93	146.04



FINANCIAL HIGHLIGHTS

During FY 2021-22, your Company clocked sales of 49.44 lakh units over 58.00 lakh units in the previous FY. Revenue from operations was ₹ 29,245.47 crore as compared to ₹ 30,800.62 crore in FY 2020-21, registering a decrease of 5.05%.

Profit before tax (PBT) in FY 2021-22 was ₹ 3,250.13 crore as compared to ₹ 3,900.38 crore in FY 2020-21, reflecting a decrease of 16.67%. Profit after tax (PAT) was ₹ 2,473.02 crore as against ₹ 2,964.20 crore in FY 2020-21, a decrease of 16.57% from the previous year.

Earnings before Interest, Depreciation and Taxes (EBIDTA) stood at 11.52% in FY 2021-22, as compared to 13.05% in FY 2020-21.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with provisions of the Companies Act, 2013 ('the Act') and Indian Accounting Standards (Ind AS)-110 on Consolidated Financial Statements, read with Ind AS-28 on Investments in Associates and Joint Ventures, the Audited Consolidated Financial Statements for the year ended March 31, 2022 are provided in this annual report.

UPDATE ON PANDEMIC AND OTHER MATTERS COVID-19

During the year, the auto industry witnessed disruptions triggered by Coronavirus pandemic, restricting movement of logistics and dampening customer sentiments. Despite such challenges, your Company remained resilient, positive and continued to grow. Your Company took several steps to protect the employees and the operations, while also initiating relief measures to aid the efforts initiated by your organization, and various governments and institutions. Strategic initiatives such as a strict discipline on expenses and prioritization of projects, aided in substantially reducing general overhead costs and capex.

The Company remains optimistic about growth in the next financial year as pandemic restrictions are witnessing a gradual withdrawal due to a steady decline in Covid-19 cases and reopening of all the sectors of economy.

Vida – Brand for Emerging Mobility Solutions

With a focus on sustainability and keeping up with the relentless pursuit towards its vision – Be the Future of Mobility, your Company unveiled Vida, powered by Hero, a brand-new identity for its emerging mobility solutions, including upcoming Electric Vehicles (EV).

Vida means life and the brand's sole purpose is to create a positive impact on the world with the vision of a flourishing, meaningful world for future generations.

Income Tax matter

The Income Tax Department ("the Department") conducted a Search activity ("the Search") under Section 132 of the Income Tax Act on the Company in March 2022. Subsequently, the Company has provided all support, cooperation and the necessary documents to the Department. The Company is examining and reviewing the details of the matter and will take appropriate actions, including addressing regulatory actions, if and when they occur.

While the uncertainty exists regarding the outcome of the proceedings by the Department, the Company after considering all available information and facts as of date, has not identified the need for any adjustments to the current or prior period financial results.

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

CHANGES IN CAPITAL STRUCTURE

During the year under review, 31,724 equity shares of ₹ 2/- each were allotted on exercise of Employee stock options and Restricted Stock Units (RSUs) by the employees of the Company. Consequently, the issued and paid-up share capital of the Company as on March 31, 2022 was ₹ 39,96,23,882 divided into 19,98,11,941 equity shares of ₹ 2/- each.

The Company has not issued any equity shares with differential rights, sweat equity shares or bonus shares. The Company has only one class of equity shares with face value of ₹ 2/- each, ranking *pari passu*.

DIVIDEND

Your Directors are pleased to recommend for your approval a final dividend of ₹ 35/- per equity share (1,750%) of face value of ₹ 2/- each in addition to an interim dividend of ₹ 60/- per equity share (3000%) declared in the month of February 2022, aggregating a total dividend payout of ₹ 95/- per equity share (4,750%) for FY 2021-22. In the previous year, total dividend payout of ₹ 105/- per equity share (5,250%) of face value of ₹ 2/- each was made. Final dividend, if approved at the ensuing annual general meeting, shall be paid to the eligible members within the stipulated time period.

Dividend Distribution Policy of the Company as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is available at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105519-code-policy-149.pdf.

Board's Report (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CHANGE IN NATURE OF BUSINESS

During FY 2021-22, there was no change in the nature of Company's business.

CAPACITY EXPANSION, NEW PROJECTS & STRATEGIC ALLIANCES

The fiscal 2022 was a fascinating year during which your Company directed its resources on capitalizing opportunities, healthy investments and working towards business resilience with focus on growth and further strengthening the product portfolio. Due – Diligence on economic factors, commodity headwinds facilitated us to further evaluate our manufacturing capacity to view cross plant resource optimization with a broader lens to optimize capacity utilization.

The complete value chain eco-system quickly re-energized itself and the turnaround post business re-opening of COVID-19 pandemic was phenomenal considering the changed paradigm and facilitated your Company to revert on growth trajectory with stable sales volume and positive customer sentiment.

Your Company has the overall capacity of 9.3 million for all plants. The overseas plants of your Company in Bangladesh and Colombia have continuously augmented their respective capacities and with significant momentum in market share.

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

Agreement with Harley-Davidson – As part of its growth strategy, Hero MotoCorp is focused on growing market share in the rapidly expanding Premium motorcycle segment. In October 2020, the Company signed a distribution agreement with Harley-Davidson (H-D), under which the Company will sell and service H-D motorcycles, and sell parts and accessories and general merchandise riding gear and apparel in India. The Company has inducted 11 dealers of Harley-Davidson into its own distribution network. Starting January 1, 2021, Hero MotoCorp Ltd. has become the distributor for Harley-Davidson in India.

Hero MotoCorp Ltd. and Harley-Davidson also signed a Licensing agreement under which the Company will develop and sell a range of premium motorcycles under the H-D brand name.

Partnership with Gogoro® Inc. - Your Company recently entered into a strategic partnership with Gogoro® Inc. to accelerate the shift from fuel based mobility to sustainable electric mobility in India. This partnership would bring together the Company and Gogoro® Inc., the global leader in urban battery swapping and smart mobility innovation and this joint venture is aimed to bring Gogoro's industry leading battery swapping platform to India. The Companies would also collaborate on electric vehicle development to bring Hero branded, powered by Gogoro Network vehicles to market

GLOBAL FORAYS

Your Company continues to strengthen its presence in global markets. During FY 2022, your Company's footprint increased to 43 markets outside India. The focus was on increasing the presence in the premium segment through new product launches in the key markets of Bangladesh, Nepal and Latin America. As a result, the premium segment sales grew by 63% in FY 2022 over previous year.

Despite the tough Covid restrictions & unstable economy in some markets, your Company managed to gain market share in 6 out of 7 focus markets.

Your Company also relaunched the Hero brand in markets like Argentina, Kenya, Honduras and Nicaragua.

INNOVATION

In the last few years, there has been a strong focus to foster innovation inside the Company and we have seen a huge wave of cultural shift cutting across the functions organisation-wide. Multiple cross-functional/within-function initiatives were taken to find solutions collaboratively. Our Idea platform: HeroIC in its 3rd year engaged users significantly and hosted campaigns tapping the latent opportunities harnessing internally residing diverse unique talents. It is appealing to confirm that thousands of unique ideas were registered in the last 3 years.

We started HeroHatch (Internal Incubator programme) sometime back which was supplemented by Vision Labs ideas with the potential to become stand-alone projects. Internal startups have emerged as a strong pillar by solving the end problems of our customers, developing potential revenue streams, and inculcating a fast-paced and startup-like culture within the organisation. The three projects which were launched under Hero Hatch continue to grow impressively.

We are now starting to expand our base from Innovation inside to ecosystem support. This involves the scouting of startups, and mobility partners externally to explore opportunities



in "Future of Mobility". This year, we will tap into the global innovation enablers to help us acquire multiple opportunities to co-create and collaborate, the first one of which is a partnership with Plug and Play (P&P). This ecosystem partnership will enable Hero to have access from the P&P team regarding the introduction of hand-picked start-ups in the emerging mobility & tech space within private deal flows, which are meant to solve a specific technological use case or aspirations of Hero's Internal business unit.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

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

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

Subsidiary Companies

Hero Tech Center Germany GmbH ('HTCG')

HTCG is a wholly owned subsidiary of your Company, incorporated in Germany to undertake research and development and such other ancillary activities for the manufacture, testing, validating etc. of two-wheelers and components/parts thereof. It also undertakes, coordinates and facilitates two-wheeler rally participation and development activities. During FY 2021-22, HTCG has reported unadjusted revenue of ₹ 114.1 crore and a net profit of ₹ 5.8 crore.

HMCL Netherlands B.V. ('HNBV')

HNBV is a wholly owned subsidiary of your Company, incorporated in Amsterdam as a private company with limited liability under the laws of The Netherlands with the primary objective of promoting overseas investments. During FY 2021-22, it has reported unadjusted revenue of ₹ 10.08 crore and a net profit of ₹ 8.8 crore.

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

HMCLC was incorporated in Colombia as a joint venture between HNBV and Woven Holdings LLC as a simplified stock corporation company. HNBV currently holds 68% equity in HMCLC and 32% equity is held by Woven Holdings LLC. The main business of HMCLC is to manufacture and sell two-wheelers in Colombia. It has a manufacturing facility with a production capacity of 80,000 units per annum. During the year ended March 31, 2022, the Company has reported unadjusted revenue of ₹ 378.8 crore and a net loss of ₹ 1.8 crore.

HMCL Niloy Bangladesh Limited ('HNBL')

HNBL was incorporated in Bangladesh as a joint venture between HNBV and Niloy Motors Limited, Bangladesh as a limited liability company. HNBV currently holds 55% equity in HNBL and 45% equity is held by Nitol Niloy Group, Bangladesh. The main business of HNBL is to manufacture and sell two-wheelers. It has a manufacturing facility with a production capacity of 1,50,000 per annum. During FY 2021-22, HNBL reported unadjusted revenue of ₹ 659.2 crore and a net profit of ₹ 38.3 crore.

HMCL Americas Inc. ('HMCLA')

HMCLA is a wholly owned subsidiary of your Company, incorporated as a Corporation pursuant to the General Corporation Law of the State of Delaware, United States of America with the primary objective to pursue various global businesses. During the year ended March 31, 2022, HMCLA has reported unadjusted revenue of ₹ 0.01 crore and a net loss of ₹ 0.06 crore.

HMC MM Auto Limited ('HMCMMMA')

Your Company has a joint venture with Marelli Europe S.p.A, Italy, namely HMC MM Auto Limited in India, which is set up for the purpose of carrying out manufacturing, assembly, sale and distribution of two-wheeler fuel injection systems and parts. Your Company holds 60% of the equity share capital in HMCMMMA. During FY 2021-22, HMCMMMA has reported unadjusted revenue of ₹ 228.4 crore and a net loss of ₹ 11.3 crore.

Associate Companies

Hero FinCorp Limited ('HFCL')

HFCL is an associate of your Company, incorporated in the year 1991. Your Company holds 41.19% in the equity share capital of HFCL. HFCL is a non-banking finance company engaged in providing financial services, including two-wheeler financing and providing credit to Company's vendors and suppliers. Over the years, it has added several new products and customers in its portfolio, like SME and commercial loans, loan against property etc.

During FY 2021-22, HFCL's loss attributable to the Company is ₹ 63.1 crore.

Ather Energy Private Limited ('AEL')

AEL is a private limited company, focused on developing, designing and selling premium electric two-wheelers. The shareholding of your Company in AEL is 37.65% which is equivalent to 34.04% on a fully diluted basis. During FY 2021-22, AEL's loss attributable to the Company is ₹ 94.5 crore.

A statement containing salient features of financial statements of subsidiary and associate companies forms part of the financials.

Board's Report (Contd.)

Material Subsidiaries

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Dr. Pawan Munjal was re-appointed as the Chairman, Whole-time Director and CEO of the Company, designated as 'Chairman & CEO', for a term of five (5) years with effect from October 1, 2021.

During the year under review, your Company has appointed Ms. Camille Tang and Mr. Rajnish Kumar as Non-Executive and Independent Directors for a term of 3 years w.e.f November 19, 2021 and November 25, 2021, respectively. Ms. Vasudha Dinodia was appointed as Non-Executive & Non Independent Director of the Company effective November 25, 2021.

Mr. Vikram Sitaram Kasbekar was re-appointed as Whole-time Director, designated as Executive Director - Operations (Plants) for a term of three years w.e.f August 8, 2019. His term will end on August 7, 2022. Now, the Board at its meeting held on May 3, 2022 has recommended the re-appointment of Mr. Kasbekar as Whole-time Director designated as Executive Director - Operations (Plants) for another term of two (2) years effective August 8, 2022. Further, in terms of applicable provisions of the Act and the Articles of Association of the Company, Mr. Vikram Sitaram Kasbekar, Director of the Company, retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment. Brief resume and other details of Mr. Kasbekar have been furnished in the explanatory statement to the notice of the ensuing annual general meeting.

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

In the opinion of the Board, the Independent Directors appointed during the year are persons of high repute, integrity and possesses the relevant expertise and experience in the respective fields.

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

The tenure of Mr. M. Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.

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

Key Managerial Personnel

Ms. Neerja Sharma resigned and ceased to be the Company Secretary and Chief Compliance Officer of the Company with effect from January 31, 2022. Mr. Dhiraj Kapoor has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. February 1, 2022. He has a rich experience of over 20 years in corporate laws and compliance.

Dr. Pawan Munjal, Chairman, Whole-time Director & CEO, Mr. Niranjana Gupta, Chief Financial Officer and Mr. Dhiraj Kapoor, Company Secretary and Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Declarations from Independent Directors

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

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made thereunder and Listing Regulations and are independent of the management.

BOARD MEETINGS

During FY 2021-22, nine meetings of the Board of Directors were held. For details of these Board meetings, please refer to the section on Corporate Governance of this annual report.

COMMITTEE MEETINGS

During FY 2021-22, various committee meetings were conducted by the Company. For details of these Committee meetings, please refer to the section on Corporate Governance of this annual report.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2021-22. Led by the Nomination and Remuneration Committee, the evaluation was carried out using individual questionnaires covering, amongst others, composition of Board, conduct as per company values & beliefs, contribution towards development of the strategy &



business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership, etc.

Further, the Committees were evaluated in terms of receipt of appropriate material for agenda topics in advance with right information and insights to enable them to perform their duties effectively, review of committee charter, updation to the Board on key developments, major recommendations & action plans, stakeholder engagement, devoting sufficient time & attention on its key focus areas with open, impartial & meaningful participation and adequate deliberations before approving important transactions & decisions.

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

The actions emerging from the Board evaluation process were collated and presented before the Nomination and Remuneration Committee as well as the Board. Suggestions/feedback concerning strategic, governance and operational matters were actioned upon by the team.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards were followed, along with proper explanation relating to material departures;
2. that appropriate accounting policies were selected and applied consistently and judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs as at March 31, 2022 and of the profit and loss of your Company for the financial year ended March 31, 2022;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts for the financial year ended March 31, 2022 have been prepared on a going concern basis;

5. that the Directors have laid down Internal Financial Controls which were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
6. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

REMUNERATION AND BOARD DIVERSITY POLICY

Pursuant to provisions of the Act, the Nomination and Remuneration Committee of your Board has formulated a Remuneration and Board Diversity Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, senior management and other employees of your Company and to ensure diversity at the Board level. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors of the Company.

The Nomination & Remuneration Committee (NRC) takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration packages and for administering the long-term incentive plans, such as ESOPs, RSUs etc. Further, the compensation package of the Directors, Key Managerial Personnel, senior management and other employees is designed based on the set of principles enumerated in the said policy.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, senior management and other employees is as per the Remuneration Policy of your Company.

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

There has been no change in the Remuneration and Board Diversity Policy of the Company during the year. The Remuneration and Board Diversity Policy of your Company can be viewed at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105210-code-policy-421.pdf

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

1. To determine remuneration of Directors, KMP, other senior management personnel and other employees, keeping in view all relevant factors including industry trends and practices.

Board's Report (Contd.)

2. At the Board meeting, only the Non-Executive and Independent Directors shall participate in approving the remuneration paid to the Executive Directors.
3. The remuneration structure for the Executive Directors would include basic salary, commission, perquisites & allowances, contribution to Provident Fund and other funds. If the Company has no profits or its profits are inadequate, they shall be entitled to minimum remuneration as prescribed under the Act.
4. The Non-Executive and/or Independent Directors will also be entitled to remuneration by way of commission aggregating up to 1% of net profits of the Company pursuant to the provisions of Sections 197 and 198 of the Act, in addition to sitting fees.
5. The compensation for Key Managerial Personnel, senior management and other employees is based on the external competitiveness and internal parity through periodic benchmarking surveys. It includes basic salary, allowances, perquisites, loans and/or advances as per relevant HR policies, retirement benefits, performance linked pay out, benefits under welfare schemes, etc. besides long-term incentives/ ESOPs/ RSUs/ Performance shares or such other means as may be decided by the NRC.
6. Performance goals of senior management personnel shall be quantifiable and assessment of individual performance to be done accordingly. A significant part of senior management compensation will be variable and based upon Company's performance.
7. To ensure adequate diversity at Board level, all appointments to be made on the basis of merit and due regard shall be given to other diversity attributes also. The NRC shall recommend the appointment or continuation of members to achieve optimum combination at the Board and periodically assess the specific requirements in relation to Board diversity.

EMPLOYEES' INCENTIVE SCHEME

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

Further, the NRC has, at its meeting held on August 11, 2021 approved grant of 39,210 Restricted Stock Units (RSUs) at face value of ₹ 2/- per unit vesting in three years in the ratio of 33.33%:33.33%:33.33% as per RSU Plan, 2021 and 34,895

Performance Restricted Stock Units (PRSUs) at face value of ₹ 2/- per unit vesting after completion of three years as per PRSU Plan, 2021 to certain eligible employees of the Company.

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

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

CORPORATE GOVERNANCE

Your Company is committed to benchmarking itself with global standards of Corporate Governance. It has put in place an effective Corporate Governance system which ensures that provisions of the Act and Listing Regulations are duly complied with, not only in form but also in substance.

The Board has also evolved and adopted a Code of Conduct based on the principles of good Corporate Governance and best management practices that are followed globally. The Code is available on your Company's website, www.heromotocorp.com and can be viewed at the following link: <https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html>.

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

TRANSFER TO GENERAL RESERVE

During the year under review, no amount has been transferred to General Reserve of the Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has transferred unpaid/unclaimed dividend, amounting to ₹ 10.45 crore for FY 2013-14 (Final Dividend) & FY 2014-15 (Interim Dividend) and 20,829 shares to the Investor Education and Protection



Fund (IEPF) Authority of the Central Government of India. Further, dividend pertaining to the shares transferred to demat account of the IEPF Authority amounting to ₹ 7.55 crore (after deduction of tax) was also transferred to the IEPF Authority.

MATERIAL CHANGES AND COMMITMENTS

No material change and/or commitment affecting the financial position of your Company has occurred between April 1, 2022 and the date of signing of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During FY 2021-22, your Company has not given any loan or guarantee pursuant to provisions of Section 186 of the Act. Details of investments made in terms of Section 186 of the Act are as under:

	Principal Amount (Shares)	Principal Amount (Bonds/ Debentures)	Total
Opening	2,365.53	652.78	3,018.31
Addition*	-	554.28 [#]	554.28
Reduction**	-	(49.13)	(49.13)
Closing Balance	2,365.53	1,157.93	3,523.46

*HMC MM Auto Limited - Nil, HMCL Netherlands BV - Nil, HMCL Americas Inc. - Nil, Hero Tech Center Germany GmbH - Nil, Hero FinCorp Limited - Nil

[#]Includes investment in Compulsorily Convertible Debentures of Ather Energy Private Limited – ₹ 150 crore

**Maturity of bonds and debentures

DEPOSITS

Your Company has neither accepted nor renewed any deposits during FY 2021-22 in terms of Chapter V of the Act.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During FY 2021-22, all contracts/ arrangements/ transactions entered into by your Company with related parties under Section 188(1) of the Act were in the ordinary course of business and on an arm's length basis. During FY 2021-22, your Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered 'material' in accordance with its Policy on Materiality of Related Party Transactions. Thus, there are no transactions required to be reported in Form AOC-2.

Further, during FY 2021-22, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for its approval. There was no related party transaction requiring approval of the Board. During FY under review, the Audit Committee has approved transactions through the omnibus mode in accordance with the provisions of the Act and Listing Regulations. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in Note 36 of the Standalone Financial Statements.

The policy on related party transactions is available on the Company's website, www.heromotocorp.com and can be viewed at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104550-code-policy-434.pdf.

RISK MANAGEMENT FRAMEWORK

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

The Company's risk management procedures take into consideration external as well as internal threats to devise efficient strategies for mitigating a diverse set of risks. Risk identification, analysis, mitigation and monitoring is undertaken periodically by the Management Team and is overseen by the Risk Management Committee. Several management and leadership team members are actively involved to ensure consistency in the overall process. Post assessment, mitigation plans are developed and a report is submitted periodically to the Risk Management Committee of the Board.

COVID continued to impact lives and livelihood. However, your company was well prepared for managing the impact. A special task force used to frequently meet to assess the situation as it evolved across manufacturing plants, sales network, supply chain partners and offices and identify additional initiatives to ensure business continuity.

In addition to developing a robust Business Continuity Plan to manage the COVID related disruptions, your company focused on some of the other key risk areas as well and developed mitigation plans. Some of those risks were -

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

Board’s Report (Contd.)

Shifting consumer preferences towards electric mobility – The 2W industry has shown an unprecedented growth in EV adoption this year. Your Company is prepared to gain from this segmental shift. The first in house 2W EV product will be launched under the new brand VIDA that means Life.

Risk due to climate change – Rising global temperatures are making it mandatory for manufacturers to contribute towards emission reduction initiatives. While investing in electric mobility is definitely a step towards addressing this challenge, your company is also exploring ways in which shared mobility can be promoted. A risk mitigation plan to this effect is already developed.

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

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

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

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

VIGIL MECHANISM/ WHISTLE-BLOWER POLICY/ CODE OF CONDUCT

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated the Vigil Mechanism/Whistle-Blower Policy which provides a robust framework for dealing with genuine concerns and grievances. Your Company has an ethics hotline managed by a third party which can be used by employees, Directors, vendors, suppliers, dealers etc. to report any violations to the Code of Conduct. Specifically, employees can raise concerns regarding any discrimination, harassment, victimisation, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

During the year, your Company’s Compliance programme was further strengthened by conducting an assessment of the existing policies and procedures from an Anti-Bribery and Anti-Corruption perspective. Based on the assessment, your Company

further made revisions to its key policies and procedures and instituted in place an Anti-Bribery and Anti-Corruption (“ABAC”) policy in line with the leading industry practices and applicable laws such as The Prevention of Corruption Act, 1988, The Foreign Corrupt Practices Act (US), 1977 and the UK Bribery Act, 2010. Subsequent to the institutionalisation of the ABAC policy, your Company plans to conduct entity-wide trainings educating the employees about the applicability of laws, importance of its abidance and guidance in place to safeguard your Company from the associated risks.

In continuation to the Code of Conduct which was refreshed during the last financial year, all employees of your Company underwent a mandatory Code of Conduct training which covered the eight (8) pillars of your Company’s Code of Conduct and included guidance on all governing principles such as Anti-bribery & Anti-corruption, conflict of interest, fair business practices, transparency and emphasis on equal opportunities while embracing a diverse and inclusive culture.

During the year under review, 24 complaints were received through various reporting channels and 8 complaints were carried forward from the previous year. Out of these, 28 complaints have been investigated, 3 complaints were reviewed and handed over for closure to the procurement team and remaining 1 complaint is under investigation.

During FY 2021-22, no individual was denied access to the Audit Committee for reporting concerns, if any.

The Vigil Mechanism/Whistle-Blower Policy of the Company is available on the Company’s website, www.heromotocorp.com and can be viewed at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20200903060455-code-policy-95.pdf

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

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

We understand that adopting and implementing sustainable business practices is the Company’s ‘responsibility’, and equally



importantly, that sustainability strategy and CSR activities are intertwined and complement as well as supplement each other. Therefore, at Hero MotoCorp, both these aspects are governed together by a common decision-making team that focuses on initiatives with the shared vision of a larger, long-term and sustainable impact.

Sustainability and Corporate Social Responsibility Committee

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

Policy

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

The salient features of the updated CSR Policy are as under:

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

5. There shall be a robust monitoring system to ensure that the identified CSR activities are carried out to reap optimal benefits for the beneficiaries. There shall be a periodic review by the Committee for the projects undertaken. The Committee may suggest modifications in the planned activities considering the existing scenario/circumstances.
6. The Committee will place for the Board's approval an annual action plan delineating the CSR Programmes to be carried out during the financial year and the succeeding years in the case of Ongoing Projects, along with the specified budgets thereof.

FY 2021-22 update

During the year under review, your Company spent ₹ 87.85 crore on its CSR activities which is more than 2% of the average net profits of previous three financial years. The CSR initiatives undertaken by your Company, along with other details, form part of the annual report on CSR activities for FY 2021-22, which is annexed as **Annexure – VI**.

AUDIT COMMITTEE

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

- | | | |
|----|---------------------------------------|------------|
| 1. | Mr. M. Damodaran | - Chairman |
| 2. | Mr. Pradeep Dinodia | - Member |
| 3. | Ms. Tina Trikha | - Member |
| 4. | Air Chief Marshal B.S. Dhanoa (Retd.) | - Member |

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

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed in 2017 as the Statutory Auditors of the Company until the conclusion of the 39th annual general meeting of the Company. They have audited the financial statements of the Company for the year under review. The observations of Statutory Auditors in their Report, read with relevant Notes to Accounts are self-explanatory and, therefore, do not require further explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark. The tenure of the Statutory Auditors will end at the ensuing annual general meeting of the Company.

Board's Report (Contd.)

Cost Auditors

The Board, on the recommendation of Audit Committee, has approved the appointment of M/s R J Goel & Co., Cost Accountants, as Cost Auditors for the financial year ending March 31, 2023. The Cost Auditors will submit their report for the FY 2021-22 on or before the due date.

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

Secretarial Auditors

M/s. Sanjay Grover & Associates, Company Secretaries (Firm Registration No. P2001DE052900) were appointed to conduct Secretarial Audit of your Company during FY 2021-22.

The Secretarial Audit Report for the said year is annexed herewith and forms part of this report as **Annexure – VII**. The Report does not contain any qualification, reservation or adverse remark.

Further, there were no frauds reported by the Statutory Auditors, Secretarial Auditors and Cost Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

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

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

CODE FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company during the year has revised its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons in line with the relevant amendments in the listing and PIT Regulations. The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

Your Company also has a Code of practices and procedures of fair disclosures of unpublished price sensitive information including a policy for determination of legitimate purposes along with the Institutional Mechanism for prevention of insider trading and Policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. Further, your Company has put in place adequate and effective system of internal controls and standard processes have been set to ensure compliance with the requirements given in these regulations to prevent insider trading.

To increase awareness on the prevention of insider trading in the organisation and to help the Designated Persons to identify and fulfill their obligations, a comprehensive campaign was run at all locations of Hero MotoCorp Ltd. This included display of relevant and useful content by way of posters on the notice boards & other strategic locations, placement of standees at common areas, key messaging through desktop wallpapers and screensavers, placement of permanent wall posters, orientation sessions as part of regular employee induction, conducting Company-wide workshop for all Designated Persons by a subject matter expert, sending text messages for closure of trading window and submission of periodic disclosures, etc. In addition to the above, a Handbook on Prevention of Insider Trading Code was also prepared and sent to all the designated employees to educate and promote awareness.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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



LISTING

The equity shares of your Company are presently listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

PERSONNEL

As on March 31, 2022, total number of employees on the records of your Company were 9,173 as against 8,793 in the previous year.

Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to cross new milestones on a continual basis.

PARTICULARS OF EMPLOYEES

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is appended as **Annexure I** to the report. The information as per Rule 5(2) of the Rules forms part of this report. However, in terms of provisions of Section 136 of the Companies Act, 2013, the report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

ANNUAL RETURN

In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available under the 'Investors' section of the Company's website, www.heromotocorp.com and can be viewed at the following link: <https://www.heromotocorp.com/en-in/investor-downloads.html>.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

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

STATUTORY DISCLOSURES

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

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

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

Hero MotoCorp has in place a policy towards Prevention of Sexual Harassment at Workplace. This policy is in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013'. All employees, whether permanent, contractual, temporary and trainees or belonging to any other category as per the definition of POSH are covered under this Policy.

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

Board's Report (Contd.)

During FY 2021-22, over 36 POSH Webinar Sessions were organised and in addition POSH Sessions were planned through the e-module mode. In all, POSH sessions were attended by 4,257 employees from across the organisation indicating a 95% coverage percentage. All new workmen and women associates, on joining the Company undergo a mandatory session on POSH.

In addition to the above, the Training Module of 'Unconscious Bias' was undertaken for Senior Managerial Staff covering 83%.

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

No. of complaints received: 7

No. of complaints disposed off: 7

No. of complaints withdrawn: 0

No. of complaints pending: 0

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

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

AWARDS AND RECOGNITION

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

- 'Manufacturer of the Year 2021' by Bike India (Magazine)
- 'Best Workplaces for Women 2021' by the Economic Times to Neemrana Plant
- The Centre of Innovation & Technology was conferred with CII GreenCo Platinum award.
- Energy Efficient Unit Award by CII to the Haridwar Plant
- Gold Award by CII National Safety Practices to the Neemrana Plant
- 'State Safety Award 2021' by Government of Rajasthan to Global Parts Centre, Neemrana

ACKNOWLEDGEMENTS

The Board of Directors would like to express their sincere thanks to the shareholders and investors of the Company for the trust reposed in the Company over the past several years. Your Directors would also like to thank the central government, state governments, financial institutions, banks, customers, employees, dealers, vendors and ancillary undertakings for their co-operation and assistance. The Board would like to reiterate its commitment to continue to build the organisation into a truly world-class enterprise in all aspects.

For and on behalf of the Board

Place: New Delhi
Date: May 3, 2022

Dr. Pawan Munjal
Chairman & CEO
DIN: 00004223



ANNEXURE – I

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

Name of Directors/KMP and Designation	Remuneration of Director/KMP for Financial Year 2021-22 (₹ crore)	% increase in Remuneration in Financial year 2021-22	Ratio of the remuneration to the median employee's Remuneration
Executive Directors			
Dr. Pawan Munjal-Chairman & CEO (Chairman effective October 1, 2021)	84.35	-2.97	712
Mr. Vikram S. Kasbekar	8.08	23.55	68
Non-Executive Directors*			
Mr. Pradeep Dinodia	1.43	31.19	12
Mr. Suman Kant Munjal	0.36	56.52	3
Ms. Vasudha Dinodia****	0.18	NA	2
Non-Executive and Independent Directors*			
Mr. M. Damodaran@	1.28	26.73	11
Mr. Paul Bradford Edgerley**	0.05	-92.65	0.4
Mr. Jagmohan Singh Raju	0.93	40.91	8
Ms. Tina Trikha	0.94	67.86	8
Mr. B.S. Dhanoa	0.87	262.5	7
Ms. Camille Tang***	0.23	NA	2
Mr. Rajnish Kumar****	0.18	NA	2
Employees & KMP			
Mr. Niranjana Kumar Gupta – Chief Financial Officer	6.71	35.01	57
Ms. Neerja Sharma – Company Secretary & Chief Compliance Officer#	5.10	-3.95	43
Mr. Dhiraj Kapoor - Company Secretary & Compliance Officer##	0.15	NA	1

* Includes sitting fees and commission

@ The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022

** Ceased to be Director w.e.f. May 4, 2021

*** Appointed as Director w.e.f. November 19, 2021

**** Appointed as Director w.e.f. November 25, 2021

#Ceased to be Company Secretary w.e.f. January 31, 2022

##Appointed as Company Secretary w.e.f. February 1, 2022

- The median remuneration of employees of the Company during the financial year was ₹ 11.85 lakh.
- Median salary of employees in current year has increased by 12.64% in comparison to the previous year.
- The number of permanent employees on the rolls of Company as on March 31, 2022 was 9,173 (previous year 8,793) including workers defined under the Factories Act, 1948.
- Average percentage increase made in the salary of employees other than the managerial personnel in financial year 2021-22 was 7.03%.

- The compensation for the Key Managerial Personnel, Senior Management and Employees (Staff) of the Company is guided by the external competitiveness and internal parity through annual benchmarking surveys.

Internally, performance ratings of all employees (Staff) are always spread across a normal distribution curve. The rating obtained by an employee is used as an input to determine his variable and merit pay increases. Variable and merit pay increases are calculated using a combination of individual performance and Company performance.

There are no exceptional circumstances for increase in managerial remuneration. Compensation is determined based on identified skill sets critical to success of the Company. It is determined as per management's review of market demand and supply.

Workmen were paid wages in accordance to the settlement with the union of the workers. Where there is no union, workmen wages were paid in line with the best industry practices and applicable law.

- It is hereby affirmed that remuneration to Key Managerial Personnel and Employees of the Company are in line with the Remuneration Policy of the Company.

ANNEXURE – II

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Hero MotoCorp Limited ("Company" / "Hero"), the emphasis is always on ensuring good conduct and governance by following transparency, fairness, integrity, equity and accountability in all dealings with customers, vendors, employees, regulatory bodies, investors and community at large. Our corporate governance is a reflection of us – our value system, work culture and thought process.

Hero always understand its responsibility toward its shareholders and all stakeholders. Hero has ensured that the governance framework is driven by the objective of enhancing long-term shareholder value without compromising on ethical standards, Sustainability and Corporate Social Responsibility. The Company has evolved over the years with vision and values set and ensured utmost governance towards its stakeholders. The Company believes that corporate governance is not limited to merely creating checks and balances and it goes beyond the practices enshrined in the laws and encompasses the basic business ethics and values that need to be adhered.

Effective corporate governance requires a clear and thorough understanding of the distinct roles of the Board, its Committees and the Senior Management Team. Through well-defined policies and processes and in a manner which is dignified, distinctive & responsible, the Company conducts its business and discharges its responsibilities towards its stakeholders. Corporate Governance is essential for the growth, profitability, stability and sustainability of any business.

The Company strives at doing the "right things" in the "right manner" in the interest of multiple stakeholders, which would attract sound financial status, brand value, sustainability and reliability.

BOARD OF DIRECTORS

At Hero, we believe that a diversified, active and well-informed Board is necessary to ensure highest standards of corporate governance. The statutory and other significant and material information is placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

Composition of Board

The Board of Directors ('Board') has an optimum combination of Executive and Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The Company profess the importance of diversity at Board and at all levels within the organisation. The size and composition of the Board meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on March 31, 2022, the Company's Board comprised of eleven Directors, with two Executive Directors, one of them being the Chairman, three Non-Executive Directors, six Non-Executive and Independent Directors, including three woman Directors, i.e. 82% of total strength of Board comprises Non-Executive Directors.

During the year, Ms. Camille Tang and Mr. Rajnish Kumar were appointed as an Additional and Independent Directors effective November 19, 2021 and November 25, 2021, respectively, for a tenure of three years. Also, Ms. Vasudha Dinodia was appointed as an Additional and Non-Executive Director, liable to retire by rotation, effective November 25, 2021. The appointment of all three Directors were approved by the shareholders through postal ballot on December 29, 2021.

The details of appointment/re-appointment of Directors are provided in the "Re-appointment of Directors" section of this report.

Composition of the Board as on March 31, 2022 is given in Table 1.

Table 1: Company's Board

Names of Directors	Category	Details of Directorships		Committee Memberships*	
		Indian companies		Number of Committee Memberships held	Number of Committee Chairmanships held
		Public companies	Others (including Foreign companies)	(excluding Private, Foreign and Section 8 companies)	
Dr. Pawan Munjal	Chairman & CEO	3	6	-	-
Mr. Vikram S. Kasbekar	Whole-time Director	2	1	-	-
Mr. Pradeep Dinodia	Non-Executive	4	-	8	5
Mr. Suman Kant Munjal	Non-Executive	4	13	1	-
Ms. Vasudha Dinodia	Non-Executive	1	2	-	-
Air Chief Marshal BS Dhanoa (Retd.)	Non-Executive & Independent	1	-	1	-
Ms. Camille Tang	Non-Executive & Independent	1	-	-	-
Prof. Jagmohan Singh Raju	Non-Executive & Independent	1	-	1	-



Names of Directors	Category	Details of Directorships		Committee Memberships*	
		Indian companies		Number of Committee Memberships held	Number of Committee Chairmanships held
		Public companies	Others (including Foreign companies)	(excluding Private, Foreign and Section 8 companies)	
Mr. Meleveetil Damodaran	Non-Executive & Independent	7	3	7	3
Mr. Rajnish Kumar	Non- Executive & Independent	2	4	1	1
Ms. Tina Trikha	Non-Executive & Independent	3	-	2	-

*As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee.

The names of other listed companies where directorship is held by Board members as on March 31, 2022 is given below in Table 2.

Table 2: Directorship in other listed Companies

Sl. No.	Names of Directors	Names of companies & categories of Directorship
1.	Dr. Pawan Munjal	-
2.	Mr. Vikram S. Kasbekar	-
3.	Mr. Pradeep Dinodia	<ul style="list-style-type: none"> ▪ Shriram Pistons and Rings Limited Chairman & Non-Executive Director ▪ DCM Shriram Limited Non-Executive & Independent Director
4.	Mr. Suman Kant Munjal	-
5.	Ms. Vasudha Dinodia	-
6.	Air Chief Marshal BS Dhanoa (Retd)	-
7.	Ms. Camille Tang	-
8.	Prof. Jagmohan Singh Raju	-
9.	Mr. M. Damodaran	<ul style="list-style-type: none"> ▪ Biocon Limited Non-Executive & Independent Director ▪ Interglobe Aviation Limited Chairman & Non-Executive Director ▪ Larsen & Toubro Limited Non-Executive & Independent Director ▪ Tech Mahindra Limited Non-Executive & Independent Director (until the end of day of March 31, 2022)
10.	Mr. Rajnish Kumar	<ul style="list-style-type: none"> ▪ Larsen & Toubro Infotech Limited Non-Executive & Independent Director
11.	Ms. Tina Trikha	<ul style="list-style-type: none"> ▪ Oberoi Realty Limited Non-Executive & Independent Director ▪ C.E. Info Systems Limited Non-Executive & Independent Director

Dr. Pawan Munjal and Mr. Suman Kant Munjal are promoter Directors and are brothers. Ms. Vasudha Dinodia is the daughter of Dr. Pawan Munjal, Chairman & CEO and daughter-in-law of Mr. Pradeep Dinodia, Non-Executive Director of the Company. Apart from this, there is no inter-se relationship among other Directors.

More than fifty percent of Directors on the Board of the Company are Independent Directors. None of the Directors of the Company is serving as an Independent Director or as a Director in more than 7 listed companies. Further, no Independent Director of the Company is a Whole-time Director in another listed company.

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

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

Annexure – II (Contd.)

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. In the context of Company's business and the industry in which the Company operates, the Board members have the appropriate experience and have the following skills/ area of expertise/ competencies:

S. No. Skills/ Area of Expertise/ Competencies	Names of Board members
1. Automotive/ Mobility/ Product Development	Dr. Pawan Munjal Ms. Camille Tang Mr. Suman Kant Munjal Ms. Vasudha Dinodia Mr. Vikram S. Kasbekar
2. Technology/ R&D	Mr. Vikram S. Kasbekar Ms. Camille Tang Air Chief Marshal BS Dhanoa (Retd.)
3. Strategic planning and Business Model Innovation	Dr. Pawan Munjal Air Chief Marshal BS Dhanoa (Retd.) Ms. Camille Tang Mr. Pradeep Dinodia Mr. Rajnish Kumar Mr. Suman Kant Munjal Ms. Vasudha Dinodia Mr. Vikram S. Kasbekar Prof. Jagmohan Singh Raju Ms. Tina Trikha
4. Human resources/people management	Air Chief Marshal BS Dhanoa (Retd.) Prof. Jagmohan Singh Raju Mr. M. Damodaran Mr. Rajnish Kumar Ms. Tina Trikha Ms. Vasudha Dinodia
5. Corporate Governance, Regulatory & Public Policy/ESG	Dr. Pawan Munjal Mr. M. Damodaran Mr. Pradeep Dinodia Mr. Rajnish Kumar Ms. Tina Trikha Prof. Jagmohan Singh Raju
6. Accounting & financial expertise	Air Chief Marshal BS Dhanoa (Retd.) Mr. M. Damodaran Mr. Pradeep Dinodia Mr. Rajnish Kumar Ms. Tina Trikha
7. Global perspective	Dr. Pawan Munjal Ms. Camille Tang Prof. Jagmohan Singh Raju Ms. Tina Trikha Ms. Vasudha Dinodia
8. Consumer sales/marketing	Dr. Pawan Munjal Ms. Camille Tang Prof. Jagmohan Singh Raju Mr. Rajnish Kumar Mr. Suman Kant Munjal Ms. Vasudha Dinodia

Note: The most relevant top five competencies of a Director have been reported, while a Director may possess diverse/multiple skills in addition to the reported ones.



INDEPENDENT DIRECTORS

Eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered for appointment as Independent Directors. They are expected to be Independent from management and to act as trustees of shareholders, this implies that they should actively participate in Board/ Committee meetings, seek answers to questions, evaluate proposals from the perspective of small shareholders, review current information flow and suggest necessary changes wherever required. The Nomination and Remuneration Committee ('NRC'), *inter alia*, considers various metrics and adheres to defined processes for selection of Independent Directors. The Board considers the NRC's recommendation and takes appropriate decisions in appointment of the Independent Directors. None of the Independent Directors hold more directorships than the permissible limits under the Companies Act, 2013 and Listing Regulations.

During FY 2021-22, none of the Independent Director resigned from the Company before the expiry of his/ her tenure. Mr. Paul B. Edgerley (effective May 4, 2021) ceased to be the Director of the Company, due to completion of his tenure as per the provisions of Companies Act, 2013 & relevant provisions of the Listing Regulations. The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.

ROLE OF THE BOARD OF DIRECTORS

The Board has a fiduciary responsibility to protect and enhance shareholder value by providing strategic direction to the Company. The Board exercises its responsibility with care, skill and diligence. The Directors are committed to the highest standards of corporate governance and ensured that sufficient time was spent on matters involving governance and of strategic importance. The Board critically evaluates Company's strategic direction, management policies and their effectiveness. Agenda for the Board includes strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

The Board meets periodically to review financial reports from the Chief Financial Officer, compliance reports from the Company Secretary and business reports from other executive management teams, besides possible risks and risk mitigation measures. These detailed meetings and one-to-one interactions set the agenda and provide the strategic roadmap for the Company. The Board has also established various

Committees to discharge its responsibilities in an efficient and effective manner. The Chairman & CEO provides overall direction and guidance to the Company and is assisted by the leadership team.

BOARD SUPPORT AND ROLE OF COMPANY SECRETARY IN GOVERNANCE PROCESS

The Company Secretary is responsible for collation, review and distribution of all papers/documents submitted to the Board and Committees thereof for consideration. The Company Secretary plays a pivotal role in ensuring that the Board procedures are followed and regularly reviewed, investors' queries are handled promptly and reports to the Board about compliance with the applicable statutory requirements and laws.

With a view to leverage technology and reducing paper consumption, the Company provides the agenda papers for Board/Committee meetings in electronic form.

The process for the Board and Committee meetings provides an effective post meeting follow-up, review and reporting of decisions taken by the Board and Committee members at their respective meetings. Important decisions taken at Board and Committee meetings are communicated promptly to the concerned departments/ HoDs. Action taken reports (ATRs) on decisions taken or recommendations made by the Board/ Committee members at the previous meeting(s) are presented at the next meeting.

Ms. Neerja Sharma ceased to be the Company Secretary and the Chief Compliance Officer w.e.f. January 31, 2022. The Board has appointed Mr. Dhiraj Kapoor as the Company Secretary and Compliance Officer w.e.f. February 1, 2022.

BOARD MEETINGS

During FY 2021-22, the Board met nine times viz. on April 21, 2021, May 6, 2021, August 12, 2021, November 12, 2021, November 25, 2021, January 13, 2022, January 24, 2022, February 10, 2022 and March 30, 2022.

Directors' attendance at Board Meetings and the Annual General Meeting (AGM) of the Company held during the year ended March 31, 2022 is given in Table 3.

Annexure – II (Contd.)

Table 3: Directors' attendance record during FY 2021-22 at Board and previous Annual General Meeting

Names of Directors	Number of Board Meetings		Attendance at Previous AGM
	Held	Attended	
Executive Directors			
Dr. Pawan Munjal	9	9	Yes
Mr. Vikram S. Kasbekar	9	9	Yes
Non-Executive Directors			
Mr. Suman Kant Munjal	9	8	Yes
Mr. Pradeep Dinodia	9	9	Yes
Ms. Vasudha Dinodia [§]	4	4	NA
Non-Executive and Independent Directors			
Air Chief Marshal BS Dhanoa (Retd.)	9	8	Yes
Ms. Camille Tang [#]	5	5	NA
Prof. Jagmohan Singh Raju	9	9	Yes
Mr. M. Damodaran [@]	9	9	Yes
Mr. Paul B. Edgerley [*]	1	1	NA
Mr. Rajnish Kumar [§]	4	4	NA
Ms. Tina Trikha	9	9	Yes

* Ceased to be Director effective May 4, 2021

#Appointed as Director effective November 19, 2021

§Appointed as Director effective November 25, 2021

@The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022

orientation programme through virtual means was organised for Ms. Camille Tang, Mr. Rajnish Kumar and Ms. Vasudha Dinodia who joined the Board during the year, covering all aspects of business operations, meetings with business heads and virtual plant tour.

Shareholding of Non-Executive Directors as on March 31, 2022

Names of Directors	No. of shares held	Beneficiary
Mr. Pradeep Dinodia	160	Shares are held either by himself or jointly with relative(s)
Mr. Suman Kant Munjal	91,250	Self
	10,833	As Karta of HUF
	9,309,018	On behalf of Brijmohan Lal Om Parkash (BMOP), partnership firm
Ms. Vasudha Dinodia	32,500	Self

Apart from the above, none of the Non-Executive (including Independent) Directors holds any shares (as own or on behalf of any other person on beneficial basis) in the Company as on March 31, 2022.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by the various business & functional heads at Board meetings and through other interactive programmes. Such meetings/ programmes include briefings on the culture, values, business model, domestic and global business of the Company, the roles and responsibilities of Directors and senior executives. Besides these, the Directors are regularly updated about Company's new projects, R&D initiatives, changes in regulatory environment and strategic direction. A two (2) day detailed

The Board members are also provided relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices, from time to time.

The details of Company's familiarisation programmes for Directors are posted on the Company's website www.heromotocorp.com and can be viewed at the following link-<https://www.heromotocorp.com/en-in/about-us/familiarisation-program-of-independent-directors.html>.

CODE OF CONDUCT FOR THE BOARD MEMBERS AND EMPLOYEES

The Company has laid down a comprehensive Code of Conduct ('Code') for the Board, senior management personnel and employees of the Company.

The Company's code was formulated in the year 2010 on the basis of 8 broad principles viz. Fiduciary, Property, Reliability, Transparency, Dignity, Fairness, Citizenship and Responsiveness. The Company during the year 2020 has updated the Code with contemporary norms, complexities and business requirements.

The updated Code features some of the following:

1. Wider coverage to include all section of employees including senior management
2. Relevant provision and clauses on anti-bribery and anti-corruption



3. Mandatory disclosure of all personal relationships for employees
4. Dedicated "conflict of interest" section or
5. Emphasis on being an equal opportunity employer and to embrace diverse and inclusive culture

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2021-22. An annual declaration signed by the Chairman & CEO to this effect forms part of this Report as **Annexure – V**.

The Code is available on the website of the Company at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20191224114146-code-policy-495.pdf.

BOARD / COMMITTEE MEETINGS & PROCEDURES

Frequency of meetings and information supplied

A well-defined system of convening at least 4 pre-scheduled Board meetings annually is currently in place in the Company. However, additional Board meetings are convened, from time to time, as per specific requirements by giving appropriate notice. The Company has convened its Board meetings and other committee meetings through video conferencing (VC) pursuant to the circulars issued by Ministry of Corporate Affairs from time to time. Wherever it is not possible to convene a Board meeting, resolutions are passed by circulation in order to meet the business exigencies.

The Board is given presentations covering various aspects of business, major subsidiaries, global and domestic business environment, safety and environment related matters, strategy and risk management.

In addition to regular business items, the following information is regularly placed before the Board:

- Annual operating plans and budgets and any updates;
- Strategy/industry update & new business opportunities;
- Business & operations updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;

- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems, if any and their proposed solutions. Any significant development in human resources/ industrial relations front, like signing of wage agreement, implementation of voluntary retirement scheme etc.;
- Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend, delay in share transfer etc.

Information supplied for Board/Committee meetings

The agenda and corresponding notes to agenda for all Board and Committee meetings are circulated to Directors in advance in a defined format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not practical to attach any document to the agenda, it is tabled/presented before the meeting. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated under Companies Act, 2013 ('Act'), Secretarial Standard on meetings of the Board issued by Institute of Company Secretaries of India and the Listing Regulations.

Minutes of Board/Committee meetings

Minutes of proceedings of each Board and Committee meeting are recorded and draft minutes are circulated to Board/Committee members for their confirmation within 15 days from the date of meeting. The inputs, if any, of the Board & Committee members are duly incorporated in the minutes after which these are entered in the minute book within 30 days from the date of meeting.

Annexure – II (Contd.)

MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met once during FY 2021-22, i.e. on May 5, 2021.

COMMITTEES OF THE BOARD

Audit Committee

Your Company has a duly constituted Audit Committee and its composition as well as charter are in line with the requirements of the Act and Listing Regulations. Effective May 4, 2021, Mr. Paul Edgerley ceased to be the member of the Audit Committee. As on March 31, 2022, Audit Committee comprises four Directors viz. Mr. M. Damodaran, Mr. Pradeep Dinodia, Ms. Tina Trikha and Air Chief Marshal BS Dhanoa (Retd.) all learned and eminent personalities in their respective fields. At present, Mr. M. Damodaran is the Chairman of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations.

The Audit Committee has the following terms of reference:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditors' independence and performance and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Operate the vigil mechanism in the Company.

Apart from above, following are the terms of reference in accordance with the Listing Regulations:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
 - Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 - Approval of any subsequent modification of transactions of the Company with related parties;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - To review the functioning of the whistle-blower mechanism;
 - Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or



- discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
 - To review the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% including existing loans/ advances/ investments; of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
 - To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee; and
 6. To review, statement of deviation(s), if any, in terms of SEBI Listing Regulations.

The Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

Upon invitation, the CFO, internal auditors, statutory auditors of the Company attend meetings of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

During FY 2021-22, eight meetings of the Audit Committee were held on May 6, 2021, August 12, 2021, September 9, 2021, November 12, 2021, January 13, 2022, January 24, 2022, February 10, 2022 and March 16, 2022 in due compliance with the provisions of the Act and Listing Regulations.

The Composition of the Audit Committee and attendance details of members are given below in Table 4.

Table 4: Details of Audit Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
Mr. M. Damodaran [@]	Chairman	8	8
Mr. Paul B. Edgerley*	Member	-	-
Mr. Pradeep Dinodia	Member	8	7
Ms. Tina Trikha	Member	8	8
Air Chief Marshal BS Dhanoa (Retd.)	Member	8	8

[@] The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.

* Ceased to be a Director effective May 4, 2021

Role and reporting of Internal Auditors

Internal Audit operates on behalf of the Board and Audit Committee of the Company. The Head of Internal Audit functionally reports to the Chair of the Audit Committee and attends meetings of the Audit Committee on a regular basis. Internal audit findings are reported directly to the Audit Committee.

The role of Internal Audit is to provide an objective and independent review of the design and operation of risk management, control and governance processes operated across the Company. Internal Audit also adds value by providing advice to management on improvements they can make to these processes.

Internal Audit reviews controls that cover:

- the appropriateness and effectiveness of risk management and governance processes;
- the reliability and integrity of financial and operating information;
- the effectiveness and efficiency of operations;
- safeguarding of assets;
- compliance with laws, regulations and contracts;
- the delivery of major programmes;
- quality and continuous improvement.

The Head of Internal Audit is responsible for developing the Internal Audit framework and ways of working to support the consistent delivery and reporting of Internal Audit results and activities following principles that are aligned with International Internal Auditing Standards.

Annexure – II (Contd.)

Internal Audit reviews design of and compliance with laid down policies and procedures, helps mitigate significant risks identified at a functional, business unit or organisational level, provides support on improvement initiatives and conducts ad hoc reviews in relation to risk and controls when required.

NOMINATION AND REMUNERATION COMMITTEE ('NRC')

The Company has a duly constituted Nomination and Remuneration Committee which, *inter alia*, identifies and recommends persons who are qualified to become directors or appointed as part of senior management and reviews and recommends payment of annual salaries to the Executive Directors of the Company besides finalising their service agreements and other employment terms and conditions. The NRC takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages and also administers employee stock option scheme.

The nomenclature, constitution and terms of reference of the Committee are in consonance with the provisions of Section 178 of the Act and Regulation 19(4), read with Schedule II of Listing Regulations.

The Nomination and Remuneration Committee has the following terms of reference in accordance with Listing Regulations:

- to formulate and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, criteria for determining qualifications, positive attributes and independence of a Director;
- to formulate criteria for evaluation of performance of Independent Directors and the Board;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; recommend to the Board their appointment and removal; whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

- for every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- (a) use the services of external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates.
- to carry out evaluation of every Director's performance;
 - to devise a policy on Board diversity;
 - to administer and superintend the ESOP including but not limited to the formulation of detailed terms and conditions of the ESOS;
 - to allot shares and issue share certificates against the options exercised in terms of Employees Incentive Scheme of the Company as approved by shareholders from time-to-time;
 - to recommend to the Board, all remuneration, in whatever form, payable to senior management;
 - to specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by NRC or by an independent external agency and review its implementation and compliance.

As on March 31, 2022, the NRC comprises three Directors viz. Prof. Jagmohan Singh Raju, Mr. Pradeep Dinodia and Mr. M. Damodaran as members. At present, Prof. Jagmohan Singh Raju is the Chairman of the Nomination and Remuneration Committee. The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

During FY 2021-22, five meetings of the NRC were held on May 5, 2021, August 11, 2021, November 11, 2021, November 25, 2021 and February 9, 2022.

The Composition of NRC and attendance details of members are given below in Table 5.

**Table 5: Details of Nomination and Remuneration Committee Members and Number of Meetings Attended**

Names of Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
Prof. Jagmohan Singh Raju	Chairman	5	5
Dr. Pawan Munjal*	Member	5	5
Mr. Pradeep Dinodia	Member	5	5
Mr. M. Damodaran@	Member	5	5

*Ceased to be a member of the committee effective February 11, 2022

@The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.

Remuneration and Board Diversity Policy

The Company's Remuneration Policy represents the approach of the Company to the remuneration of Directors and senior management. The Company's policy on Board Diversity sets out the approach to have a diversity on the Board of the Company in terms of gender, age, cultural, educational & geographical background, ethnicity, professional experience, skills and knowledge.

The compensation of Directors, Key Managerial Personnel, senior management and other employees is based on the following principles:

- Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders;
- Minimising complexity and ensuring transparency;
- Link to long-term strategy as well as annual business performance of the Company;
- Promoting a culture of meritocracy and linked to key performance and business drivers; and
- Reflective of line expertise and market competitiveness so as to attract the best talent.

The policy is available on Company's website at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105210-code-policy-421.pdf To specify

the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by NRC or by an independent external agency and review its implementation and compliance.

Remuneration paid to Executive Directors

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the general meeting and such other authorities, as the case may be. The terms and conditions of the employment of Executive Directors are governed by the shareholders' approval taken in that regard, wherein all the details are provided in the explanatory statement. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

The remuneration paid to Executive Directors is commensurate with their respective roles and responsibilities. Remuneration paid to Executive Directors, subject to limits prescribed under Part II, Section I of Schedule V to the Companies Act, 2013, generally consists of fixed salary, perquisites, allowances and retiral benefits, performance linked bonus by whatever name called, grant of stock options as decided by the NRC and such other benefits in accordance with market practices.

Table 6 gives details of remuneration paid to Executive Directors.

Table 6: Remuneration to Executive Directors[#]

Names of Directors	Basic Salary	Perquisites, Allowances & Retirals	Commission (Fixed)	Total
Dr. Pawan Munjal	22.08	36.77	25.50	84.35
Mr. Vikram S. Kasbekar	2.45	5.63	-	8.08

(₹ in crore)

[#]No notice period and severance fee is payable to Executive Directors as on March 31, 2022.

Remuneration paid to Non-Executive Directors

The Non-Executive Directors of the Company are paid sitting fees of ₹ 1 lakh for attending each meeting of the Board, Committees thereof and any other meetings of the Directors. The Non-Executive and Independent Directors are also entitled to remuneration by way of commission aggregating up to 1% of net profits of the Company pursuant to the provisions of Sections 197 and 198 of the Act in addition to the sitting

fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. are taken into consideration.

Annexure – II (Contd.)

The Company had a consultancy service agreement till December 31, 2021 with Prof. Jagmohan Singh Raju for providing consultancy and advisory services to the marketing and sales functions of the Company. The same has not been renewed.

Non-Executive Directors do not have any other pecuniary relationship with the Company except as stated above.

Table 7 gives details of remuneration paid to Non-Executive Directors.

Table 7: Remuneration to Non-Executive Directors

Names of Directors	(₹ in crore)		
	Sitting fees	Commission	Total
Air Chief Marshal BS Dhanoa (Retd.)	0.21	0.66	0.87
Ms. Camille Tang**	0.05	0.18	0.23
Prof. Jagmohan Singh Raju	0.23	0.70	0.93
Mr. M. Damodaran@	0.30	0.98	1.28
Mr. Paul B. Edgerley#	0.01	0.04	0.05
Mr. Pradeep Dinodia	0.33	1.10	1.43
Mr. Rajnish Kumar\$	0.04	0.14	0.18
Mr. Suman Kant Munjal	0.08	0.28	0.36
Ms. Tina Trikha	0.23	0.71	0.94
Ms. Vasudha Dinodia\$	0.04	0.14	0.18

Note: No stock options have been granted to any Non-Executive or Independent Directors.

Ceased to be a Director effective May 4, 2021

** Appointed as Director effective November 19, 2021

\$ Appointed as Director effective November 25, 2021

@The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.

During FY 2021-22, the Company did not advance any loans to any of its Directors. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company, other than the details provided above and the sitting fees and commission drawn by the Non-Executive and Independent Directors.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

A formal evaluation of performance of the Board, its Committees, the Chairman and individual Directors was carried out in FY 2021-22, details of which are provided in the Board's Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE ('SRC')

This Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialisation

and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as applicable. The detailed terms of reference of the Stakeholders' Relationship Committee are available on the Investor section of the Company's website at <https://www.heromotocorp.com/en-in/pdf/SRC.pdf>.

During the year, three meetings of the Stakeholders' Relationship Committee were held on August 11, 2021, November 11, 2021 and February 9, 2022. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee. Mr. Dhiraj Kapoor is the Company Secretary & Compliance Officer of the Company.

The details of the Stakeholders' Relationship Committee are given in Table 8.

Table 8: Details of Stakeholders' Relationship Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	3	3
Prof. Jagmohan Singh Raju	Member	3	3
Mr. M. Damodaran@	Member	3	3

@The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.



Investors' Grievance Redressal

During FY 2021-22, the following complaints were received and resolved to the satisfaction of shareholders. As on March 31, 2022, 3 complaints were pending.

Sl. No.	Nature of Complaints	Opening	Received	Resolved	Closing (Pending)
1.	Non-receipt of shares	0	37	37	0
2.	Non-receipt of dividend	18	426	444	0
3.	Complaints lodged with Authorities	0	16	13	3
4.	Non-receipt of securities after transfer/ transmission/ duplicate/ remat/ name correction etc.	0	2	2	0

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY ('SCSR') COMMITTEE

The SCSR Committee is responsible for formulation and recommendation of the CSR policy of the Company. It also recommends the amount of expenses to be incurred on CSR activities and closely and effectively monitors the implementation of the policy. The Company has also been performing work around sustainability in order to make the operations, business and the Company as a whole, a sustainable organisation. The Company's sustainability strategy rests on the following five pillars:

- Inclusive Growth
- Eco-efficiency
- People
- Responsible Value Chain
- Product Stewardship

In today's ever-evolving world, it is difficult to separate a corporate's responsibility towards society from the obligation of having a sustainable business and both the concepts are intertwined. From a strong governance perspective, it is imperative that both be run from a common strategic view point and direction, to have maximum long-term impact. Therefore, the Board at its meeting held on May 06, 2021 has included 'Sustainability' within the role of Corporate Social Responsibility Committee of the Company and accordingly amended and

expanded the Terms of Reference of the Committee by including the terms with respect to "Sustainability".

The detailed terms of reference of the Committee are available on the Investor section of the Company's website at <https://www.heromotocorp.com/en-in/pdf/CSR.pdf>.

Due to the inclusion of Sustainability within the ambit of the Corporate Social Responsibility Committee, the existing "Corporate Social Responsibility Committee" was renamed by the Board as "Sustainability and Corporate Social Responsibility Committee".

Further, due to the recent amendments by the Ministry of Corporate Affairs in the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility policy was updated during the year, the details of which may be referred to in the Board's report. The said policy is disclosed on the Company's website, link for which is https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf.

As on March 31, 2022, the SCSR Committee comprises four Directors viz. Dr. Pawan Munjal as Chairman, Mr. Pradeep Dinodia, Prof. Jagmohan Singh Raju and Ms. Tina Trikha as members.

During the year, five meetings of the Committee were held on May 5, 2021, June 21, 2021, August 11, 2021, November 11, 2021 and February 9, 2022. The Company Secretary acts as the Secretary of the SCSR Committee. The details of the SCSR Committee are given in Table 9.

Table 9: Details of Sustainability and Corporate Social Responsibility Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
Dr. Pawan Munjal	Chairman	5	5
Mr. Pradeep Dinodia	Member	5	5
Prof. Jagmohan Singh Raju	Member	5	5
Ms. Tina Trikha	Member	5	5

Annexure – II (Contd.)

RISK MANAGEMENT COMMITTEE ('RMC')

The Company has a duly constituted Risk Management Committee which assists the Board in its oversight of the Company's management of key risks, as well as the guidelines, policies and procedures monitoring and integrating such risks within overall business risk management framework.

The role and terms of reference of the Committee cover the areas of formulating a risk management policy along with monitoring and overseeing the implementation of the policy. Considering changing industry dynamics and evolving complexity, the Company to ensure periodical review of the policy, atleast once in two years. Also, ensuring appropriate processes and systems to monitor and evaluate risk associated with the Business along with implementation of mitigation plan. The role also covers reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer.

The detailed terms of reference of the RMC are available on the Investor section of the Company's website at <https://www.heromotocorp.com/en-in/pdf/RMC.pdf>.

Effective May 4, 2021, Mr. Paul Edgerley ceased to be the Director and member of the RMC. As on March 31, 2022, the RMC comprises three Directors viz. Mr. Pradeep Dinodia as Chairman, Mr. M. Damodaran and Air Chief Marshal BS Dhanoa (Retd.) as members.

During the year under review, four meetings of the Risk Management Committee were held on May 5, 2021, August 11, 2021, November 11, 2021 and February 9, 2021. The Company Secretary acts as the Secretary of the Risk Management Committee. The details of the Risk Management Committee are given in Table 10.

Table 10: Details of Risk Management Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	4	4
Air Chief Marshal BS Dhanoa (Retd.)	Member	4	4
Mr. M. Damodaran [@]	Member	4	4
Mr. Paul B. Edgerley [#]	Member	-	-

[@]The tenure of Mr. M Damodaran on the Board of Hero MotoCorp Ltd. is until the end of day of May 3, 2022.

[#] Ceased to be a Director effective May 4, 2021.

COMMITTEE OF DIRECTORS

The Company has a Committee of Directors which presently comprises Dr. Pawan Munjal as Chairman, Mr. Vikram S. Kasbekar and Mr. Pradeep Dinodia as its members. The Company Secretary acts as the Secretary of the Committee. The resolutions were passed by circulation by the Committee on a need basis. During the financial year under review, circular resolutions were passed on sixteen occasions viz. April 16, 2021, May 6, 2021, May 21, 2021, June 24, 2021, July 26, 2021, August 17, 2021, August 25, 2021, September 7, 2021, September 27, 2021, October 5, 2021, October 20, 2021, November 16, 2021, December 10, 2021, January 7, 2022, February 3, 2022 and February 21, 2022.

Officer are ex-officio members of the Committee. During the financial year under review, circular resolutions were passed on thirteen occasions viz. April 23, 2021, May 14, 2021, June 29, 2021, July 16, 2021, August 20, 2021, September 10, 2021, October 06, 2021, October 21, 2021, November 18, 2021, December 15, 2021, January 11, 2022, February 7, 2022 and February 24, 2022.

CONFIRMATION ON THE RECOMMENDATIONS OF COMMITTEES OF THE BOARD

The Board of Directors had accepted all the recommendations as and when received from its Committees on different matters.

SHARE TRANSFER COMMITTEE ('STC')

The role of the STC is to attend to the requests pertaining to share transfer, transmission, etc. Chief Financial Officer, Vice President (Finance) and Company Secretary & Compliance

CREDIT RATINGS

The details of the credit ratings assigned by various rating agencies, is provided in Table 11:



Table 11: Details of Credit Ratings for FY 2021-22

Sl. No.	Instrument Description	Rating agencies	Rating Assigned
1.	Bank Loan Facilities – Long-Term	CRISIL Limited/ICRA Limited	AAA Stable
2.	Bank Loan Facilities – Short-Term	CRISIL Limited/ICRA Limited	A1+
3.	Commercial Papers/Fixed Deposit	CRISIL Limited	A1+
4.	Non-Convertible Debentures	CRISIL Limited/ICRA Limited	AAA Stable

Note: No change/revision in the aforesaid credit ratings from the rating agencies was received during the financial year. The Company has not issued any Commercial Papers, Non-Convertible Debentures or taken any Fixed Deposit during the year.

DISCLOSURES

Prevention of Insider Trading

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), your Company has revised its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons in line with the relevant amendments in the listing and SEBI PIT Regulations since previous review. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. Further, the Company has complied with the standardised reporting of violations related to code of conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also put in place the institutional mechanism for prevention of insider trading along with policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. The Company has set up a mechanism for weekly tracking of the dealings of equity shares of the Company by the Designated persons and their immediate relatives having access to unpublished price sensitive information.

The officials of the secretarial department conduct induction programmes for all the employees joining the organisation and various other sessions for spreading awareness amongst its Designated Persons and other employees and to educate them about the specifics of Insider trading regulations and the Code.

As part of the awareness programme, the Company had also rolled out an e-learning module for its designated persons, to impart learning and spread awareness on the practical aspects through an engaging audio-video mechanism.

Related Party Transactions

In terms of Section 188(1) of the Act, all related party transactions entered into by the Company during FY 2021-22 were carried out with prior approval of the Audit Committee. No approval of the Board was required as all transactions were on an arm's length basis and in the ordinary course of business. Related party transactions pursuant to Indian Accounting Standard 24 were, however, disclosed to the Board.

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other related parties, which may have a potential conflict with the interest of the Company at large.

The policy was changed during the year to align with the amended requirements and as a part of periodic/standard review. The policy on dealing with related party transactions is disclosed on the Company's website, link for which is https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104550-code-policy-434.pdf.

Disclosure of policy on material subsidiaries

The policy was updated during the year as a part of standard review. At present, your Company does not have a Material Subsidiary. The policy for determining material subsidiaries is available on the Company's website, www.heromotocorp.com at the following link: https://www.heromotocorp.com/en-in/uploads/code_policy/20191126105356-code-policy-400.pdf.

Accounting Treatment in preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015.

Compliances by the Company

No penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

Securities of the Company have not been suspended for trading at any point of time during the year and the Company has duly complied with Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clause (b) to (i) and para C, D and E of Schedule V of the Listing Regulations.

Quarterly reports on compliance with Corporate Governance as per Regulation 27 of the Listing Regulations were duly filed with the stock exchanges within the stipulated time and same are also available on website of the Company at <https://www.heromotocorp.com/en-in/investors/corporate-governance.html>.

The Company has complied with all the requirements of Corporate Governance Report as specified under the Listing Regulations.

Annexure – II (Contd.)

Legal Compliance Management Tool

The Company has in place a comprehensive and robust legal compliance management online tool, which is devised to ensure compliance with all applicable laws which impact the Company’s business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company.

Vigil Mechanism/Whistle-Blower Policy

In compliance with the SEBI Regulations, the Company has a policy/mechanism on dealing with whistle-blowers, which is approved by the Audit Committee of the Company. The Audit Committee reviews the same as and when required. During the year, no individual was denied access to the Audit Committee for reporting concerns, if any. Also, the said policy was updated during the year, the details of which may be referred to in the Board’s report. The said policy/ mechanism is disclosed on the Company’s website, link for which is https://www.heromotocorp.com/en-in/uploads/code_policy/20200903060455-code-policy-95.pdf.

The Company has put in place a whistle-blower policy to support the Code of Conduct. The details about the vigil mechanism form part of the Board’s report.

Group Governance Code

Good governance is a business imperative and thus, strong processes, practices and structures through which a Company manages its business and affairs should be established. This

helps in achieving financial, operational and strategic objectives along with long-term sustainability.

Keeping in context of the above approach, the Company has implemented a Group Governance Policy for its group companies and entities.

The code was instituted with the objective of providing guidance for business conduct of the group companies and affiliates in line with the Group’s overall ethos, vision and values and implementation of appropriate governance practices to ensure uniformity and to promote a culture of information sharing.

Commodity price risk or foreign exchange risk and hedging activities

Your Company has an exposure of commodity price risk and foreign exchange risk denominated in USD for exports and predominantly in USD, EUR and JPY in respect of its imports. The Company uses various instruments as approved under the central bank regulations to hedge these exposures. Details of the hedged and unhedged positions are available in the Notes to standalone financial statements in the annual report.

Disclosures with respect to demat suspense account/unclaimed suspense account

As per Schedule V of Listing Regulations, the status of the unclaimed equity shares lying in the demat suspense account is given in Table 12 below. The voting & beneficial rights on these shares are frozen till the rightful owner of such shares claims the shares.

Table 12: Status of Unclaimed Equity Shares lying in the Demat suspense account

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	3	1,700
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	-	-
Number of shareholders to whom shares were transferred from suspense account during the year.	-	-
Number of shareholders whose shares were transferred to the demat account of Investors Education and Protection Fund (IEPF) Authority.	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	3	1,700

Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a policy on Prevention of Sexual Harassment at the workplace. During the year, your Company has updated certain changes in the said policy to make it more robust. For further details in this regard, please refer to the Board’s Report forming part of this annual report.

Fees paid to Statutory Auditors

The details of fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors are part of, are given in Table 13.

**Table 13: Details of fees paid to statutory auditors**

Sl. No.	Name of Entity	Relationship with Hero MotoCorp Ltd.	Details of Services	Amount (₹ in crore)
1.	Hero MotoCorp Limited	-	Audit Fees	1.67
2.	Hero MotoCorp Limited	-	Tax Audit Fees	0.08
3.	Hero MotoCorp Limited	-	Out of Pocket Expenses	0.13
4.	Hero MotoCorp Limited	-	Certifications	0.09
5.	HMC MM Auto Limited	Subsidiary	Audit Fees	0.18
6.	HMC MM Auto Limited	Subsidiary	Tax Audit Fees	0.02
7.	HMC MM Auto Limited	Subsidiary	Out of Pocket Expenses	0.01
8.	HMCL Niloy Bangladesh limited	Subsidiary	Audit Fees	0.11
9.	HMCL Colombia S.A.S	Subsidiary	Audit Fees	0.17
10.	Hero tech Center Germany GmbH	Subsidiary	Audit Fees	0.36
11.	HMCL Netherlands B.V.	Subsidiary	Audit Fees	0.25
Total				3.07

Disclosure of loans and advances in the nature of loans to firms/companies in which Directors are interested. Not Applicable

CEO & CFO CERTIFICATION

The Chairman & CEO and the Chief Financial Officer ('CFO') of the Company furnish a certificate on quarterly and annual basis on financial statements of the Company in terms of Regulation 33(2)(a) and Regulation 17(8), respectively of the Listing Regulations. In terms of Regulation 17(8) of Listing Regulations, the certificate duly signed by the Chairman & CEO and the CFO of the Company was placed before the Board at its meeting held on May 3, 2022 and is annexed to this report as **Annexure - V**.

RE-APPOINTMENT OF DIRECTORS

In terms of the applicable provisions of the Act and the Articles of Association of the Company, Mr. Vikram S. Kasbekar, Executive Director of the Company retires by rotation at the ensuing annual general meeting and, being eligible, has offered himself for re-appointment. Brief resume and other details of Mr. Vikram S. Kasbekar, who is proposed to be re-appointed as a Director of your Company, have been furnished in the explanatory statement to the notice of the ensuing annual general meeting.

During the year under review, your Company has appointed Ms. Camille Tang (effective November 19, 2021), Mr. Rajnish Kumar (effective November 25, 2021) as Additional Directors of the Company in the category of Non-Executive and Independent Directors and Ms. Vasudha Dinodia (effective November 25, 2021) as Additional Director in the category of Non-Executive Director. The Board had recommended the appointment of Ms. Camille Tang and Mr. Rajnish Kumar as Independent Directors and for Ms. Vasudha Dinodia as Non-Executive Director of the Company, which was approved by the shareholders through postal ballot on December 29, 2021.

COMPLIANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Discretionary requirements

The Company has adopted discretionary requirements specified in Part E of Schedule II of Listing Regulations.

The Board

The Company has an Executive Chairman.

Shareholders Rights

As a part of good corporate governance practice, the Company sends its quarterly financial results to shareholders whose email ids are registered with the depository participants through email after they are approved by the Board and disseminated to the stock exchanges. The results are also published on the website of the Company viz. www.heromotocorp.com and in widely circulated newspapers.

Audit Qualifications

There are no audit qualifications in the financial statements of FY 2021-22. The Company continues to adopt best practices in order to ensure unqualified financial statements.

Annexure – II (Contd.)

Separate post of Chairman and CEO

The office of Chairman and CEO is held by Dr. Pawan Munjal.

Role and reporting of Internal Audit

The Head of Internal Audit functionally reports to the Chair of the Audit Committee and attends meetings of the Audit Committee on a regular basis. Internal audit findings are reported directly to the Audit Committee. Further details have been provided in a separate section of this report.

MEANS OF COMMUNICATION

Company website

Pursuant to Regulation 46 of the Listing Regulations, the Company's website www.heromotocorp.com contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed dividends and various policies of the Company.

With the objective of enhancing the shareholders' services and guiding the shareholders in an effective manner, the Company has made available Frequently Asked Questions (FAQs) towards queries related to shares and dividend on the investor section of the Company's website. Procedures and formats related to shares and dividend related requests have also been made available for the shareholders for easy access.

NSE ELECTRONIC APPLICATION PROCESSING SYSTEM ('NEAPS')

NEAPS is a web-based application designed by the National Stock Exchange of India Ltd. (NSE) for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases and corporate actions are filed electronically on NEAPS.

BSE CORPORATE COMPLIANCE & LISTING CENTRE ('LISTING CENTRE')

The Listing Centre of BSE Ltd., is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

Financial Results

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly unaudited as well as annual audited financial results to both the stock exchanges i.e. BSE & NSE.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Indian Express and Jansatta. The results are also made available on the investor section of Company's website at <https://www.heromotocorp.com/en-in/newspaper-publications.html>. The said results are also sent through an email to the shareholders, whose e-mail addresses are registered with the Company.

NEWS RELEASES AND PRESENTATIONS

Official news and media releases are sent to stock exchanges on which the shares of the Company are listed and are also uploaded on the Company's website at www.heromotocorp.com.

PRESENTATIONS MADE TO INSTITUTIONAL INVESTORS / ANALYSTS

Presentations on the performance of the Company are placed on the Company's website at www.heromotocorp.com for the benefit of the institutional investors, analysts and other shareholders immediately after communicating to the stock exchanges.

ANNUAL REPORT

The annual report containing, *inter alia*, the audited financial statements (standalone & consolidated), Board's Report, Auditors' Report, the Management Discussion and Analysis (MDA) report and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website at www.heromotocorp.com.

REMINDER TO INVESTORS

Periodical reminders for unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. These details are also uploaded on website of the Company at www.heromotocorp.com.

In compliance with SEBI circular dated November 3, 2021, introducing common & simplified norms for processing investors' service requests and mandatory KYC/registration of PAN, nomination, contact details, bank details and specimen signatures, the Company, in January 2022 had sent communication through registered post to furnish PAN, KYC and nomination details. Through this exercise, the Company has tried to reach more than 2,000 physical shareholders for updation of records.

GREEN INITIATIVE

Functionality has been provided on Company's website for shareholders/ investors to raise their queries, questions, if any, directly with the shareholders'/ investor relations' teams.



GENERAL BODY MEETINGS

Details of Extra-ordinary General Meeting (EGM)/ Annual General Meeting (AGM)

Location, date and time of general meetings held during the previous 3 (three) years and ordinary and special resolutions passed there at are given in Table 14 as under:

Table 14: Details of Annual General Meetings held:

Year	Time, Day, Date and Location	Summary of special resolution(s) passed
2020-21	04:30 p.m., Wednesday, August 4, 2021, The meeting was convened through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") as per circular dated May 5, 2020 issued by the Ministry of Corporate Affairs.	- Special resolution pertaining to Re- appointment of Dr. Pawan Munjal as a Whole-time Director of the Company for a period with effect from October 1, 2021 to September 30, 2026 was passed at the meeting.
2019-20	04:30 p.m., Wednesday, August 12, 2020, The meeting was convened through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") as per circular dated May 5, 2020 issued by the Ministry of Corporate Affairs.	- No special resolution was passed at the meeting
2018-19	10:30 a.m., Monday, July 29, 2019, Air Force Auditorium, Subroto Park, New Delhi – 110 010.	- Special resolution pertaining to re-appointment of Mr. Meleveetil Damodaran as an Independent Director of the Company for a period with effect from July 29, 2019 to May 3, 2022 was passed at the meeting.

Details of EGM held: No EGM was held during the previous 3 (three) years.

POSTAL BALLOT

During the FY, the following 3 (three) resolutions were approved by way of a postal ballot (notice dated November 26, 2021):

1. Ordinary resolution for appointment of Ms. Camille Miki Tang (DIN: 09404649) as an Independent Director of the Company.
2. Ordinary resolution for appointment of Mr. Rajnish Kumar (DIN: 05328267) as an Independent Director of the Company.
3. Ordinary resolution for appointment of Ms. Vasudha Dinodia (DIN: 00327151) as a Non-Executive Director of the Company liable to retire by rotation.

Details of the voting pattern, were as under:

Resolutions	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast against	% of Votes cast in Favour on Votes polled	% of Votes cast against on Votes polled
Appointment of Ms. Camille Tang as Independent Director	16,14,11,814	16,02,76,566	11,35,248	99.2967	0.7033
Appointment of Mr. Rajnish Kumar as Independent Director	16,14,11,717	16,02,77,612	11,34,105	99.2974	0.7026
Appointment of Ms. Vasudha Dinodia as Non-Executive Director	16,14,11,664	15,31,82,138	82,29,526	94.9015	5.0985

The Board had appointed Mr. Devesh Kumar Vasisht, Partner, M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi (Firm Registration No. P2001DE052900) as a Scrutiniser to conduct the postal ballot voting process in a fair and transparent manner

Results of the postal ballot proceedings were submitted to stock exchanges on December 30, 2021 and also posted on the website of the Company, viz. <https://www.heromotocorp.com/en-in/investors/postal-ballot.html>

Whether any special resolution is proposed to be passed through postal ballot

None of the business proposed to be transacted at the ensuing annual general meeting require passing of special resolution through postal ballot.

Procedure for Postal Ballot

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the

Annexure – II (Contd.)

Companies (Management and Administration) Rules, 2014. The Shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders as per the permitted mode wherever applicable. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutiniser submits his report to the Chairman and the results of voting by postal ballot are announced within 2 working days of conclusion of the voting period. The results are displayed on the website of the Company (www.heromotocorp.com), and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting. In view of the COVID-19 pandemic, the MCA permitted companies to transact items through postal ballot as per the framework set out in Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 10/2021 dated June 23, 2021, issued by the Ministry of Corporate Affairs,

Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time). In accordance with the aforementioned circulars, e-voting facility was provided to all the shareholders to cast their votes only through the remote e-voting process as per notice of postal ballot dated November 26, 2021 for appointment of Ms. Camille Tang and Mr. Rajnish Kumar as Independent Directors and Ms. Vasudha Dinodia as Non-Executive Director of the Company.

GENERAL SHAREHOLDER'S INFORMATION
Annual General Meeting

Date : August 9, 2022
Day : Tuesday
Time : 11:30 a.m.
Venue : The Company will conduct the meeting through VC/ OAVM, relevant details of which have been provided in the notice of AGM

Financial Calendar: Financial year: April 1, 2021 to March 31, 2022

For FY 2021-22	Results were announced on
First quarter ended June 30, 2021	Thursday, August 12, 2021
Second quarter and half year ended September 30, 2021	Friday, November 12, 2021
Third quarter and nine months ended December 31, 2021	Thursday, February 10, 2022
Fourth quarter and year ended March 31, 2022	Tuesday, May 03, 2022

For FY 2022-23	Results are likely to be announced by (tentative and subject to change)
First quarter ended June 30, 2022	Second week of August, 2022
Second quarter and half year ended September 30, 2022	Second week of November, 2022
Third quarter and nine months ended December 31, 2022	Second week of February, 2023
Fourth quarter and year ended March 31, 2023	Second week of May, 2023

Book closure

The dates of book closure shall be from Friday, July 29, 2022 to Tuesday, August 09, 2022 (both days inclusive).

Dividend payment

The Board has declared an interim dividend @ 3,000% i.e. ₹60 per share. The dividend was paid to those shareholders whose names appeared on the register of members as on February 22, 2022 and payment was made on February 28, 2022.

The Board has recommended a final dividend @ 1,750% i.e. ₹ 35 per equity share for FY 2021-22.

The dividend recommended by the Directors for the year ended March 31, 2022, if declared at the ensuing annual general meeting, will be paid by September 8, 2022 to those members,

whose names appear in the register of members/depository records as on July 28, 2022.

Listing on stock exchange

The securities of the Company are listed on the following exchanges:

1. BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001
2. National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C-1, Block G,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051



Stock Codes

The Company's stock codes on the above stock exchanges are:

	Scrip Code
BSE	500182
NSE	HEROMOTOCO

The ISIN of the Company is INE158A01026

Annual Listing Fees

Annual listing fees for FY 2022-23 has been paid to BSE and NSE within the stipulated time.

Stock Market Data

Monthly high and low quotations as well as the volume of shares traded at the National Stock Exchange of India Limited and BSE Limited are given in Table 15.

Table 15: Share Price Data for FY 2021-22

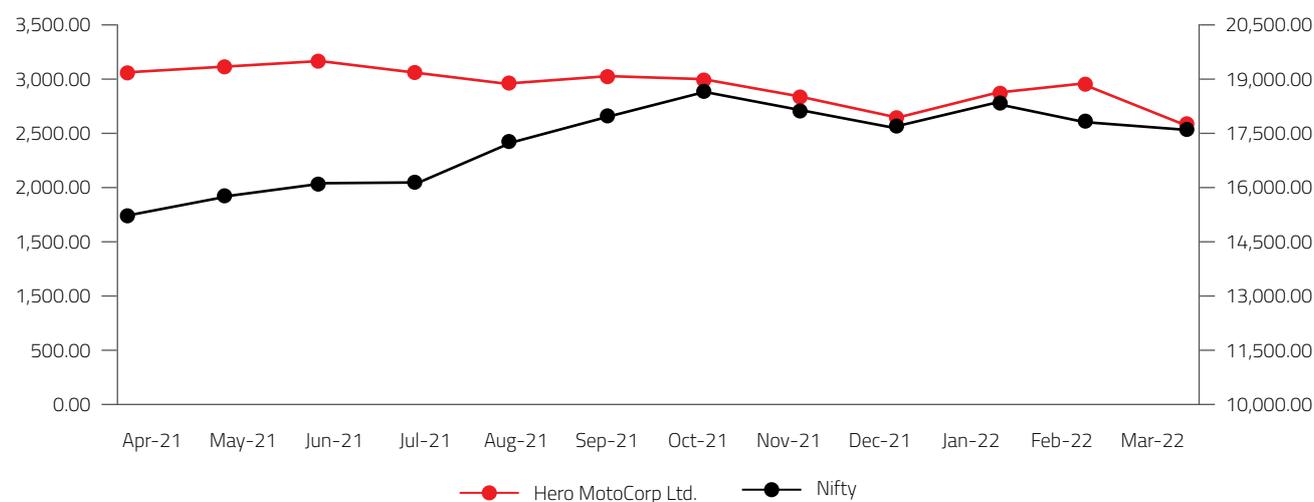
(Equity shares of ₹ 2 each paid up value)

National Stock Exchange of India Limited, Mumbai (NSE)

Month	Total Volume (No. of Shares)	High Price (₹)	Date	Volume on that day	Low Price (₹)	Date	Volume on that day
Apr-21	16,448,086	3,009.00	28-Apr-21	1,389,833	2,741.00	12-Apr-21	859,305
May-21	20,655,384	3,033.40	28-May-21	1,077,246	2,766.65	03-May-21	668,727
Jun-21	15,887,268	3,090.00	09-Jun-21	845,692	2,852.00	18-Jun-21	904,203
Jul-21	10,344,914	2,968.95	02-Jul-21	928,741	2,740.00	29-Jul-21	611,448
Aug-21	11,729,264	2,865.90	09-Aug-21	422,204	2,636.00	27-Aug-21	517,155
Sep-21	13,614,264	2,954.45	17-Sep-21	1,024,040	2,702.60	02-Sep-21	422,436
Oct-21	9,770,053	2,950.00	18-Oct-21	440,831	2,639.00	29-Oct-21	614,962
Nov-21	13,948,058	2,784.80	15-Nov-21	2,023,708	2,512.65	30-Nov-21	1,527,406
Dec-21	9,733,164	2,552.00	13-Dec-21	332,491	2,310.00	20-Dec-21	687,713
Jan-22	12,932,662	2,789.00	25-Jan-22	971,148	2,463.00	03-Jan-22	234,912
Feb-22	16,200,932	2,872.30	17-Feb-22	1,166,885	2,440.00	24-Feb-22	1,934,361
Mar-22	20,152,597	2,498.50	02-Mar-22	855,090	2,146.85	08-Mar-22	1,081,826

(Source: This information is compiled from the data available on the website of NSE)

Hero MotoCorp's Share Price Movement vis-a-vis Nifty



Note: The above chart depicts comparison of monthly high of Nifty and the Company's share price.

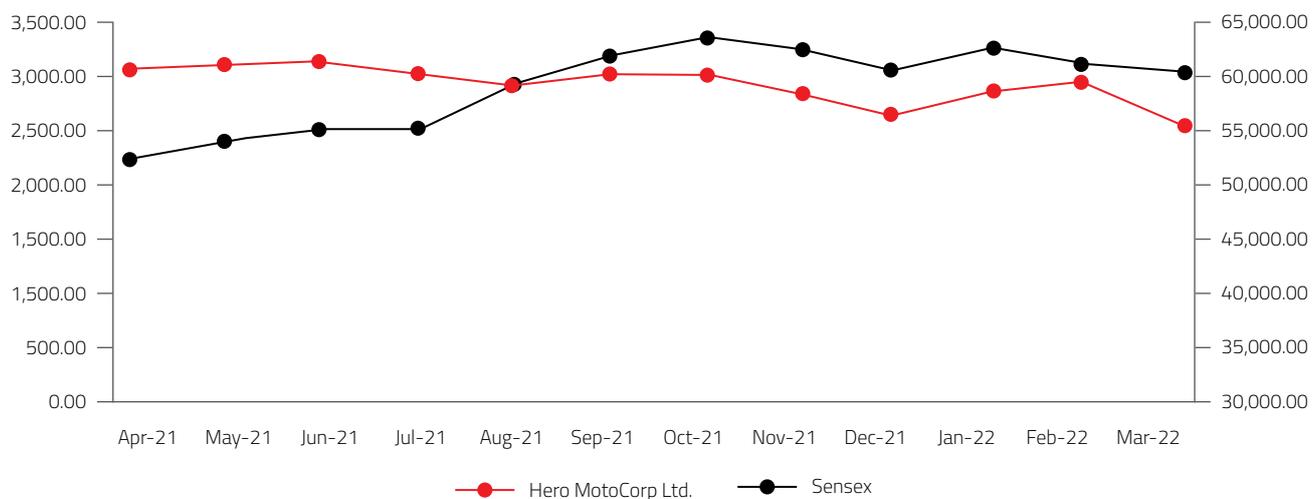
Annexure – II (Contd.)

BSE Limited, Mumbai (BSE)

Month	Total Volume (No. of Shares)	High Price (₹)	Date	Volume on that day	Low Price (₹)	Date	Volume on that day
Apr-21	776,695	3,008.50	28-Apr-21	54,628	2,742.70	12-Apr-21	30,669
May-21	791,255	3,033.80	28-May-21	60,624	2,767.80	03-May-21	38,056
Jun-21	797,161	3,089.00	09-Jun-21	58,750	2,852.00	18-Jun-21	53,905
Jul-21	588,611	2,980.00	02-Jul-21	34,490	2,742.85	29-Jul-21	35,950
Aug-21	485,903	2,865.60	09-Aug-21	11,483	2,636.00	27-Aug-21	27,354
Sep-21	811,356	2,952.60	17-Sep-21	74,344	2,702.45	02-Sep-21	40,318
Oct-21	886,876	2,950.00	18-Oct-21	11,337	2,639.75	29-Oct-21	26,811
Nov-21	651,423	2,784.55	15-Nov-21	78,475	2,426.00	30-Nov-21	65,851
Dec-21	430,367	2,549.00	13-Dec-21	25,025	2,310.50	20-Dec-21	53,705
Jan-22	629,198	2,788.25	25-Jan-22	66,780	2,463.10	06-Jan-22	35,577
Feb-22	608,663	2,871.00	17-Feb-22	47,042	2,440.70	24-Feb-22	89,884
Mar-22	777,620	2,497.45	02-Mar-22	49,639	2,148.00	08-Mar-22	71,620

(Source: This information is compiled from the data available on the website of BSE)

Hero MotoCorp's Share Price Movement vis-a-vis Sensex



Note: The above chart depicts comparison of monthly high of Sensex and the Company's share price.

Distribution of shareholding by size

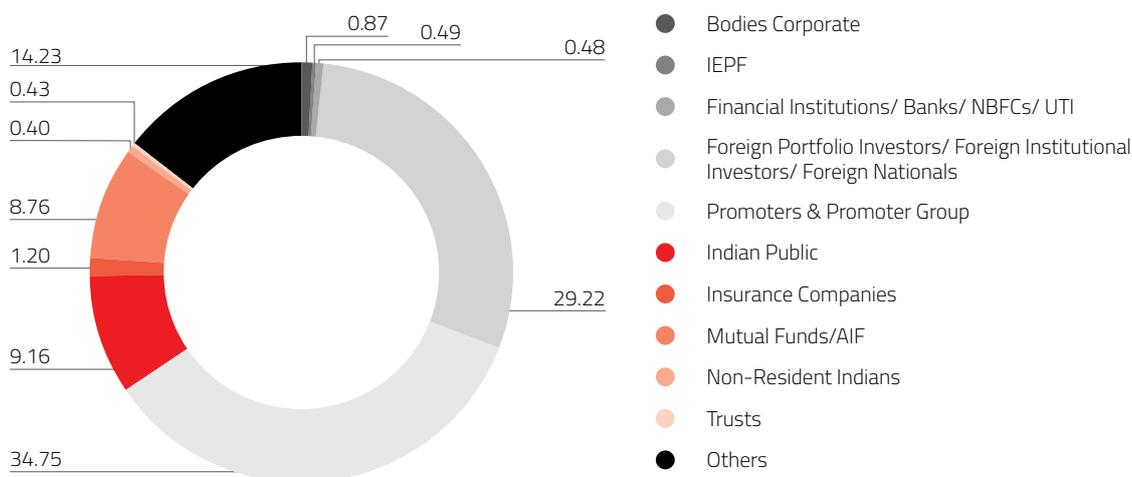
Table 16 lists the distribution of shareholding by number of shares held and shareholding pattern in percentage pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2022.

Table 16: Distribution of Shareholding

No. of shares held (₹ 2 paid up)	Shareholders		Shares of ₹ 2 paid up	
	Numbers	%	Number	%
Up to 5000	4,13,245	99.66	3,45,06,090	8.63
5001 – 10000	487	0.12	3,40,6,032	0.85
10001 – 20000	257	0.06	36,42,160	0.91
20001 – 30000	150	0.04	36,52,328	0.91
30001 – 40000	57	0.01	19,88,106	0.50
40001 – 50000	49	0.01	21,94,326	0.55
50001 – 100000	116	0.03	82,78,978	2.07
100001 & above	295	0.07	34,19,55,862	85.57
Total	4,14,656*	100.00	39,96,23,882	100.00

*Shareholders grouped on the basis of PAN

Shareholding Pattern as on March 31, 2022



Category of shareholding as on March 31, 2022

Category	No. of holders	% to total holders	Total shares	% to equity
Physical	2,203	0.53	10,53,280	0.53
NSDL	1,51,218	36.47	19,17,33,155	95.96
CDSL	2,61,235	63.00	70,25,506	3.51
Total	4,14,656	100.00	19,98,11,941	100.00

Annexure – II (Contd.)

Corporate benefits

Dividend declared for the last 7 (seven) years on ₹ 2 paid up share

Financial Year	Type	Dividend declared	Dividend per share	Due date for transfer to IEPF
2014-15	Final	₹ 30	1500%	September 30, 2022
2015-16	Interim	₹ 40	2000%	April 11, 2023
	Final	₹ 32	1600%	October 24, 2023
2016-17	Interim	₹ 55	2750%	April 6, 2024
	Final	₹ 30	1500%	August 14, 2024
2017-18	Interim	₹ 55	2750%	March 13, 2025
	Final	₹ 40	2000%	August 30, 2025
2018-19	Interim	₹ 55	2750%	March 5, 2026
	Final	₹ 32	1600%	August 30, 2026
2019-20	Interim	₹ 65	3250%	March 12, 2027
	Final	₹ 25	1250%	September 16, 2027
2020-21	Interim	₹ 70	3500%	March 10, 2028
	Final	₹ 35	1750%	September 07, 2028
2021-22	Interim	₹ 60	3000%	March 15, 2029
	Final (recommended)	₹ 35	1750%	September 14, 2029 (tentative)

Transfer of unclaimed shares to Investor Education and Protection Fund

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the 'Rules') notified by the Ministry of Corporate Affairs effective September 7, 2016, as amended, all shares (eligible FY 2013-14 (Final) & FY 2014-15 (Interim)) in respect of which dividend has remained unclaimed by the shareholders for seven consecutive years or more were transferred in the demat account of the Investor Education and Protection Fund (IEPF) Authority.

The Company sends notices to the concerned shareholders whose dividend and shares are liable to be transferred to IEPF Authority/ Suspense Account under the said Rules for taking appropriate action and full details of such shareholders and shares due for transfer to IEPF Authority/ Suspense Account have also been uploaded on Company's website at the link <https://www.heromotocorp.com/en-in/investors/unclaimed-dividends.html>.

An option to claim from IEPF Authority, all unpaid/ unclaimed dividends or other amounts and the unclaimed shares transferred to IEPF, is available to members. Members may make their claim by following the due procedure for refund as prescribed under the said Rules. Details of refund process are also available on the website of the Company at <https://www.heromotocorp.com/en-in/investors/unclaimed-dividends.html>.

Details of dividends remaining unpaid/unclaimed have been duly uploaded on the website of the Company at www.heromotocorp.com and at the website of IEPF Authority at www.iepf.gov.in.

Investor Education and Protection Fund claim Guidelines

With effect from September 7, 2016, Investors/ depositors whose unpaid dividends and shares have been transferred to IEPF under Companies Act, 2013, can claim the amounts and shares from the IEPF Authority as per the procedures/ guidelines stated below:

- (a) Create a login on the website of MCA (<http://www.mca.gov.in/>).
- (b) Login to the MCA website with your login credentials.
- (c) Select Form IEPF-5 under MCA Services.
- (d) Fill the online form with required details and submit. Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 or FAQs from the website of IEPF Authority may also be referred for further clarification.
- (e) Take a printout of the duly filled and submitted Form IEPF-5 and the copy of the acknowledgement generated.
- (f) Following documents to be arranged after submission of online form:
 - I. Indemnity Bond (original) with claimant signature to be executed.

Note: In case of refund of dividend amount of ₹ 10,000 or more and/or market value of shares, non-judicial stamp paper of appropriate value as prescribed under Stamp Act according to state is required. For



claim of only amount of ₹ 10,000 or less, indemnity bond can be executed on a plain paper.

- II. Original share certificate (in case of securities held in physical form) or copy of transaction statement in case of securities held in demat form.
- III. Self-attested copy of PAN and Aadhaar Card.
- IV. Proof of entitlement/ original share certificate/ dividend warrant (if any).
- V. Original cancelled cheque leaf.
- VI. Copy of Passport, OCI and PIO card in case of foreigners and NRIs.
- VII. Client Master List duly self-attested by the claimant.
- VIII. In case any joint holder is deceased, notarised copy of death certificate is to be attached. In case of NRI, self-attested copy of Overseas Indian Card (OIC) issued by MHA or Copy of Passport of PIO card, apostille as per Hague Convention is to be provided.

- (g) Submit all the above and self-attested copy of e-form along with the other documents as mentioned in the Form IEPF-5, if any, to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked "Claim for refund from IEPF Authority".

The Company had received applications from various claimants, both in physical as well as in electronic form during the year. The claims of only those claimants are considered to whom the entitlement letters are issued either by the Company or KFin Technologies Limited.

The Company has appointed Mr. Dhiraj Kapoor as Nodal Officer of the Company for the purpose of coordinating with IEPF Authority, ensuring verification of claims.

Dematerialisation of shares and liquidity

The shares of the Company are traded in compulsory demat segment. As on March 31, 2022, 99.47% of the total share capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As to liquidity, equity shares of the Company are part of the BSE-100, BSE-200, BSE-500, Sectoral Indices, Nifty-50, NIFTY-100 and NIFTY-500. Further, the equity shares of the Company are frequently traded at NSE and BSE.

Outstanding GDRs/ ADRs/ warrants or any convertible instruments conversion date and likely impact on equity

Not applicable.

Disclosure of commodity price risk or foreign exchange risk and hedging activities in terms of Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Risk management policy of the Company with respect to commodities including through hedging

Hero MotoCorp Limited has an approved risk management policy. The key objectives of the policy are -

- Identification and categorisation of potential risks
- Assessment and mitigation of risks
- To monitor and assure continuous growth and to sustain market leadership in the mobility industry, domestically and globally.

Commodity price risk is the financial risk on an entity's financial performance/ profitability upon fluctuations in the prices of commodities. As a resource intensive manufacturing operations, the Company is exposed to a variety of market risks, including the effects of changes in commodity prices and exchange rates.

The Company procures components from its vendors for most of its business requirements, who in turn buy necessary commodities and process the same. Hence, direct purchase of commodity by Company is marginal, but the changes in prices of commodities impact procurement cost of components and parts. The key commodities which are used in the manufacture of two-wheelers are base metals (steel, aluminum) and crude oil derived plastics/ resins. Sharp fluctuations in commodity prices can create business challenges that can affect production costs, product pricing and earnings.

The risk management policy is designed to manage the impact of commodity price fluctuations across its value chain to effectively manage its financial performance and profitability. Multiple levers are deployed to mitigate these risks and the selection of a lever depends on the cost-benefit analysis and the extent of exposure including its assessment of ability to pass adverse fluctuation to the customer by way of price increases. The Company works on an ongoing basis on cost optimisation, weight reduction and process improvement exercises. The Company also considers localisation of imports/ global sourcing to ensure lowest cost option in sourcing of parts/raw material.

Annexure – II (Contd.)

2. Exposure of the Company to commodity and commodity risks faced by the Company throughout the year: (a) Total exposure of the Company to commodities in INR; and (b) Exposure of the Company to various commodities.

Based on the assessment by the Company and after factoring the ability to optimise costs and pass on prices to customers, no individual commodity is likely to adversely impact the financial performance/profitability beyond its materiality threshold approved by the Board.

As of the reporting date i.e. March 31, 2022 the Company did not have any open contracts/derivative and consequential gains or losses arising therefrom. Hence, commodity level information is not being provided hereunder:

- c) Commodity risks faced by the Company during the year and how they have been managed:

Most of the ferrous metals saw an increase in the prices in the first half of the year, followed by sharp increase in prices of non-ferrous metals in the second half. Crude oil recovering from the price correction consequent to pandemic, continued to rise higher amidst geo political tensions in the last quarter of the fiscal.

The Company has proactively monitored and managed these exposures as an integral part of its overall risk management program, which recognizes the unpredictability of markets and seeks to reduce potentially adverse effects on its business. Apart from various levers mentioned, it has periodically taken necessary price increases to offset the adverse impact of commodity and currency on its financial performance/ profitability.

Details of public funding obtained in the previous three years

The Company has not obtained any public funding in the previous three years.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised funds through preferential allotment or qualified institutions placement during the year.

Registrar & Share Transfer Agent ('RTA')

All work related to share registry, both in physical form and electronic form, is handled by the Company's RTA, KFin Technologies Limited. The communication address of the RTA is given hereunder:

KFin Technologies Limited (Unit: Hero MotoCorp Ltd.)
Selenium, Tower-B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032
Toll Free No.: 1-800-3094-001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Share Transfer System

All share transfers and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar & Share Transfer Agent.

Share Transfer Committee is authorised to approve transfer and transmission of shares in the physical segment. Such transfers generally take place on fortnightly basis. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. However, pursuant to the proviso of Regulation 40(1) of the Listing Regulations, the requests for effecting transfer of securities in physical mode shall not be processed by the Company unless the securities are held in the dematerialised form with a depository, except in case of transmission or transposition of securities. The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the stock exchanges.

Reconciliation of Share Capital Audit

Audits were also carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued/paid up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).



Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on Meeting of the Board of Directors and General Meetings. The Company has complied with all the applicable provisions of the Secretarial Standards.

COMPANY'S REGISTERED ADDRESS

The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj – Phase-II, New Delhi – 110 070.
CIN: L35911DL1984PLCO17354
Tel: +91-11-4604 4220
Fax: +91-11-4604 4399
Website: www.heromotocorp.com

PLANT LOCATIONS AND R&D CENTRE

Gurugram Plant

37 km Stone, Delhi-Jaipur Highway,
Sector 33, Gurugram – 122 001
Haryana, India
Tel: 0124-289 4200, 237 2123
Fax: 0124-237 3141/ 42

Dharuhera Plant

69 km Stone, Delhi-Jaipur Highway,
Dharuhera, Dist. Rewari –123 110
Haryana, India
Tel: 01274-264 000
Fax: 01274-267 018

Haridwar Plant

Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar – 249 403, Uttarakhand, India
Tel: 01334-238 500, 239 514-16
Fax: 01334-239 512/13

Neemrana Plant

SP 101-103, 108 & 109,
RIICO Industrial Area, Phase – II,
Delhi – Jaipur Highway, Neemrana,
District Alwar, Rajasthan – 301 705, India
Tel: 01494-2673000

Global Parts Centre

SP 104-107,
RIICO Industrial Area, Phase – II,
Delhi – Jaipur Highway, Neemrana,
District Alwar, Rajasthan – 301 705, India

Halol Plant

Plot No. 102, Halol (Exp.) Industrial Estate,
Vadodara Godhra Highway
Taluka – Kalol, Tehsil-Halol,
Dist. Panchmahal, Gujarat – 389 350, India
Tel: 02675-229114

Chittoor Plant

Sy. No. 1, Industrial Park,
Madanapalem (Village)
Sathyavedu (Mandal)
Chittoor,
Andhra Pradesh – 517 588, India

R&D Centre

Centre of Innovation & Technology
SPL-1, RIICO Industrial Area,
Kukas, Phase-II, NH-11C,
Jaipur, Rajasthan – 302 028, India
Tel: 0142-643000

Colombia Plant

HMCL Colombia S.A.S
KM 24, via Cali – Santender De Quilichao
Zona Franca Permanente Conjunto,
Industrial Parque Sur, Villa Rica, Cauca,
Lote 6A, Colombia
Tel: +572-3120662

Bangladesh Plant

HMCL Niloy Bangladesh Ltd.
Padmabilla, Shakharihati,
Kotwali, Jessore, Bangladesh
Tel: +8809601505541

Hero Tech Center Germany GmbH

Kronstaudener Weg 1,
D-83071 Stephanskirchen,
Germany

Annexure – II (Contd.)

**COMPLIANCE CERTIFICATE OF THE
SECRETARIAL AUDITORS**

Certificates from Sanjay Grover & Associates, Company Secretaries (Firm Registration No. P2001DE052900), was issued confirming:

- a) Compliance with conditions of Corporate Governance as stipulated under Listing Regulations which is attached to this report as **Annexure – III**.
- b) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority which is also attached to this report as **Annexure – IV**.

Retail Shareholder Correspondence may be addressed to:

KFin Technologies Limited (Unit: Hero MotoCorp Ltd.)
Selenium Tower-B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, Telangana
Toll Free No.: 1-800-3094-001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

OR

Mr. Dhiraj Kapoor
Company Secretary, Compliance Officer & Nodal Officer
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase II, New Delhi – 110 070
E-mail: secretarialho@heromotocorp.com

For Institutional Investors' matters:

Mr. Umang Deep Singh Khurana,
Head-Investor Relations
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase II, New Delhi – 110 070
E-mail: umang.khurana@heromotocorp.com
investor.relations@heromotocorp.com

**Queries relating to the Financial Statements of
the Company may be addressed to:**

Mr. Niranjan Gupta, Chief Financial Officer
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase II, New Delhi – 110 070
E-mail: niranjan.gupta@heromotocorp.com

**Queries/complaints relating to products, services
or dealers etc. may be addressed to:**

Customer Care
Hero MotoCorp Ltd.
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase II, New Delhi – 110 070
E-mail: customercare@heromotocorp.com



ANNEXURE – III

Corporate Governance Certificate

To,
The Members
Hero MotoCorp Limited
(CIN: L35911DL1984PLC017354)
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj Phase-II, New Delhi –110 070

We have examined the compliance of conditions of Corporate Governance by Hero MotoCorp Limited ("the Company"), for the financial year ended March 31, 2022 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner

M. No.: F8488, CP No.:13700
UDIN: F008488D000263886

Place: New Delhi
Date: May 3, 2022

ANNEXURE – IV

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Clause (10)(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Hero MotoCorp Limited
(CIN: L35911DL1984PLC017354)
The Grand Plaza, Plot No. 2 Nelson Mandela Road,
Vasant Kunj – Phase-II, New Delhi –110 070

- The equity shares of Hero MotoCorp Limited (“the Company”) are listed on BSE Limited and National Stock Exchange of India Limited.
- We have examined the relevant disclosures received from the Directors of the Company and registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- We have also done examination and verification of the disclosures under Sections 184/189, 164 and 149 of the Companies Act, 2013 (the Act) received from the directors and register of Directors and KMPs and their shareholding under Section 170 of the Act and DIN status of directors at the MCA portal i.e. www.mca.gov.in. In our opinion and to the best of our knowledge and on the basis of information furnished to us by the Company and its officers, we certify that none of the below named Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as on March 31, 2022:

Sl. No.	Name of Director	Director Identification Number (DIN)
1.	Dr. Pawan Munjal	00004223
2.	Mr. Vikram Sitaram Kasbekar	00985182
3.	Mr. Suman Kant Munjal	00002803
4.	Mr. Pradeep Dinodia	00027995
5.	Ms. Vasudha Dhinodia	00327151
6.	Mr. Meleveetil Damodaran*	02106990
7.	Prof. Jagmohan Singh Raju	08273039
8.	Ms. Tina Trikha	02778940
9.	ACM Birender Singh Dhanoa (Retd.)	08851613
10.	Ms. Camille Miki Tang	09404649
11.	Mr. Rajnish Kumar	05328267

*Mr. Meleveetil Damodaran ceased to be Director w.e.f. end of day of May 3, 2022 due to completion of his term.

- Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This certificate is based on the information and records available as on March 31, 2022 and we have no responsibility to update this certificate for the events and circumstances occurring thereafter.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner

M. No.: F8488, CP No.:13700
UDIN: F008488D000263875

Place: New Delhi
Date: May 03, 2022



ANNEXURE – V

Compliance Certificate

The Board of Directors
Hero MotoCorp Limited
The Grand Plaza, Plot No.2,
Nelson Mandela Road, Vasant Kunj - Phase -II,
New Delhi – 110 070

May 3, 2022

Sub: Certificate in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Compliance Certificate

- A. This is to certify that we have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Niranjan Kumar Gupta
Chief Financial Officer

Dr. Pawan Munjal
Chairman & CEO

Declaration by Chairman & CEO

[Regulation 34(3), read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Pawan Munjal, Chairman & CEO of Hero MotoCorp Limited hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2021-22.

For **Hero MotoCorp Limited**

Place: New Delhi
Date: April 25, 2022

Dr. Pawan Munjal
Chairman & CEO
DIN: 00004223

ANNEXURE – VI

Annual Report on CSR Activities for the FY 2021-22

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Board of Directors (the "Board") of Hero MotoCorp Limited have adopted the CSR policy which has following key points:

- a) To direct HMCL's CSR Programmes, *inter alia*, towards achieving one or more of the following – enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports;
- b) To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are pre-requisites for social and economic development;
- c) To engage in affirmative action/interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society;
- d) To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- e) To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies and to spend such monies through such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- f) To carry out activities at the time of natural calamity or engage in Disaster Management System;
- g) To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, Other Backward Classes, minorities and women;
- h) To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government;
- i) To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognised as CSR activity;
- j) To promote sustainability in partnership with industry associations, like CII, PHD, FICCI, etc. in order to have a multiplier impact.

2. COMPOSITION OF SCSR COMMITTEE

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of SCSR Committee held during the year	Number of meetings of SCSR Committee attended during the year
1	Dr. Pawan Munjal	Chairman	5	5
2	Mr. Pradeep Dinodia	Member	5	5
3	Prof. Jagmohan Singh Raju	Member	5	5
4	Ms. Tina Trikha	Member	5	5

3. WEB-LINKS WHERE COMPOSITION OF SCSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

- i. The composition of the SCSR committee is available on our website at <https://www.heromotocorp.com/en-in/about-us/committee-of-directors.html>.
- ii. The CSR Policy of the Company is available on our website at https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf.
- iii. The details of CSR projects are available on our website at <https://www.heromotocorp.com/en-in/csr-we-care-annual-report.html>.



4. 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):

Details of impact assessment and outcomes are provided in Annexure VI(A)

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:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	NIL	-
	Total	NIL	-

* The contribution of ₹ 31.38 crore was made to PM-CARES Fund on 31.03.2020 in pursuance of the appeal to contribute to PM-CARES Fund by Secretary, Ministry of Corporate Affairs

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):

2018-19	₹ 4,823.72 crore
2019-20	₹ 4,561.79 crore
2020 -21	₹ 3,698.18 crore
Total	₹ 13,083.69 crore
Average Net Profit	₹ 4,361.23 crore

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 87.22 crore
 (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: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 87.22 crore

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
87.85 crore	NIL	N.A.	N.A.	NIL	N.A.

- (b) Details of CSR amount spent against **ongoing project** for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Items from the list of activities on Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – through implementing agency	
				State	District						CSR Name Registration number.
1.											
Total											

Annexure – VI (Contd.)

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **As per Annexure VI(B)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Items from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - through implementing agency
				State	District		
				Name	CSR registration number		
AS PER ANNEXURE VI (B)							
Total					84,70,02,070		

(d) Amount spent in Administrative Overheads: ₹ 2,93,56,484

(e) Amount spent on Impact Assessment, if applicable: ₹ 21,26,918

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 87,84,85,472

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	87.22 crore
(ii)	Total amount spent for the Financial Year	87.85 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.63 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.63 crore

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NONE**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.							
Total							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NONE**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of the reporting Financial Year (in ₹)	Status of the project- Completed /Ongoing
1.								
Total								



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 (ASSET-WISE DETAILS):

- (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).
- No capital asset was created/acquired during FY 2021-22 through CSR spend.

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):

Not Applicable

Sd/-
Dr. Pawan Munjal
(Chairman, SCSR Committee
Chairman & CEO)

ANNEXURE – VI(A)

IMPACT ASSESSMENT REPORT (FY 2021-22)

BACKGROUND

Hero MotoCorp engaged two independent entities with extensive development sector experience, Saucepan Media Pvt. Ltd. and Thinkthrough Consulting, during the reporting period to assess the impact of its Corporate Social Responsibility (CSR) projects. Projects, which were implemented in FY 2019-20 and had completed the cooling period of 1 year, along with a project expenditure of or above ₹ 1 crore were selected to be evaluated.

The primary objective of the evaluation was to assess if each project was meeting its hypothesis and was making the intended and desired impact. Applying internationally accepted methodologies and research tools, the evaluation teams conducted a total of four studies covering CSR projects – Shiksha, Khelo Hero, Be A Road Hero Campaign and Green Drive.

PROJECT: SHIKSHA – SCHOLARSHIPS TO STUDENTS OF BML MUNJAL UNIVERSITY (BMU)

Project Timeline: FY 2019–20

Project brief: Project Shiksha focuses on upgrading and elevating the education ecosystem in the country. The objective of the intervention is to create an enabling and encouraging environment for imparting quality education in India.

Under the project, the Company has been generously providing scholarships to deserving students and supports infrastructure development to institutions to increase their capacity to accommodate more students. The primary recipients of these interventions have been meritorious students from BML Munjal University who are unable to afford tuition fee of the university but deserve to continue their higher education.

Project outcomes

- Scholarships: 559 scholarships to meritorious students to pursue BTech, LLB, BBA and MBA were awarded.
- Internships and placements: 95 per cent of BTech students and 94 per cent of MBA students are placed at reputed companies.
- Higher education: 85% of BBA students graduated with distinction and are pursuing master's degree; 15% are employed.

Project impact

Scholarships not only reduced the financial burden on parents and students, but also helped students to remain focused on academics, increasing their chances of staying in college and graduating with better grades and skills. Also, the ones who graduated from the university are already gainfully employed.

PROJECT: KHELO HERO – SUPPORT TO PARALYMPIC COMMITTEE OF INDIA (PCI)

Project Timeline: FY 2019–20

Project brief: Under Khelo Hero, Hero MotoCorp entered into a partnership with Paralympic Committee of India (PCI) to support all essential needs of para-athletes. The primary objective of the Company's support is to facilitate all efforts of PCI that are focused on developing a conducive atmosphere whereby athletes are able to train well and eventually improve the country's medal tally. Under the project, support is extended to all national and international sports involving athletes with disabilities, including impaired muscle power, impaired passive range of movement, limb deficiency, leg length difference, short stature, hypertonia, ataxia, athetosis, vision impairment and intellectual impairment.

Project outcome

- In 2019, Paralympic Committee of India (PCI), with Hero MotoCorp's CSR support, managed to send the largest contingent of players to two international events:
 - World Para Athletics Championships 2019, Dubai
 - World Junior Para Athletics Championships 2019, Nottwil, Switzerland

Project impact

- Commendable performance at World Para Athletics Junior Championships 2019, Nottwil, Switzerland – The 25 athletes representing India participated in both the groups and won a total of 23 medals that included 11 gold, 6 silver and 6 bronze medals. – In overall rankings, India stood at second position in total medal tally and at first position in under-20 medal tally.
- Commendable performance at World Para Athletics Championships, Dubai 2019 – India won a total of 9 medals which included 2 gold, 2 silver and 5 bronze. – The team also witnessed a good jump in overall ranking as the country stood at 24th position in the total medals tally, several rungs above its 34th position in 2017.

PROJECT: 'BE A ROAD HERO'

Project Timeline: FY 2019–20

Project brief: The Company has been investing in multiple projects geared towards improving road safety in India. These projects have been focused on safe driving and safe road-usage trainings as well as creating awareness amongst people about the basics of road safety. 'Be a Road Hero' is one such initiative by the Company that has made optimal use of mass media, social media and below-the-line activities to reiterate the road safety message as well as help bring about attitude change amongst road users. The conclusions in the impact study are based primarily on the meta-analysis of several reports and thorough studies conducted on the subject of road safety.



Project outcomes

- Pledge: 127,472 people pledged to 'Be a Road Hero'
- Print media: Awareness content reached over 3.2 million readers of Hindustan Times
- Radio: Awareness content reached 16.5 million listeners of Fever FM
- Digital media: Awareness-focused posts on pages with more than 30 lakh social media followers (Hero MotoCorp and Hindustan Times combined)
- Digital media: 17,800+ individuals shared the microsite link/url

Project impact

An increase of up to 14% in road-safety attitude* of individuals who had exposure to key road safety messages.

*The assumption made by an independent evaluation agency on the basis of meta analysis from secondary research studies: (Phillips et al., 2009 and Phillips et al., 2011)

PROJECT NAME: HERO GREEN DRIVE

Assessment Duration: December 2021-January 2022

Project Brief: FY 2014-15 onwards, the Company has planted over 2.38 million tree saplings. The study was conducted for a comprehensive understanding of the afforestation efforts carried out, the processes followed, implementation and maintenance plans. The evaluators developed a sample selection criterion for selection of the project sites. The following parameters were deployed to choose sites:

- Equitable distribution across all partner organisations
- Duration of plantation (more sample from older project areas)
- Geographical coverage
- Number of saplings planted

Implementation Partner	State/Location	Number of Sites Visited
Contree	Rajasthan	8
Grow-Trees	Rajasthan	3
BCCL	Delhi, Karnataka and Tamil Nadu	12
EMACH	Uttarakhand	4
SGL	Noida	3

Key Findings:

- Sapling survival rates are higher in areas with more recent plantations and some form of safeguarding mechanisms like water for irrigation or protected spaces. Simple average estimations reveal that sapling survival rates at an aggregate level for the entire plantation effort under Green Drive (2.38 million trees) can be taken at 75%
- Implementation Partners have not maintained key project documents like needs assessment reports, landscape change reports, soil analysis reports, flora/fauna composition, regular monitoring reports.
- The project lacks a clear strategy on community engagement. The absence of a coherent strategy has made sapling survival a challenge. Areas where community engagement has happened have revealed better results, providing a template for future project design elements to be imbibed.
- The plantation effort has been sub-contracted by the implementation partners to other agencies, presenting potential reputational risks for Hero MotoCorp
- MoUs with Implementation Partners do not specify key milestones and reporting expectations.

Project Impact: A snapshot of the sapling survival estimation is provided below.

Implementation Partner	Sapling Survival Rate as per MOU	Average Sapling Survival Rate* as per TTC Team
Contree	85 %	73.2%
Grow-Trees	85%	47.6%
BCCL	85%	76%
EMACH	85%	70.2%
SGL	85%	77%

*Sapling survival rates have been averaged out across IPs for standardization

**Simple average estimations reveal that sapling survival rates at an aggregate level for the entire plantation effort of 2.38 million trees can be taken at 75%

ANNEXURE – VI(B)

DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR 2021-22

Name of the Project	Local Area	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
Community Development	No	Haryana	Panchkula	34,58,873	Yes		
	No	Maharashtra	Nagpur	6,14,643	Yes		
	No	West Bengal	Alipurduar	21,33,518	Yes		
	No	West Bengal	Cooch Behar	93,08,515	Yes		
	Yes	Haryana	Sonipat	1,90,94,665	No	International Foundation for Research and Education	CSR00000712
COVID- 19 Relief	Yes	Rajasthan	Jaipur	13,58,118	Yes		
	No	Andhra Pradesh	Chittoor	16,87,405	No	Habitat for Humanity India	CSR00000402
	No	Andhra Pradesh	Tirupati	7,21,432	No	Habitat for Humanity India	CSR00000402
	No	Gujarat	Ahmedabad	30,71,200	Yes		
	No	Haryana	Kurukshetra	61,89,296	Yes		
	No	Uttarakhand	Dehradun	96,07,509	Yes		
	Yes	Andhra Pradesh	Chittoor	12,29,500	No	Habitat for Humanity India	CSR00000402
	Yes	Andhra Pradesh	Chittoor	1,43,913	Yes		
	Yes	Delhi	New Delhi	1,06,76,874	No	People to People Health Foundation	CSR00000068
	Yes	Delhi	New Delhi	1,465	Yes		
	Yes	Delhi	South Delhi	16,38,896	No	People to People Health Foundation	CSR00000068
	Yes	Delhi	South West Delhi	8,73,115	Yes		
	Yes	Delhi	West Delhi	2,35,87,779	No	People to People Health Foundation	CSR00000068
	Yes	Gujarat	Panchmahal	10,85,842	No	Setco Foundation	CSR00004986
	Yes	Gujarat	Panchmahal	36,40,668	Yes		
	Yes	Haryana	Gurugram	18,37,859	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Haryana	Gurugram	5,54,01,389	Yes		
	Yes	Haryana	Kurukshetra	2,34,440	Yes		
	Yes	Haryana	Gurugram	16,88,946	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Haryana	Rewari	19,800	Yes		
Yes	Rajasthan	Alwar	34,85,852	Yes			
Yes	Rajasthan	Jaipur	40,00,000	No	Get Set Go Foundation	CSR00006454	
Yes	Rajasthan	Jaipur	26,56,810	No	Nath Sanskriti Seva Sansthan	CSR00005135	
Yes	Rajasthan	Jaipur	89,21,215	Yes			
Yes	Uttarakhand	Haridwar	31,91,197	No	Adarsh Yuva Samiti	CSR00000390	
Yes	Uttarakhand	Haridwar	15,00,000	No	Rama Krishna Sewasharam Kankhal Haridwar	CSR00006101	
Nurturing and Protection of Biodiversity	Yes	Uttarakhand	Haridwar	44,71,400	Yes		
	No	Gujarat	Junagarh	6,00,199	Yes		
	No	Haryana	Panchkula	1,86,93,676	Yes		
	No	Haryana	Panipat	2,12,400	Yes		
	No	Karnataka	Benguluru	59,00,000	Yes		
	No	Madhya Pradesh	Indore	6,99,150	Yes		
	No	Tamil nadu	Chennai	10,31,320	Yes		
	No	Uttarakhand	Dehradun	2,37,13,734	Yes		
	Yes	Delhi	Delhi	3,06,800	Yes		



Annexure – VI(B) (Contd.)

Name of the Project	Local Area	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
Water Conservation	Yes	Delhi	New Delhi	1,99,420	Yes		
	Yes	Delhi	South Delhi	27,61,200	Yes		
	Yes	Delhi	South West Delhi	1,11,59,698	Yes		
	Yes	Haryana	Gurugram	1,02,74,093	Yes		
	Yes	Haryana	Rewari	88,400	Yes		
	Yes	Rajasthan	Jaipur	7,30,000	No	Contree Foundation	CSR00000049
	Yes	Gujarat	Panchmahal	1,19,42,174	Yes		
	Yes	Haryana	Gurugram	75,19,468	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Haryana	Rewari	52,43,262	Yes		
	Yes	Rajasthan	Jaipur	46,498	Yes		
Diversity and Inclusion	No	Andhra Pradesh	NTR	1,34,684	Yes		
	No	Andhra Pradesh	Sri Potti Sriramulu Nellore	1,32,951	Yes		
	No	Andhra Pradesh	Vijaywada	12,98,769	Yes		
	No	Assam	Guwahati	3,62,64,079	Yes		
	No	Chandigarh	Chandigarh	50,01,069	Yes		
	No	Gujarat	Gandhinagar	15,58,239	Yes		
	No	Haryana	Gurugram	28,969	Yes		
	No	Himachal Pradesh	Shimla	78,96,335	Yes		
	No	Jammu and Kashmir	Jammu	40,27,106	Yes		
	No	Karnataka	Bengaluru	23,91,548	Yes		
	No	Maharashtra	Amravati	13,99,624	Yes		
	No	Maharashtra	Beed	6,77,151	Yes		
	No	Maharashtra	Mumbai city	1,64,18,750	No	Kishor Mushale Charitable Trust	CSR00006682
	No	Maharashtra	Nagpur	34,58,448	Yes		
	No	Maharashtra	Nanded	13,99,624	Yes		
	No	Maharashtra	Pune	7,74,353	Yes		
	No	Maharashtra	Sangli	4,91,434	Yes		
	No	Maharashtra	Satara	9,80,006	Yes		
	No	Maharashtra	Solapur	9,77,144	Yes		
	No	Maharashtra	Thane	73,31,404	Yes		
	No	Odisha	Jagatsinghpur	55,01,167	Yes		
	No	Telangana	Hyderabad	50,91,549	Yes		
	No	Tripura	Agartala	66,18,464	Yes		
	No	Uttarakhand	Dehradun	70,42,380	Yes		
	No	West Bengal	Alipurduar	12,20,869	Yes		
	No	West Bengal	Bankura	1,40,57,076	Yes		
	No	West Bengal	Bardwan	1,09,82,945	Yes		
	No	West Bengal	Barrackpore	90,97,928	Yes		
	No	West Bengal	Baruipur	34,92,674	Yes		
	No	West Bengal	Basirhat	35,37,930	Yes		
No	West Bengal	Hoogly	1,36,34,129	Yes			
No	West Bengal	Howrah	71,94,758	Yes			
No	West Bengal	Murshidabad	1,40,18,812	Yes			
No	West Bengal	Siliguri	76,13,140	Yes			

Annexure – VI(B) (Contd.)

Name of the Project	Local Area	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
	Yes	Delhi	New Delhi	3,37,11,879	Yes		
	Yes	Delhi	South Delhi	15,22,200	Yes		
	Yes	Gujarat	Panchmahal	23,90,380	No	Setco Foundation	CSR00004986
	Yes	Haryana	Gurugram	6,20,112	Yes		
	Yes	Haryana	Rewari	9,074	No	Humana People to People India	CSR00000929
	Yes	Haryana	Gurugram	5,05,443	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Jaipur	15,000	No	Nath Sanskriti Seva Sansthan	CSR00005135
	Yes	Rajasthan	Jaipur	74,340	Yes		
Education	No	Assam	Guwahati	1,33,30,283	Yes		
	No	Uttar Pradesh	Gautam Buddha Nagar	6,25,000	No	Jai prakash narayan memorial trust	CSR00001274
	Yes	Gujarat	Panchmahal	82,054	Yes		
	Yes	Haryana	Gurugram	9,61,221	Yes		
	Yes	Haryana	Rewari	30,59,145	No	Agastya International Foundation	CSR00003442
	Yes	Haryana	Gurugram	20,00,00,000	No	BML Munjal University	CSR00002887
	Yes	Haryana	Gurugram	2,09,72,146	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Alwar	30,856	No	Humana People to People India	CSR00000929
	Yes	Rajasthan	Alwar	12,81,395	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Jaipur	7,50,000	No	Contree Foundation	CSR00000049
	Yes	Rajasthan	Jaipur	1,40,000	No	Nath Sanskriti Seva Sansthan	CSR00005135
	Yes	Rajasthan	Jaipur	11,78,496	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Rajasthan	Jaipur	17,50,010	No	Round Table India Trust	CSR00000895
	Yes	Uttarakhand	Haridwar	34,57,999	No	Adarsh Yuva Samiti	CSR00000390
	Yes	Uttarakhand	Haridwar	11,61,071	No	Raman Kant Munjal Foundation	CSR00004870
	Yes	Uttarakhand	Haridwar	1,28,097	Yes		
Renewal energy	No	Rajasthan	Pali	1,56,468	Yes		
	Yes	Haryana	Gurugram	10,68,903	Yes		
	Yes	Haryana	Rewari	2,92,935	Yes		
	Yes	Rajasthan	Alwar	1,66,380	Yes		
	Yes	Rajasthan	Jaipur	3,37,052	Yes		
	Yes	Rajasthan	Pali	87,143	Yes		



Name of the Project	Local Area	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
		State	District			Name	CSR Registration Number
Promoting preventive health care	No	Assam	Kamrup Metropolitan	36,79,530	Yes		
	Yes	Gujarat	Panchmahal	4,65,322	No	Wockhardt Foundation	CSR00000161
	Yes	Haryana	Gurugram	1,04,42,906	Yes		
	Yes	Haryana	Rewari	29,00,000	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
	Yes	Haryana	Rewari	1,39,51,069	Yes		
	Yes	Rajasthan	Alwar	47,01,056	No	Wockhardt Foundation	CSR00000161
	Yes	Uttarakhand	Haridwar	30,00,000	No	Hindustan Latex Family Planning Promotion Trust	CSR00010248
Road Safety	No	Delhi	West Delhi	47,349	Yes		
	No	Haryana	Gurugram	62,757	Yes		
	No	Haryana	Jind	17,20,646	Yes		
	No	Jharkhand	Ranchi	4,64,467	Yes		
	No	Maharashtra	Nagpur	8,54,754	Yes		
	No	Maharashtra	Nashik	23,338	Yes		
	No	Maharashtra	Pune	1,27,961	Yes		
	No	Odisha	Cuttack	23,91,022	Yes		
	No	Telangana	Hyderabad	9,60,616	Yes		
	No	Uttar Pradesh	Lucknow	21,77,449	Yes		
	Yes	Delhi	New Delhi	12,24,305	Yes		
	Yes	Delhi	South West Delhi	98,83,836	Yes		
	Yes	Delhi	West Delhi	21,02,233	Yes		
	Yes	Haryana	Gurugram	37,07,237	Yes		
Yes	Haryana	Jind	15,00,000	Yes			
Khelo Hero	Yes	Haryana	Jhajjar	3,50,000	No	Mera Gaon Mera Desh	CSR00017584
Total				84,70,02,070			
Administrative expenses				2,93,56,484			
Impact Assessment				21,26,918			
Grand Total				87,84,85,472			

ANNEXURE – VII

Secretarial Audit Report

For the Financial Year Ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hero MotoCorp Limited
(CIN: L35911DL1984PLC017354)
The Grand Plaza, Plot No.2, Nelson Mandela Road,
Vasant Kunj Phase-II, New Delhi –110 070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hero MotoCorp Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March,

2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 {Not applicable during the audit period};
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {Not applicable during the audit period};
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable during the audit period};
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 {Not applicable during the audit period}; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. to the extent applicable, as mentioned above.

- (vi) The Company is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services and accordingly, the Motor Vehicles Act, 1988 and rules made thereunder, primarily in respect of vehicles manufactured by the Company, are the laws specifically applicable on it. On the basis of management representation and our check on test basis, we are on the view tht the Company has adequate system to ensure compliance of laws specifically applicable on it.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance other than meeting held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Place: New Delhi
Date: May 3, 2022

Devesh Kumar Vasisht
Partner
CP No.: 13700; M No.: F8488
UDIN: F008488D000263908

ANNEXURE – VIII

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Corporate Identity Number (CIN) of the Listed Entity	L35911DL1984PLC017354
Name of the Listed Entity	Hero MotoCorp Limited
Year of incorporation	1984
Registered office address	The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi – 110 070
Corporate address	The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi – 110 070
E-mail	secretarialho@heromotocorp.com
Telephone	+91-11-46044220
Website	www.heromotocorp.com
Financial year reported	April 1, 2021 to March 31, 2022
Name of the Stock Exchange(s) where shares are listed	Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
Paid-up Capital	₹39,96,23,882
Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Samar Bhatia +91-11-46044220 secretarialho@heromotocorp.com The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi – 110070
Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis and pertains only to India operations of the Company.

II. Products/services

1. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing of two-wheelers: motorcycles & scooters	100

2. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Motorcycles & Scooters	30911	100

III. Operations

3. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	45	51
International	2	2	4

4. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	PAN – India
International (No. of Countries)	Company sells its products in 43 countries

b) What is the contribution of exports as a percentage of the total turnover of the entity?

5.5% of the total turnover of the entity is contributed through export.

c) A brief on types of customers

Hero MotoCorp is the world's largest motorcycles and scooters manufacturer. Company sells its products to customers across the globe and the products of the Company caters to adult customers of all ages and gender. It is a testimony of



the trust our customers have bestowed on us, generation after generation that enabled the Company to be the largest selling motorcycle and scooter company in the world by volumes, exceeding 100th million vehicles in the previous year.

IV. Employees

5. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	4,574	4,150	90.72	424	9.28
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	4,574	4,150	-	424	-
WORKERS						
4.	Permanent (F)	4,599	4,596	99.99	3	0.1
5.	Other than Permanent (G)	19,782	18,130	91.65	1,652	8.35
6.	Total workers (F + G)	24,381	22,726	-	1,655	-

b) Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	11	8	72.73	3	27.27
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	11	8	-	3	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	47	47	100.00	-	-
5.	Other than permanent (G)	40	36	90.00	4	10.00
6.	Total differently abled workers (F + G)	87	83	-	4	-

6. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	3	27.2
Key Management Personnel	3	0	0.0

7. Turnover rate for permanent employees and workers

	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%	25%	13%	6%	8%	6%	13%	15%	13%
Permanent Workers	2%	-	2%	2%	-	2%	2%	0%	2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

8. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity
1	Hero FinCorp Limited	Associate	41.20
2	Ather Energy Private Limited	Associate	34.04
3	HMC MM Auto Limited	Subsidiary	60.00
4	HMCL Americas Inc.	Subsidiary	100.00
5	HMCL Netherlands B.V.	Subsidiary	100.00
6	HMCL Colombia S.A.S	Subsidiary	68.00
7	HMCL Niloy Bangladesh Limited	Subsidiary	55.00
8	Hero Tech Center Germany (GmbH)	Subsidiary	100.00

Annexure – VIII (Contd.)

Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity?

The subsidiary/associate companies have their own business responsibility (BR) initiatives and generally do not participate in the BR initiatives of the Company. However, there are instances where subsidiaries make joint commitments to support BR initiatives such as COVID-19 relief measures.

VI. CSR Details

9. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

(ii) Turnover – (in ₹) - ₹ 29,802.38 crore

(iii) Net worth (in ₹) - ₹15,782.92 crore

VII. Transparency and Disclosures Compliances

10. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide weblink for grievance redress policy)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	481	3	Pending complaints resolved in FY 2022-23	367	18	Pending complaints resolved in FY 2021-22
Employees and workers	Yes	8	1	-	17	5	-
Customers	Yes	34401	770	2.2% pendency	28387	330	1.2% pendency
Value Chain Partners	Yes	7	-	-	12	2	16.7%
Other	Yes	9	0	-	19	1	5.2%

The Vigil Mechanism/Whistle-Blower Policy of the Company provides a robust framework for dealing with concerns and grievances. The Company has a hotline managed by a third party which can be used by employees, directors, vendors, suppliers, dealers, etc. to report any concern. The same is available at <https://www.heromotocorp.com/en-in/about-us/key-policies.html>.

11. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Shift from Internal Combustion Engine vehicles to Electric Vehicles	Both	Identification of risk associated with the effects of environmental changes	<ul style="list-style-type: none"> - Hero MotoCorp EV product to be launched - Investment in Ather Energy - Collaboration with Gogoro 	<ul style="list-style-type: none"> - EV sales may eat into part of the traditional IC engine sales volumes - Explore new business models to address the eco-system such as charging formats, Battery as a Service
2	Shift in spending patterns due to uncertainties	Risk	Change in purchasing pattern of the customers	<ul style="list-style-type: none"> - Appropriate value proposition - Attractive offers to the customers - Subvention Finance schemes 	<ul style="list-style-type: none"> - Identify different ways of delivering greater value to customers. - Customers delay certain purchases



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, the Sustainability Policy, which is an overarching policy of the Company contains the guiding principles of the Company. The Sustainability Policy covers all the aforesaid 9 Principles.								
b) Has the policy been approved by the Board?	Yes, the Sustainability Policy has been approved by the Board of Directors.								
c) Weblink of the Policies, if available	https://www.heromotocorp.com/en-in/about-us/key-policies.html								
2. Whether the entity has translated the policy into procedures.	Yes, the Company has translated the policies as applicable into procedures and practices in all spheres of activities that the Company does. Ex.- To ensure adherence to the Company's Code of Conduct, Ethics Committee has been constituted to investigate the violations. Further, the Company has well defined SOPs to handle the stakeholders' grievances.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company's Sustainability Policy covering the above 9 principles is expected to be adhered by its stakeholders.								
4. Name of the national and international codes/ certifications/ labels/ standards	Yes, the Code of Conduct of the Company, which forms the pillar of the Company is based on the GBS Codex, © HBSP, approval #614127								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Company aims to have: Carbon Neutral operations by 2030 500% water positive by 2025 and Zero Waste to Landfill by 2025.								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Performance on specific targets are as under: Carbon Neutral operations by 2030- Achieved ~30% 500% water positive by 2025- Achieved ~350% Zero Waste to Landfill by 2025- Achieved 75%								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>At Hero MotoCorp, we remain committed to making a significant contribution towards shaping a better future because 'We Care' unconditionally. We remain committed to leading from the front in demonstrating the responsibility of being good corporate citizens by offering smart mobility solutions, spurring technological innovation, enabling the transition to a low-carbon economy and creating shared benefits for all our stakeholders as we work towards a sustainable future.</p> <p>We are also progressing on our three key sustainability aspirations. We are working to achieve 100% carbon neutral operations by 2030 by offsetting Scope 1 and 2 emissions through various means, 500% water positive facilities by 2025 by creating 5x recharge potential within and beyond the fence cumulatively, and 100% waste neutral facilities through Zero Waste to Landfill (ZWL) certifications by 2025.</p> <p>In FY 2021-22, we achieved carbon neutrality of ~30%, water positivity of ~350%+ and generated clean renewable energy of ~1.2 crore units from solar plants.</p> <p>Diversity and Inclusion (D&I) have always been our foundation and key guiding principles for everything we do at Hero MotoCorp. Our Company remains committed to promoting gender diversity, and this is reflected in an increase in our female workforce to 2000+. We have also signed the United Nations Women's Empowerment Principles, reiterating our commitment to being a leader in empowering women.</p> <p>Health Safety and Well-Being of our employees is a foremost area of work which is fundamental to our organisational growth. We believe that safe work practices lead to better business performance, motivated workforce and higher productivity.</p> <p>We have been accelerating our focus to improve our safety systems over the years to provide a safe, pleasant and healthy workplace environment to our people including the relevant training & awareness. We have achieved 20% reduction in first aid cases in FY 2021-22.</p>								

Annexure – VIII (Contd.)

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN Number : 00985182 Name : Mr. Vikram Sitaram Kasbekar Designation : Executive Director & Chief Technical Officer								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues?	Yes, Sustainability and Corporate Social Responsibility Committee Dr. Pawan Munjal – Chairman Mr. Pradeep Dinodia – Member Prof. Jagmohan Singh Raju – Member Ms. Tina Trikha – Member								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee																	
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																	
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The performance of the Company against the Sustainability Policy and other key policies are reviewed periodically or on a need basis by the Sustainability team, which reports into the Sustainability SteerCo and then to a Committee of the Board of Directors. During the assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures, if any and suggested and implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Our major aim is to ensure that we manage our compliances effectively and we have E-Compliance tool in place. The tool is periodically updated to ensure incorporation of the latest statutory and legal changes provides automated alerts along with a real-time dashboard to the management.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
	Yes, assurance by Price Waterhouse Chartered Accountants LLP																	

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:
Not Applicable

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

1. Percentage during coverage by training and awareness programmes on any of the Principles the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	17	Covering all Principles	100%
Key Managerial Personnel	361	Covering all Principles	100%
Employees other than BoD and KMPs	447	Covering all Principles	100%
Workers	104	Covering all Principles	100%

2. Details of fines/ penalties/punishment/ award/ compounding fees/ settlement amount in proceedings (by the entity or by directors/ KMPs) with the regulators/ law agencies/ judicial institutions, in the financial year, in the following format the (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed entity's website):
NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:
Not Applicable



4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a weblink to the policy.

Yes, the Code of Conduct covers the Anti-corruption and Anti-bribery. The policy reiterates Company's stance of zero tolerance towards bribery and corrupt practices. The same is available at <https://www.heromotocorp.com/en-in/about-us/key-policies.html>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

NIL

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

7. Provide details of any corrective action taken or underway on issues related to fines/ Penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

NIL

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
467	Principle 4 & 9	70%

2. Does the entity have processes in place to avoid/manage conflict of interests involving of the Board?

Yes, the Code of Conduct of the Company has principle on management of conflict of interest to identify actual of potential conflict of interest of Company with its directors and employees, which may arise during the course of its business activities. The policy is available at <https://www.heromotocorp.com/en-in/about-us/key-policies.html>

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes.

	Current Financial Year (₹ in crore)	Previous Financial Year (₹ in crore)	Details of improvements in environmental and social impacts
R&D	431.42	395.81	- EV Vehicle development [Zero emission technology]
Capex	184.43	144.21	- Wash coat optimisation in CatCon material to substantially reduce emissions - Zr based pre- treatment process in Fuel tank resulting in zero sludge & no heating requirement - Water based CED process instead of solvent based primer in sheet metal painting - Lightweight high efficiency LED lighting system

2. a) Does the entity have procedures in place for sustainable sourcing?

b) If yes, what percentage of inputs were sourced sustainably?

In terms of Sustainability Policy of the Company, the Company is committed to handhold its value chain partners to implement relevant policies and processes to enhance their sustainability performance.

Annexure – VIII (Contd.)

Under its Programme, Green Partner Development Programme (GPDP), the Company actively engages with its suppliers through its BR initiatives. During the year 21-22, due to pandemic issues, only 4 sessions were conducted under the GPDP programme. Overall, 236 suppliers have been enrolled under this programme, which amounts to 92% of total volume.

GPDP encourages a collaborative effort between Hero MotoCorp and its suppliers, dealers to achieve Company's overall corporate sustainability goal. Six pillars have been assigned to GPDP model. Partner vendors and dealer are given specific training on all six pillars of GPDP and mapping of processes/equipment is carried out based on logical analysis so as to identify the gaps or Significant environmental and safety aspects and accordingly improvements projects are undertaken for implementation. The objective of GPDP is as under:

- Provide employees a safer & healthy place to work
- De-risking of business in view of legal compliance
- Reduce environment impact – reduced energy, water and landfill waste
- Reduce Carbon dioxide (CO₂) gas emission & encourage use of renewable energy

- Differentiate your business from others in your community by sustainable practices
- Benchmark Supplier and dealers on sustainability

Safety Audit and training:

As a part of our de-risking drive of our supply chain partners, a structure Fire & Safety audit was conducted by the Company through external certified auditor for 35 supply chain partners, selected on the basis of criticality of process, dependability & critical hazardous chemical/waste handling. Further, the partners were also guided to implement the actions for mitigating the risks identified.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is in line with the plan submitted to Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products?

NIC Code	Name of Product	% of total contribution	Boundary for which the Life Cycle Perspective/Assessment was Conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the weblink.
30911	HF Delux	17.42%	To understand the actual environmental performance of the product with key focus on primary energy consumption, GHG emissions, acidification potential, blue water consumption, primary energy demand and photochemical ozone creation potential with a cradle to grave approach.	Conducted by an external agency along with Company's internal team. Independent third party reviewed the final report	https://www.heromotocorp.com/en-in/uploads/sustainability_report/SR-2019.pdf



2. If there are any significant social or environmental concerns and/ or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/concern	Action Taken
Carburettor System	Higher fuel consumption.	Replacing with efficient fuel injection system that enables higher fuel atomisation thereby reducing unused fuel wastage and hence substantial reduction in scope 3 emissions.
Idle start stop system (i3s) implementation	Higher fuel consumption.	i3S improves fuel efficiency by up to 5% and ensures carbon footprint reduction in the use phase of the product and hence substantial reduction in scope 3 emissions.

Company also accelerated its efforts on developing in house electric vehicle as a part of its emerging mobility strategy and transitioning towards sustainable mobility solutions.

3. Percentage of recycled or reused input material to total material (by value) used in production

Indicate Input material	Recycles or re-used input material to total material	
	FY 2021-22	FY 2020-21
Aluminum (Tonnes)	61.10%	62.18%
Steel (Tonnes)	6.29%	6.16%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format

	FY 2021-22			FY 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	1,367	NIL	NIL	1,477
E-waste	NIL	NIL	5.4	NIL	NIL	8.6
Hazardous waste	NIL	NIL	1,652	NIL	NIL	1,833.5
Other waste	NIL	NIL	8,056.6	NIL	NIL	8,954.9

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NIL	NIL

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a) Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4,150	4,150	100	4,150	100	4,150	100	4,150	100	4,150	100
Female	424	424	100	424	100	424	100	424	100	424	100
Total	4,574	4,574	100	4,574	100	4,574	100	4,574	100	4,574	100
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Annexure – VIII (Contd.)

b) Details of measures for the well-being of workers

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4,596	4,596	100	4,596	100	4,596	100	4,596	100	4,596	100
Female	3	3	100	3	100	3	100	3	100	3	100
Total	4,599	4,599	100	4,599	100	4,599	100	4,599	100	4,599	100
Other than Permanent Employees											
Male	18,130	18,130	100	18,130	100	18,130	100	18,130	100	18,130	100
Female	1,652	1,652	100	1,652	100	1,652	100	1,652	100	1,652	100
Total	19,782	19,782	100	19,782	100	19,782	100	19,782	100	19,782	100

2. Details of retirement benefits, for current year and previous financial year

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and deposited with the authority	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and deposited with the authority
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI (Eligible employees as per law)	100	100	Yes	100	100	Yes
Other – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises of the Company are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink to the policy

The Company has adopted an Equal Opportunity Policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder. The policy is on the Company’s intranet and is available to internal stakeholders.

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	93%	100%	100%
Female	100%	85%	100%	100%
Total	100%	92%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	
Other than Permanent Workers	
Permanent Employees	Yes
Other than Permanent Employees	



The Company believes in two-way communication. Employees are encouraged to share their concerns with their managers, HR or the members of the senior management. The Whistle-blower Policy of the Company provides a formal platform to share grievances on various matters. New recruits are also sensitised on the various mechanism and forms part of the employee induction programme.

Company has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on the same is placed on the Company's website. Members of the Company's ICC are responsible for conducting inquiries pertaining to such complaints.

The Company, on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY 2021-22			FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
Total Permanent Workers [§]						
- Male	3399	3399	100%	3357	3357	100%
- Female	0	0	0	0	0	0

§ Dharuhera and Gurgaon have Unions

8. Details of training given to employees and workers

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health And safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	4,150	4,150	100	4,150	100	3,899	3,899	100	3,899	100
Female	424	424	100	424	100	382	382	100	382	100
Total	4,574	4,574	100	4,574	100	4,281	4,281	100	4,281	100
Workers										
Male	4,596	4,596	100	4,596	100	4,442	4,442	100	4,442	100
Female	3	3	100	3	100	1	1	100	1	100
Total	4,599	4,599	100	4,599	100	4,443	4,443	100	4,443	100

9. Details of performance and career development reviews of employees and worker

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4,150	4,150	100	3,899	3,899	100
Female	424	424	100	382	382	100
Total	4,574	4,574	100	4,281	4,281	100
Workers						
Male	4,596	4,596	100	4,442	4,442	100
Female	3	3	100	1	1	100
Total	4,599	4,599	100	4,443	4,443	100

Annexure – VIII (Contd.)

10. Health and safety management system:

(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all units of the Company are certified Occupational Health and Safety Management systems as per ISO 45001. The Company is complying with all the applicable Health and Safety regulations. The Company has defined Safety standards which are more stringent than the prescribed legislative norms. Various Key Performance Indicators are defined on Health and Safety specifically for reduction in safety related incident – and are tracked and monitored on monthly basis.

(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification Risk Assessment (HIRA) is a process of defining and describing hazards by characterising their probability, frequency, and severity and evaluating adverse consequences, including potential losses and injuries. A risk assessment that provides the factual basis for activities is included in the corporate safety strategy to reduce losses from identified hazards at workplace. While carrying out Hazard Assessment, all the activities including routine and non-routine in each section are selected, Hazard Assessment conducted to identify the significant risks. For all the significant risks, control measures are defined to mitigate the risks. The HIRA process is a dynamic document which is reviewed every year or if there is

change in process, layout, materials etc. of there is an accident or incident in that particular activity.

Periodic medical check-ups are done in-house with specific tests identified as per risk assessment of employees working in different departments having exposure to different occupational health hazards. Health assessment on return-to-work is done prior to rejoining. Medical fitness certificate is verified and validated and maintained as record. Immunisation of specific categories of employees as per job requirements for specific protection under primary prevention protocol.

(c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

The Company has necessary systems in place to ensure employee's safety is not compromised and they are encouraged to discuss any work related hazards and health issues.

All our sites have safety committees with equal representation from employee and workers. Work related hazards identifies are identified through joint audit of section safety committees and planned countermeasure to eliminate them.

(d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services?

Yes, the employees are covered under the Company's health insurance and personal accident policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.1	0
Total reportable work-related Injuries	Employees	0	0
	Workers	5	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

All units of the Company are certified Occupational Health and Safety Management systems as per ISO 45001. The Company is complying COVID-19 specific Initiatives with all the applicable Health and Safety regulations. The Company has defined Safety standards which are more stringent than the prescribed legislative norms. Various Key Performance Indicators are defined on Health and Safety specifically for reduction in safety related incident – and are tracked and monitored on monthly basis.

The Company undertakes various activities to improve safety and health such as safety audits through internal and external experts, safety training for its employees on topics like behavioural based safety training, Fire safety, process safety etc. The Company puts serious efforts to prevent accidents or mishaps that may lead to loss of workdays, bodily injury or fatality. The Company is further involved in proactive measures which are designed to eliminate potentially dangerous workplace behaviour and situations that may be dangerous to employees.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year

	% of your plants and offices that were assessed
Health and safety practices	100%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions

The Hazards and risks are identified through various auditing and inspection process. Control measures are planned to mitigate significant Health and Safety hazards according to the hierarchy of controls. As per hierarchy of controls, the elimination of hazard is the most effective control method and the use of Personal Protective Equipment (PPE) is the least effective control.

Action taken report is submitted by the concerned agencies after closure of observation either through hazard notification system or otherwise and followed up by the Safety Coordinator. Any serious (high potential to cause injury) deficiencies are repaired immediately.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers**

Yes, the employees are covered under life insurance. During Covid period, in the unfortunate case of death of any employee, the Company decided to make contribution equivalent to the pay-out by insurance company.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

Business agreements, as applicable mandates the value chain partners to comply with all the statutory laws, Regulations and rules made thereunder.

3. Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable Employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Given that the employees are mostly high skilled, the transition assistance programme for the retirees are not found to be compelling.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	55 suppliers, amounting to 43% of overall volume were assessed.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners

No significant risks/concerns were noted during assessments of health and safety practices and working conditions of value chain partners.

Annexure – VIII (Contd.)

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Yes, the Company has mapped and identified its internal and external stakeholders. Company recognises employees, customers, shareholders, NGOs and communities, dealers, suppliers, investors, media, government, regulators, peers and industry ecosystem as our key stakeholders

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), other	Frequency of engagement (Annually/ Half yearly/ Quarterly / other – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Depending upon Income and other factors	Virtual showrooms, Customer service interaction, dealer management system, websites, showrooms, motor shows, events, media (TV, social media, magazines)	Ongoing basis	Customer feedback on product and services
Employees	No	Direct contact, Intranet, internal events, capacity building sessions	Ongoing basis	Discussion long-term strategy and welcome their insights and perspective
Value Chain Partners	No	Conferences, conventions, meetings, websites, dedicated portals	Ongoing basis	Discussion on business volume, customer expectations, sustainability
Shareholders and Investors	No	Direct contact, shareholder’s meeting, results briefing, website, shareholder’s queries, investor conferences, non-deal roadshows	Ongoing basis	Market developments, explain corporate results, resolving queries, ESG initiatives etc.
Industrial Association	No	Joint research, studies, working groups, conferences, events, assistance	Ongoing basis	Participation and External communication, Knowledge gaining-sharing
Local Communities	Yes	Local events, CSR, road safety programme	Ongoing basis	Promote activities to raise awareness on green, safe and sustainable living & inclusive prosperity.
Regulatory Bodies	No	Conferences, External forums and public platforms	Ongoing basis	Policy strengthening and social-economic benefits to stakeholders

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with the shareholders are dealt by the Stakeholders Relationship Committee (SRC) and the Corporate Social Responsibility (CSR) and Sustainability programmes of the Company are viewed by the Sustainability and Corporate Social Responsibility Committee of the Company. The Board is kept abreast on various developments and feedback on the same is sought from the directors.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company consults its stakeholder while identifying its sustainability and CSR programmes. During

the year, based on consultation with authorities and local communities, the Company partnered with Ramakrishna Mission Sevashrama & District Haridwar for 122 bed Covid hospital. The Company also signed a Memorandum of Understanding with the Municipal Corporation of Gurugram for the ecological restoration and conversation of the Aravali Biodiversity Park in Gurugram.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company through its CSR initiatives, provide necessary support to the vulnerable/marginalised community. Through its CSR initiative Shiksha, Company provides education support to the students. Through Jeevika, skill development trainings are provided. Further, the support to specially-abled group is provided through CSR initiative, Enable.



PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	4,574	4,574	100	4281	4281	100
Other than permanent	-	-	-	-	-	-
Total Employees	4,574	4,574	100	4281	4281	100
Workers						
Permanent	4,599	4,599	100	4443	4443	100
Other than permanent	19,782	19,782	100	21869	21869	100
Total Workers	24,381	24,381	100	26312	26312	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	4,150	-	-	4,150	100	3899	-	-	3899	100
Female	424	-	-	424	100	382	-	-	382	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	4,596	-	-	4,596	100	4442	-	-	4442	100
Female	3	-	-	3	100	1	-	-	1	100
Other than Permanent	19,782	19,782	100	-	-	21869	21869	100	-	-

3. Details of remuneration/salary/wages in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
(₹ in crore)				
Board of Directors (BoD) (Executive Director)				
- Mr. V S Kasbekar	1	8.08	-	-
Key Managerial Personnel:				
- Dr. Pawan Munjal	1	84.35	-	-
- Mr. Niranjan Gupta	1	6.71	-	-
- Mr. Dhiraj Kapoor (February 1, 2022 – March 31, 2022)	1	0.15	-	-
- Ms. Neerja Sharma (April 1, 2021 – January 31, 2022)	-	-	1	5.10
	Numbers		Median Remuneration	
Employees & Workers (As on 31.03.2022)	9,173		0.118	

Annexure – VIII (Contd.)

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the Company has Committees at plant level which takes care of health and safety concerns of the employees. Further, the Chief Human Resource Officer oversees the human resource function in the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Company is committed to provide a safe business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	7	Nil	-	2	-	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has policy to ensure protection of the complainant from discrimination, victimisation, retaliation or adoption of any unfair employment practices.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, agreements provide that all the statutory & regulatory laws including the human right to have a safe working place, timely payment of dues etc. are required to be complied by the service provider.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% of Plants and offices are assessed during the statutory audit ensuring compliance with all the Statutory laws/Regulatory requirement, Labour laws and rules made thereunder.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

The Code of Conduct of the Company is based on GBS Codex and respects the rights of its employees. Further, the Sustainability Policy of the Company respects and promote human rights. The Company regularly sensitises its employees on the Code of Conduct through various training programmes.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Please see response above

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premises/office of the entity are accessible to differently abled visitors.



4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Company expects its value chain partners to comply with its Sustainability Policy and with the law of the land where they do business. No specific assessment has been done.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	423754 GJ	423092 GJ
Total fuel consumption (B)	460718 GJ	644134 GJ
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	884472 GJ	1067226 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity	0.184 GJ/Veh.	0.185 GJ/Veh.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assurance by Price Waterhouse Chartered Accountants LLP

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	305529	310474
(ii) Groundwater	518483	605529
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	824012	916003
Total volume of water consumption (in kilolitres)	824012	916003
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity	0.17 KL/Veh.	0.16 KL/Veh.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assurance by Price Waterhouse Chartered Accountants LLP

Annexure – VIII (Contd.)

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Zero Liquid Discharge (ZLD) plant comprises of Ultra Filtration (UF), three stage Reverse Osmosis (RO) plant.

Ultra Filtration: The treated effluent from the outlet of ETP is passed through UF a modern process technology to purify water for a wide range of applications, including semiconductors, food processing, biotechnology, pharmaceuticals, power generation, sea water desalting, and municipal drinking water.

Reverse Osmosis: The permeated of the UF is passed through 3 stages of RO the water moves to the salty side of the membrane until equilibrium is achieved. The permeate of each stage is used back in the process, the reject of each stage of RO become feed for the next stage of the RO. The Final concentrated reject from RO stage 3 is sent to Multi Effect Evaporator (MEE).

Multi Effect Evaporator: The Multi effect evaporator vaporises the rejected water with High TDS in 3 stages under vacuum, the condensate from each stage is used back into the process. The solidified salt from the agitated thin film drier (ATFD) is collected in HDPE bags and sent for secured landfill/Co-processing.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2021-22	FY 2020-21
NOx	MT	33.75	91.22
SOx	MT	2.56	5.43
Particulate matter (PM)	MT	11.08	20.40
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assurance by Price Waterhouse Chartered Accountants LLP

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	26545	37363
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	84115	88840
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		22.94 Kg.Veh.	21.9 kg/Veh.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assurance by Price Waterhouse Chartered Accountants LLP

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company has recently installed 2.5 MW Solar Power Plant. Total in-house capacity of solar power generation is 11.2 MW



8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1367	1477
E-waste (B)	5.4	8.6
Bio-medical waste (C)	0.32	0.40
Construction and waste (D) demolition	-	-
Battery waste (E)	127	46.19
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	1652	1833.5
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	7930	8908
Total (A+B + C + D + E + F + G + H)	11081	12274
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.32	0.40
(ii) Landfilling	7	-
(iii) Other disposal operations	11073.7	12273.7
Total	11081.02	12274.1

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assurance by Price Waterhouse Chartered Accountants LLP

- 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**
 Company is committed to regularly improve its Waste management initiatives at its facilities. All Plants dispose waste in compliance with operating permits and hazardous waste authorisations. Company engage with waste disposal facilities/ waste recyclers/ cement companies after due validation. As per our strategic drive to divert hazardous wastes away from landfill and incineration, a number of recycling options have been explored and implemented across organisation level.
- 10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**
 Not Applicable
- 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**
 No Environmental impact assessment of projects were undertaken by the Company during the current financial year.
- 12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.**
 The Company is complying with all applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

Annexure – VIII (Contd.)

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	38401 GJ	33062 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	38401 GJ	33062 GJ
From non-renewable sources		
Total electricity consumption (D)	383311 GJ	390030 GJ
Total fuel consumption (E)	461365 GJ	644134 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	844676 GJ	1034164 GJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes assurance by Price Waterhouse Chartered Accountants LLP

2. Provide the following details related to water discharged

Not Applicable

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assurance by Price Waterhouse Chartered Accountants LLP

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) **Name of the area:** Haryana and Rajasthan
- (ii) **Nature of operations:** Manufacturing of two-wheelers, Global Parts Centre and Research & Development.
- (iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	138869	143650
(ii) Groundwater	262916	361891
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	401785	505541
Total volume of water consumption (in kilolitres)	401785	505541
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-



Parameter	FY 2021-22	FY 2020-21
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assurance by Price Waterhouse Chartered Accountants LLP

4. Please provide details of total Scope 3 emissions & its intensity

Not Applicable

The Company has accordingly taken aggressive targets: Carbon Neutral operations by 2030, 500% water positive by 2025 and Zero Waste to Landfill by 2025.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

10. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As per information available, there has been no significant impact to the environment, arising from the value chain of the Company.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not Applicable

11. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

60% of the value chain partners (by value of business done with such partners) were assessed for environmental impacts.

9. Does the entity have a business continuity and disaster management plan? Give details.

Yes, the Company recognises the importance of Business Continuity Plan (BCP) for the smooth running of business particularly during unfavourable times, including pandemic. The Company focuses on business continuity, both from a business operations sustainability viewpoint as well as employee welfare measures perspective. A team of executives' as part of developing a BCP, focus on key action steps, roles and responsibilities, trigger mechanisms, turnaround times etc. to be always prepared to tackle any situation that can potentially affect the business operations.

Emergency preparedness aims to reduce the consequences of damaged caused by unexpected situations like accidents, fire, sabotage, spills, explosions, natural disasters, terrorist activities and medical emergencies. It includes a series of actions to be taken in the case of such emergencies. It shows the preventive actions, preparation to meet adverse situations, how to mitigate them and how to have positive controls during that situation to save lives and reduce property damage.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/associations. – 2

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Confederation of India Industry (CII)	National
2	Society of Indian Automobile Manufacturers (SIAM)	National

Annexure – VIII (Contd.)

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
N.A.	N.A.	N.A.

Leadership Indicators

Details of public policy positions advocated by the entity:

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Weblink, if available
1	FAME II	Direct communication (through SIAM)	Yes (Policy information is available)	Quarterly	Link
2	Battery Swapping	Direct communication (Through SIAM)	Yes, (Policy information is available)	Need basis	Link
3	Circular Economy (Scrapping Policy, Recycling, RVSF)	Direct communication (Through SIAM)	Draft Circular Economy Policy Available	Need basis	--
4	Fuel efficiency Regulation	Direct communication (Through SIAM)	No (Policy is under preparation)	Need basis	--
5	Ethanol fuel Roadmap	Direct communication (Through SIAM)	Yes	Quarterly	Link
6	Methanol fuel Roadmap	Direct communication (Through SIAM)	No (Under preparation)	Quarterly	--
7	Alternate fuel roadmap (Ethanol)	Direct communication (Through SIAM)	Yes Ethanol (while for Methanol & Hydrogen it is under preparation)	Need basis	Link
8	On-Board Diagnostic (OBD) II	Direct communication	Yes (Procedural document is published)	Quarterly	Link
9	Battery waste management	Direct communication (Through SIAM)	Yes (Draft policy document is available)	Need basis	Link
10	Recall Policy	Direct communication (Through SIAM)	Yes, Recall Policy available & published.	Need basis	Link
11	Omission of Feracrylum gel from First-aid-kit	Direct communication (Through SIAM)	Yes	Need basis	Link
12	Hazardous Waste Management Rules (PoPs, Chemicals under BRS Convention)	Direct communication (Through SIAM)	Yes	Need basis	--

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
Not Applicable
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**
Not Applicable
- Describe the mechanisms to receive and redress grievances of the community. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Directly sourced from MSMEs/small producers	2%	1%
Sourced directly from within the district and neighbouring districts	59%	61%



Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**
Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sl. No.	State	Aspirational District	Amount spent (In ₹)
1	Uttarakhand	Haridwar	1,69,09,764/-
2	Jharkhand	Ranchi	4,64,466/-

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups?**
(b) **From which marginalised/vulnerable groups do you procure?**
(c) **What percentage of total procurement (by value) does it constitute?**
While the criteria for selection of goods and services is quality, reliability and cost, Company gives preference to diversified supply chain partners which includes

female entrepreneurs and small scale industries who meets its quality, delivery, cost and technology expectations. However, the purchase from suppliers under the above-mentioned group are limited.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**
Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**
Not Applicable

6. **Details of beneficiaries of CSR Projects:**

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	COVID-19 relief	8652	100%
2	Arogya – Promoting preventive health care	6573	100%
3	Shiksha – Education	274	100%
4	Road Safety	10000	Majority

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**
Company has robust customer's grievance capturing mechanism through different medium like toll free number, social media, corporate website, e-mails, etc. Customer's grievances are recorded into the system which has loop closing mechanism and transparency till satisfaction of the customer.

2. **Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Annexure – VIII (Contd.)

3. Number of consumer complaints in respect of the following:

	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	244	244	Consumer complaints pending for adjudication	111	111	Consumer complaints pending for adjudication
Other	34401	770	-	28387	330	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink of the policy.

Company is an ISO 27001 (ISMS) certified organisation. Company has an information Security Policy framework and Data Privacy policy. Policy is available at <https://www.heromotocorp.com/en-in/privacy-policy.html>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

No regulatory action has been taken on the above-mentioned parameters.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).

Information relating to all the products and services provided by the Company are available at the corporate website, www.heromotocorp.com and also at www.eshop.heromotocorp.com. In addition, the owner's manual containing the details of product of the Company is handed to all customers during delivery of vehicle. The Company also actively uses various social media and digital platforms to disseminate information about its products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

During the new vehicle delivery and service, customers are informed and educated on the safe and responsible usage of the products. Company also undertakes various safety initiatives to educate customers about safe ride.



3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Company has Business Continuity Committee to deal with any kind of disruption and discontinuation. In case of any disruption/discontinuation of essential services, customers are informed through various media channels both print and digital and also through individual SMS to the customers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The details on information label are as per the requirements of the Legal Metrology Act, 2009 and Rules made thereunder. The Company voluntarily and actively informs all its dealers about any changes in product packaging through notices and circulars. It has also been running educative campaigns informing customers to operate vehicles in a more fuel efficient manner and to read the operating manual and the road safety leaflet. The leaflet enumerates good to emulate riding practices, fuel saving tips etc. in a reader - friendly and easy to understand manner. The spare parts come with a customer toll free

number, address and e-mail ID, where consumers can reach our executives with feedback, grievances and even queries regarding the products. Besides, consumers can also log on to the website of the Company and give their feedback or register complaints. In order to check the genuineness of spare parts, a Unique Part Identity (UPI) number is printed on the Maximum Retail Price (MRP) label of the spare part. The Company also runs campaigns informing customers about the same. The Company also measures customer satisfaction through its programme Hero Happiness Score.

5. Provide the following information relating to data breaches:

(a) Number of instances of data breaches along with impact

No Instances identified pertaining to data breach.

(b) Percentage of data breaches involving personally identifiable information of customers

No data breaches identified related to personally identifiable information of customers.

ANNEXURE – IX

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

CONSERVATION OF ENERGY

(i) Steps taken or Impact on Conservation of Energy:

Approx. annual savings on vehicles produced in FY 2021-22: ₹ 6.7 crore.

Energy conservation initiatives and energy efficient technologies have been the top focus in HMCL's operations. HMCL believes actions around energy bring direct benefit to bottom-line and to the climate resilience. Some of key energy initiatives undertaken during the year are as under:

a) Dharuhera Plant has achieved annual energy savings of 10.7 Lakh KWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –

1. Reducing energy loss through installation of Auto Power Factor Correction (A.P.F.C.) Panel at Load End at Engine Plant having Low Power factor.
2. Reduction of Energy consumption in Compressor house by providing localised booster unit, replacement of orifice type flow meter with insertion type flow meters at consumption end and reducing air losses in the system
3. Energy saving by automation of Lighting by providing motion sensors in lighting system
4. Optimising duration of running of lighting system of old & Expansion plant by its automation and controlling through 210 nos. Occupancy sensor
5. Installing Brushless Direct Current (BLDC) motors with Electronically commuted (EC+) fans in Canteen, Forced draft ventilation (FDVs) and critical areas

b) Gurgaon plant has achieved annual energy savings of 1.72 Lakh KWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –

1. Centralised Heat Pump System for Engine Plant Washing Machines
2. Installation of Brushless Direct Current (BLDC) motors based ceiling and wall fans in canteen and office areas

c) Haridwar plant has achieved annual energy savings of 5.22 Lakh KWh (units) through the deployment of

various process optimisation and technologies. Major such initiatives include the following –

1. Forced Draft Ventilation (FDV) speed optimisation in Steel phase
2. Continuous running of Chiller recirculation pump optimised with relocation of temperature sensor
3. Energy saving in utility lighting and exhaust load optimisation
4. Power factor improvement on Sunday/ non-working days using automatic Power factor control
5. Automatic Cleaning system in Engine Assembly chiller –Line
6. Pump flow optimisation in Sheet Metal paint shop area pump
7. Energy saving in Special Purpose machine SPM area machines during Non-productive hours by minimising running hours for Hydraulic motor

d) Neemrana plant has achieved annual energy savings of 1.95 Lakh KWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –

1. Utilisation of waste heat from Plate Heat Exchanger (PHE) in weld washing machine
2. Installation of multistage high efficiency pump in coolant system
3. Interlocking Cooling Tower (CT) pump with CT cooling cycle
4. Washing machine recirculation pump interlocking with dirty tank
5. Paint shop air blower motor operation through Variable Frequency drive (VFD)

e) Halol plant has achieved annual energy savings of 5.48 Lakh KWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –

1. Big Foot (Centralised Air Conditioning) running hours optimisation



2. Optimising running days of Multi-Effect Evaporator from 17 to 11 days by increasing input feed
 3. Tube lights running optimisation in Frame Assembly DOL 1st floor area
 4. Took initiative to run Mitsubishi A series VFD in mode 4 in Paint Shops
 5. Paint shop Panel AC running optimised with the running of the operations
- f) Chittoor plant has achieved annual energy savings of 4.35 Lakh KWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –
1. Parameter setting done for chiller to reduce consumption
 2. Power saving mode enabled in all the CNC machines & Washing machines.
 3. Automatic switching of fans through timers, photo sensors & occupancy sensors.
 4. Interlocking of fume collector with robot run time for Robotic welding stations
- g) Centre of Innovation & Technology (CIT), Jaipur has achieved annual energy savings of 2.8 Lakh KWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following –
1. Elimination of Internal losses of UPS by interconnecting UPS of buildings Central Utility-1 & Central Utility-2
 2. Elimination of transformation loss by interconnecting Main Utility with Central Utility-01 Transformer
 3. Elimination of Central Utility -03 transformation loss by interconnecting with Central Utility-01 transformer on Holiday / Sunday

(ii) Steps taken by the Company for utilising alternate sources of energy:

1. Solar Photovoltaic Power Plants (11 MW across HMCL Manufacturing Plants – Local & Global)
2. Hybrid (Solar + Wind) Power Wheeling proposal of 2MW for Halol Plant in pipeline
3. Solar Thermal in Cooking Applications

4. Biogas Plant for treating organic food waste
5. Heat Pipe Heat Exchangers
6. Natural wind ventilators

(iii) Capital Investment on energy conservation equipment:

- Approx. capital investments on energy conservation equipment in FY 2021 - 22: ₹ 2.5 crore.

TECHNOLOGY ABSORPTION

Energy conservation & Green initiative

Pre-treatment of sheet metal with Zinc Phosphate modified to Zirconium based treatment which is sludge free & operates at room temperature & requires no heating system before painting process.

Technology developed in Fuel tank painting where Primer is changed from solvent based to water based CED [ecofriendly process] and TSA based topcoat changed to PU which is low temperature bake painting system, requiring less energy.

TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

- 125 Patents filed by CIT in 2021-22 towards development of new technologies.
- Total patents filed by CIT till 31-3-2022-566
- Patents granted-2

(ii) Benefits derived, like product improvement, cost reduction, product development or import substitution

Electric Vehicle & EV Infrastructure

In keeping with the relentless pursuit towards its vision – **Be the Future of Mobility** – Hero MotoCorp, unveiled **Vida, Powered by Hero, a brand-new identity for its emerging mobility solutions, including upcoming Electric Vehicles (EV).**

In addition to developing world-class and tech-driven sustainable emerging mobility solutions, Hero is also making significant efforts towards **building a robust EV ecosystem and offering the most advanced services to customers. The partnership with BPCL**, which is already at the forefront of customer energy solutions, will be beneficial for both the EV segment and customers.

Earlier in April 2021, Hero entered a **strategic partnership with Taiwanese electric scooter manufacturer Gogoro** to tap into India's nascent EV two-wheeler space. Objective is to– build a battery swapping network across India, and the strategic tie-up will also result in the birth of Hero-branded, Gogoro Network-powered electric two-wheelers.

Annexure – IX (Contd.)

Product Development

New Product Launches [FY 2021-22]

The new **XPulse 200 4 Valve** – It is built on its DNA of high-tech adventure experience, the motorcycle comes with the 200cc BSVI 4 Valve Oil Cooled Engine, that offers 6% more power and 5% added torque, thereby ensuring a relaxed and stress-free ride at high speeds.

The 4 Valve oil cooled engine not only provides superior power across the mid and top-end speed range but also offers stress free engine performance even at high-speeds, while keeping the vibrations in control.

HIGH-TECH ADVENTURE Equipped with the latest technology, the XPulse 200 4V guarantees a comfortable ride for a greater distance.

Aligned to its aggressive growth strategy in the scooter segment, Hero launched the new **Pleasure+ 'XTec'**, which adds to the ever-growing appeal of the iconic Pleasure brand. The new LED projector headlamp – a first-ever feature in the 110cc segment – enhanced aesthetics with enhanced technology features such as revolutionary i3S Technology, (Idle Stop-Start System), digital analog speedometer with Bluetooth connectivity with call and SMS alerts, a 'Side-stand Engine cut-off' feature.

Hero also launched an advanced, 'connected', and feature-rich new **Maestro Edge 125**. Building on an aggressive stance, the new Maestro Edge 125 offers a high-value and premium experience with the first-in-segment projector LED Headlamp, fully digital speedometer, Bluetooth connectivity with call alerts and turn-by-turn navigation, Hero Connect and new sharper design features. LED Projector headlamp, Digital Speedometer, Turn-by-Turn Navigation and Bluetooth connectivity.

In the motorcycle segment, Glamour Xtec was launched which is a combination of Style, Safety, and Connectivity. Packed with features such as first-in segment Bluetooth connectivity, Turn-

by-Turn Navigation, Integrated USB Charger along with Side-Stand Engine cut off, Bank Angle Sensor and LED headlamp, the new motorcycle is a notch higher than the rest in its segment.

The new elegant **Hero Destini 125 'XTEC'** packs a host of new design and theme elements that add to its appeal. The enhanced technology features such as Hero's revolutionary i3S Technology, (Idle StopStart System), front USB charger, New Digi Analogue Speedometer with Bluetooth connectivity with call and SMS alerts, Side-Stand Engine cut off and Seat Backrest provides further increased comfort and enhanced riding experience.

Harley Davidson Sportster® S.

It has a 121-horsepower Revolution® Max 1250T V Twin engine that puts the Sportster S rider in command of unrelenting, on-demand torque. This new version with the liquid-cooled V-Twin engine is tuned to make tremendous torque at low RPM, with a torque curve that stays flat through the power band – engine performance designed to deliver strong acceleration from a start with robust power through the mid-range.

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

- (a) Details of Technology Imported
Programmed FI technology
- (b) Year of Import
FY 2019-20, Completed before March 2020
- (c) Whether the technology been fully absorbed
Yes
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
N.A.

(iv) The expenditure incurred on Research and Development

(₹ in crore)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Capital	184.43	144.21
Recurring	431.42	395.81
Total R&D expenditure as a percentage of total revenue (as per Statement of Profit & Loss)	2.07%	1.72%



FOREIGN EXCHANGE EARNINGS AND OUTGO

Export Activities/ Initiatives to increase Exports/ Development of New Export Markets/ Export Plans

- Export performance for FY 2021- 22: The Company achieved 3,00,624 units in exports for FY 2021-22, a growth of 57% over FY 2020-21 despite economic regression in operating countries with the changed scenarios brought by COVID-19
- Capacities: Bangladesh – 1,12,500/annum
Colombia – 80,000/annum

Key initiatives in FY 2021-22

1. South Asia:

- Gained 23% growth in dispatch for Bangladesh in FY 2021-22 over FY 2020-21
- We saw an import ban in Sri Lanka for two wheelers, hence there were no exports to Sri Lanka in FY 2021-22.
- Nepal market grew by 8% on account of higher contribution from 125 cc segment. Company gained Market share by 100 basis points in FY 2021-22.

2. Africa:

- The Company exhibited a dispatch growth of 117% in FY 2021-22 over FY 2020-21 on account of new markets and products which helped shaping Africa strategy.
- Aggressive efforts in Nigeria, Uganda and Kenya have helped in gaining the market share and a strong momentum for next FY.
- Tie-up with micro financiers have helped increasing reach in the markets.
- The Company launched a revamped product portfolio for Nigeria by dispatching Hunter series which continues to generate demand pull and enhanced customer perception.

3. Middle East:

- GCC demonstrated a strong growth of 427%.

4. Latin America:

- The Company was able to grow by 104% in Latin America on account of successful Premium strategy with a revamped premium portfolio which included the launch of X Pulse last year and continued with Hunk 190R, Hunk 160R this year.
- The Company appointed a distributor in Mexico and first year dispatch was at 37595 units.

5. The Company continued its brand association with Atletico De Madrid for Latin American markets and Yerry Mina for Colombian market.

6. Major campaigns of products, services and corporate:

- Impactful communication for premium category – X Pulse and Hunk/Thriller 160R
- Increased focus on digital campaigns with innovative ways to track traffic to showrooms executed in Bangladesh and Central America.
- 360 degree campaign on Eid in Bangladesh (both Ramzaan and Qurbaani Eid).
- Campaigns on product refresh mileage campaigns across regions.
- Super Oga Campaign in Nigeria for Hunter Series to enhance Product durability & endurance perception in Nigeria

Key initiatives of FY 2022-23 will include:

- Big push across key markets of Nigeria, Kenya, and Uganda in Africa with a revamped product line up, network expansion and sales promotions activities.
- Scale up market share in Colombia, Guatemala, and Peru through network expansion, investments in brand building, and product refreshes.
- Scale up retail finance in key markets.
- Brand investments in important markets.
- Launch of Hunter 2.0 in Nigeria

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

Foreign exchange earnings during FY 2021-22 were ₹ 1,445.96 crore, as compared to ₹ 866.87 crore in the previous financial year.

On account of Royalty, Technical Guidance Fee, travel and other accounts and advertisement and publicity, the foreign exchange outgo during the FY 2021-22 was ₹ 374.28 crore, as compared to ₹ 239.30 crore in the previous financial year.

Outgo for Import of components, spare parts, raw materials and capital goods during the FY 2021-22 was ₹ 334.31 crore, as compared to ₹ 683.27 crore in the previous financial year.

Independent Auditors' Report

To the Members of Hero MotoCorp Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Hero MotoCorp Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (together referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	The key audit matter	How the matter was addressed in our audit
1.	<p>Government Grants</p> <p>(Refer note 3.5 and 4 (f) to the standalone financial statements)</p> <p>The Company obtains various grants from Government authorities in connection with manufacture and sales of two wheelers. There are certain specific conditions and approval requirement attached to the grants.</p> <p>Management evaluates, at the end of each reporting period, whether the Company has complied with the relevant conditions attached to each grant and whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.</p> <p>We identified the recognition of government grants as a key audit matter because of the significance of the amount of grants and due to significant management judgement involved in assessing whether the conditions attached to grants have been met and whether there is reasonable assurance that grants will be received.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> assessed the appropriateness of the accounting policy for government grants as per the relevant accounting standard; evaluated the design and implementation of the Company's key internal financial controls over recognition of government grants and tested the operating effectiveness of such controls on selected transactions; inspected/evaluated, on a sample basis, documents relating to the grants given by the various government authorities and identifying the specific conditions and approval requirements attached to the respective grants; evaluated the basis of management's judgement regarding fulfilment of conditions attached to the grants and reasonable assurance that grants will be received. This included examining, on a sample basis, the terms of the underlying documentation, correspondence with the government authorities and whether corresponding sales were made in respect of such grants; assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

EMPHASIS OF MATTER

Attention is invited to note 34(c) of the standalone financial statements, relating to the search carried out by the Income Tax Department in March 2022 concerning the Company. Since the investigation and related proceedings are pending, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained at this point of time.

Our opinion is not modified in respect of this matter.



INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate

the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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

Independent Auditors' Report (Contd.)

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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;
 - b. According to the information and explanation given to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, and



- d. (i) 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
- Refer Note 46 (vi) and 46 (vii) to the standalone financial statements;
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in note 19 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (C) With respect to the matter to be included in the Auditor's Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Vikram Advani

Partner

Place: Gurugram
Date: May 03, 2022

Membership No.: 091765
UDIN: 22091765AIIJFM7228

Annexure A referred to in the Independent Auditors' Report

to the Members of Hero MotoCorp Limited on the standalone financial statements for the year ended 31 March 2022

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company as at balance sheet date except for the following which are not held in the name of the Company.

Description of property	Gross carrying value as at March 31, 2022 (Rs. In crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate, if in dispute
Apartment 1, Gurugram	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for
Apartment 2, Gurugram	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits on the basis of security of current assets at any point of time of the year, in excess of five crore rupees in aggregate from banks and financial institutions. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investment in a company and other parties.
- Refer note 9 of the standalone financial statements.
- The Company has not made any investments in firms or limited liability partnership.
- The Company has granted loans to other parties during the year, in respect of which the requisite information is given in 3(iii)(a)(B) below. Further, the Company has not granted loans to companies, firms and limited liability partnership.



- (a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans to subsidiaries and associates. There is no joint venture of the Company.
- (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to parties other than subsidiaries and associates as below:

Particulars	Amount (Rs. in crores)
Aggregate amount of loans given to employees during the year	39.36
Balance outstanding of loans given to employees as at balance sheet date	40.24

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and terms and conditions of the grant of loans provided to employees are, prima facie, not prejudicial to the interest of the company. Further, the Company has not provided guarantees, given security, granted loans or advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given to employees, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted, falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 01, 2017, these statutory dues have been subsumed into Goods and Services Tax ('GST').
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Annexure A referred to in the Independent Auditors' Report (Contd.)

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in crores)	Amount paid (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act	Custom Duty	0.10	0.00*	Financial year ("FY") 2015-16 to FY 2016-17	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)
Central Excise Law	Excise Duty	2.91	0.12	FY 2004-05 to FY 2015-16, FY 2017-18	Additional Commissioner
Central Excise Law	Excise Duty	59.28	1.64	FY 2004-05 to FY 2017-18	CESTAT
Central Excise Law	Excise Duty	0.78	0.02	FY 2014-15 to FY 2017-18	Commissioner Appeal
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	0.09	0.01	FY 2017-18	GST Appellate Tribunal
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	0.18	0.18	FY 2021-22	Joint commissioner Appeals
Finance Act, 1994	Service Tax	233.11	24.99	FY 2004-05 to FY 2011-12	CESTAT
Finance Act, 1994	Service Tax	0.89	0.45	FY 2004-05 to FY 2005-06	Supreme Court
Income-tax Act, 1961	Income-tax	2,336.71	350.51	FY 2010-11	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	9.94	-	FY 2018-19	Commissioner of Income Tax (Appeals)

* Rs. 38,452 in absolute terms.

The following matters have been decided in favour of the Company, but the department has preferred appeals at higher levels

Name of the statute	Nature of the dues	Amount (Rs. in crores)	Amount paid as per stay order/ mandatory deposit (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Law	Excise Duty	85.66	-	FY 2009-10 to FY 2010-11, FY 2013-14	CESTAT
Central Excise Law	Excise Duty	8.78	-	FY 2002-03 to FY 2008-09	Supreme Court
Income-tax Act, 1961	Income-tax	4.10	-	FY 2005-06	Supreme Court
Income-tax Act, 1961	Income-tax	7,367.64	-	FY 1995-96, FY 1996-97, FY 1997-98, FY 1998-99, FY 2000-01, FY 2002-03, FY 2003-04, FY 2006-07, FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13	High Court
Income-tax Act, 1961	Income-tax	305.22	-	FY 2013-14	Income Tax Appellate Tribunal

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.



- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on representation by management and according to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group as detailed in note 46 (viii) to the financial statements.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

Annexure A referred to in the Independent Auditors' Report (Contd.)

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee

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

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

Vikram Advani
Partner

Place: Gurugram
Date: May 03, 2022

Membership No.: 091765
UDIN: 22091765AIIJFM7228

Annexure B to the Independent Auditors' report

on the standalone financial statements of Hero MotoCorp Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Hero MotoCorp Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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



Annexure B to the Independent Auditors' report

on the standalone financial statements of Hero MotoCorp Limited for the period ended 31 March 2022

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the 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 financial statements were established and maintained and whether 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 the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 the standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance

with generally accepted accounting principles. A company's internal financial controls with reference to the standalone financial statements include 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 the standalone 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the 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 the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

Vikram Advani
Partner
Place: Gurugram
Date: May 03, 2022
Membership No.: 091765
UDIN: 22091765AIIIFJM7228

Standalone Balance Sheet

as at March 31, 2022

(Amount in crores of INR)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,094.39	5,293.40
(b) Capital work-in-progress	6	87.32	177.86
(c) Right of use of assets	7A	413.59	404.75
(d) Other intangible assets	7	298.50	290.26
(e) Intangible assets under development	8	370.88	258.73
(f) Financial assets			
(i) Investments	9	4,814.66	4,308.18
(ii) Loans	10	17.43	16.73
(iii) Others	11	41.60	35.50
(g) Income tax assets (net)	12	340.92	368.19
(h) Other non-current assets	13	119.77	54.66
Total Non-Current Assets		11,599.06	11,208.26
Current assets			
(a) Inventories	14	1,122.65	1,469.55
(b) Financial assets			
(i) Investments	9	5,837.66	6,191.49
(ii) Trade receivables	15	2,304.27	2,426.76
(iii) Cash and cash equivalents	16	98.68	169.22
(iv) Bank balances other than (iii) above	17	76.44	87.93
(v) Loans	10	22.81	22.95
(vi) Others	11	454.80	371.52
(c) Other current assets	13	197.65	213.37
Total Current Assets		10,114.96	10,952.79
Total Assets		21,714.02	22,161.05
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	39.96	39.96
(b) Other equity	19	15,742.96	15,158.47
Total equity		15,782.92	15,198.43
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	7A	142.32	129.81
(ii) Other Financial Liabilities		155.04	146.04
(b) Provisions	20	178.07	172.46
(c) Deferred tax liabilities (net)	21	383.29	404.09
Total Non-Current Liabilities		858.72	852.40
Current liabilities			
(a) Financial liabilities			
(i) Lease liability	7A	25.75	19.70
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	22	25.55	15.71
Total outstanding dues of creditors other than micro and small enterprises	22	4,234.79	5,188.90
(iii) Other financial liabilities	23	133.75	159.53
(b) Other current liabilities	24	492.12	566.01
(c) Provisions	20	160.42	160.37
Total Current Liabilities		5,072.38	6,110.22
Total Equity and Liabilities		21,714.02	22,161.05
The notes referred to above form an integral part of the standalone financial statements	1-46		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration
No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Vikram Advani
Partner
Membership No.: 091765
UDIN: 22091765A1IFJM7228

Niranjan Kumar Gupta
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary

Place: Gurugram
Date: May 3, 2022

Place: Gurugram
Date: May 3, 2022



Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(Amount in crores of INR)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	25	29,245.47	30,800.62
Other income	26	556.91	579.85
Total Income		29,802.38	31,380.47
EXPENSES			
Cost of raw materials consumed	27	20,708.07	21,875.33
Purchase of stock in trade		45.95	30.46
Change in inventories of finished goods, stock in trade and work-in-progress	28	72.71	(143.46)
Employee benefits expenses	29	1,935.44	1,898.72
Finance costs	30	25.80	21.84
Depreciation and amortisation expense	5, 7 and 7A	649.75	676.87
Other expenses	31	3,114.53	3,120.33
Total expenses		26,552.25	27,480.09
Profit before tax		3,250.13	3,900.38
Tax expense			
Current tax		797.91	924.92
Deferred tax (credit)/charge		(20.80)	11.26
Total tax expense		777.11	936.18
Profit for the year		2,473.02	2,964.20
Other comprehensive income/ (expense)			
Items that will not be reclassified subsequently to profit or loss:-			
Re-measurement losses on defined benefit plans		(7.27)	(28.14)
Income tax effect		1.83	7.08
Net other comprehensive income not to be reclassified to profit or loss		(5.44)	(21.06)
Total Comprehensive income for the year, net of income tax		2,467.58	2,943.14
Earnings per share (Nominal Value of ₹ 2 each) in ₹	33		
(a) Basic		123.78	148.39
(b) Diluted		123.74	148.37
The notes referred to above form an integral part of the standalone financials statements	1-46		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration
No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Vikram Advani
Partner
Membership No.: 091765
UDIN: 22091765AIIIFJM7228

Niranjana Kumar Gupta
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary

Place: Gurugram
Date: May 3, 2022

Place: Gurugram
Date: May 3, 2022

Standalone Statement of Cash Flow

for the year ended March 31, 2022

(Amount in crores of INR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	2,473.02	2,964.20
Adjustments for:		
Add: Depreciation and amortisation	649.75	676.87
Tax expense	777.11	936.18
Loss on property, plant and equipment sold/discarded	10.23	4.67
Finance cost	25.80	21.84
Employee Stock Compensation Cost	10.00	8.86
Loss allowance on advances	52.24	-
Loss allowance on trade receivables	-	45.80
	1,525.13	1,694.22
Less: Interest income on financial assets carried at amortised cost	186.29	95.10
Dividend income	14.48	33.72
Profit on sale of investments	101.37	167.13
Gain on investments carried at fair value through profit or loss	223.82	283.01
Profit on sale of property, plant and equipment	0.62	0.89
	526.58	579.85
Operating profit before working capital changes	3,471.57	4,078.57
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories	346.90	(377.58)
Trade receivables	122.49	(869.42)
Loans-Current	0.14	(14.58)
Loans-Non-Current	(0.70)	5.42
Other financial assets	(89.38)	6.70
Other current assets	(36.52)	66.77
Other non-current assets	(4.67)	(3.79)
	338.26	(1,186.48)
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	(944.27)	2,174.10
Other financial liabilities - Current	(0.98)	(1.10)
Other current liabilities	(73.89)	47.75
Current provisions	0.05	13.81
Non-current provisions	(1.66)	21.95
	(1,020.75)	2,256.51
Cash generated from operations	2,789.08	5,148.60
Less: Direct tax paid (net of refund)	768.81	975.90
Net cash generated from operating activities	2,020.27	4,172.70



Standalone Statement of Cash Flow

for the year ended March 31, 2022

(Amount in crores of INR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment, intangible assets, capital work in progress and intangible assets under development including capital advances	(534.69)	(514.56)
Proceeds from sale of property, plant & equipment	10.67	4.50
Deposits made	(1.23)	(1.77)
Sale of investments	42,427.64	47,930.03
Purchase of investments	(42,105.10)	(49,374.33)
Investment in associates	(150.00)	(368.37)
Investment in subsidiaries	-	(14.22)
Interest income on financial assets carried at amortised cost	186.29	95.10
Dividend income	14.48	33.72
Net cash (used) in investing activities	(151.94)	(2,209.90)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(25.80)	(21.84)
Repayment of lease liabilities	(19.98)	(29.67)
Dividends paid	(1,898.13)	(1,897.81)
Proceeds from issue of equity share capital (including share premium)	5.04	7.83
Net cash (used) in financing activities	(1,938.87)	(1,941.49)
D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(70.54)	21.31
Cash and cash equivalents at the beginning of the year	169.22	147.91
Cash and cash equivalents at the end of the year	98.68	169.22

Also refer to note 7A for reconciliation of cash flows from financial liabilities.

The Statement of Cash Flows has been prepared in accordance with "Indirect method" as set out in Ind AS 7 on "Statement of Cash Flows", as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

The notes referred to above form an integral part of the standalone financials statements 1 - 46

As per our report of even date attached
For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration

No.: 101248W/W-100022

Vikram Advani

Partner

Membership No.: 091765

UDIN: 22091765AIIIFJM7228

Place: Gurugram

Date: May 3, 2022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal

Chairman & CEO

DIN: 00004223

Niranjan Kumar Gupta

Chief Financial Officer

Place: Gurugram

Date: May 3, 2022

M. Damodaran

Chairman Audit Committee

DIN: 02106990

Pradeep Dinodia

Non-Executive Director

DIN: 00027995

Dhiraj Kapoor

Company Secretary

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

(Amount in crore of INR)

A. EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Opening balance	199,780,217	39.96	199,739,368	39.95
Issue of equity shares under employee share option plan (# Rs. 63,448) (March 31, 2021: Rs. 81,698) (Note 40)	31,724	#	40,849	0.01
Closing balance	199,811,941	39.96	199,780,217	39.96

B. OTHER EQUITY*

	Reserves and surplus					
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Total
Balance as at March 31, 2020	#	18.40	2,645.79	15.44	11,416.82	14,096.45
Profit for the year	-	-	-	-	2,964.20	2,964.20
Other comprehensive income for the year, net of income tax	-	-	-	-	(21.06)	(21.06)
Total Comprehensive Income for the year	#	-	-	-	2,943.14	2,943.14
Charge against share-based payments	-	-	-	8.86	-	8.86
Transferred to share premium on issue of shares	-	5.26	-	(5.26)	-	-
Payment of dividends	-	-	-	-	(1,897.81)	(1,897.81)
Issue of equity shares under employee share option plan	-	7.83	-	-	-	7.83
Balance as at March 31, 2021	#	31.49	2,645.79	19.04	12,462.15	15,158.47
Profit for the year	-	-	-	-	2,473.02	2,473.02
Other comprehensive income for the year, net of income tax	-	-	-	-	(5.44)	(5.44)
Total Comprehensive Income for the year	-	-	-	-	2,467.58	2,467.58
Charge against share-based payments	-	-	-	10.00	-	10.00
Transferred to share premium on issue of shares	-	4.59	-	(4.59)	-	-
Payment of dividends	-	-	-	-	(1,898.13)	(1,898.13)
Issue of equity shares under employee share option plan	-	5.04	-	-	-	5.04
Balance as at March 31, 2022	#	41.12	2,645.79	24.45	13,031.60	15,742.96

*Purpose of each reserve within Other Equity has been disclosed under Note 19.

#on shares forfeited (Rs. 4,250 in absolute INR) and share premium account on forfeited shares reissued (Rs. 25,500 in absolute INR)

The notes referred to above form an integral part of the standalone financial statements 1 - 46

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration
No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Vikram Advani
Partner
Membership No.: 091765
UDIN: 22091765AIIIFJM7228

Niranjan Kumar Gupta
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary

Place: Gurugram
Date: May 3, 2022

Place: Gurugram
Date: May 3, 2022



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

1. GENERAL INFORMATION

Hero MotoCorp Limited (the Company) is a public company domiciled and incorporated under the provisions of the Companies Act, 1956 on January 19, 1984. The Company's registered office and principal place of business is The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj – Phase II, New Delhi – 110070, India. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services. The Company is a leading two wheeler manufacturer and has a dominant presence in domestic market.

The standalone financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 03, 2022.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments, net defined benefit asset/liability and liabilities for equity settled share based payment arrangements that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. These standalone financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores, up to two decimals unless otherwise stated.

2.3 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as less than 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers for an

amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the government.

- Revenue from sale of goods is recognised when control of goods are transferred to the buyer which is generally on dispatch for domestic sales and on dispatch/ delivery on local port in India for export sales, as per the terms of the sale.
- Revenue from providing services is recognized in the accounting period in which services are rendered.
- Revenue from service is based on number of services provided to the end of reporting period as a proportion of the total number of services to be provided.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A liability is recognised where payments are received from customers before transferring control of the goods being sold or providing services to the customer.

The Company disaggregates revenue from contracts with customers by nature of goods and service.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Royalty income is recognized on accrual basis in accordance with the substance of their relevant agreements.

3.2 Leasing

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the 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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially 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 in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Refer note 7A for other disclosures.

3.3 Foreign currencies

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of profit and loss on a systematic basis over the periods in which the Company recognises the related costs as expenses, if any, for which the grants are intended to compensate.

3.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Statement of profit and loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item Employee benefit expense and third component is present in other comprehensive income.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term employee benefits

Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year-end. Re measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

3.7 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share option's outstanding account.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they are related to income taxes levied by the same tax authority.

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment and capitalised borrowing cost. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013, other than moulds and dies which are depreciated over a period of 3-8 years grouped under property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and loss.

3.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets such as expenditure on model fee etc. are amortised on a straight line method over a period of 5 years and computer software are amortised on a straight line method over a period of 6 years.

3.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For impairment testing, assets that don't generate independent cash flows are grouped together into cash generating units (CGU's). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGU's.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency, average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise- being typically two to five years.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Statement of profit and loss are recognised immediately in the Statement of profit and loss.

3.15 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in the Statement of profit and loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of profit and loss and is included in the "Other income" line item.

Financial assets at fair value through the Statement of profit and loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of profit and loss. The net gain or loss recognised in the Statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost in the standalone financial statements.

Impairment of financial assets

The Company applies the expected credit loss for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.17 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, option contracts, etc.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

3.19 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.20 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.21 Standards issued but not yet effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases).

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements:-

(a) Recoverability of intangible asset

Capitalisation of cost in intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Company's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

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.

(d) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(e) Impairment of investment in equity instruments of subsidiary and associate companies

During the year, the Company assessed the investment in equity instrument of subsidiary and associate companies

carried at cost for impairment testing. Some of these companies are start-ups or are at early stage of their operations and are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

(f) Government grant

During the year, management has assessed the conditions attached to grants which have been met and has assessed whether the grants will be received or not. Basis assessment, the Company has recognised the government grants in the Statement of profit and loss.

(g) Investment in compulsory convertible debentures

The classification of compulsory convertible debentures, as equity or debt instrument, is based on management's judgement and evaluation of applicable criteria.

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	As at March 31, 2022							
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data processing equipment	Total
Cost								
Opening Balance	164.72	2,866.19	6,267.42	53.81	53.66	84.72	246.01	9,736.53
Additions	-	83.53	261.78	3.17	8.12	11.24	31.09	398.93
Disposals	11.32	-	102.19	0.25	11.18	0.62	21.29	146.85
Closing Balance	153.40	2,949.72	6,427.01	56.73	50.60	95.34	255.81	9,988.61
Accumulated depreciation								
Opening Balance	-	524.05	3,617.79	27.73	35.12	56.02	182.42	4,443.13
Depreciation expense	-	85.55	450.05	4.45	4.60	10.40	22.61	577.66
Adjustments	-	-	95.52	0.22	10.03	0.58	20.22	126.57
Closing Balance	-	609.60	3,972.32	31.96	29.69	65.84	184.81	4,894.22
Net Block	153.40	2,340.12	2,454.69	24.77	20.91	29.50	71.00	5,094.39

Particulars	As at March 31, 2021							
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data processing equipment	Total
Cost								
Opening Balance	164.72	2,808.13	6,107.86	52.67	57.03	76.25	231.38	9,498.04
Additions	-	58.19	239.82	2.30	6.16	8.76	20.65	335.88
Disposals	-	0.13	80.26	1.16	9.53	0.29	6.02	97.39
Closing Balance	164.72	2,866.19	6,267.42	53.81	53.66	84.72	246.01	9,736.53
Accumulated depreciation								
Opening Balance	-	436.48	3,228.08	24.03	38.55	44.27	164.21	3,935.62
Depreciation expense	-	87.62	464.18	4.47	4.42	12.01	23.92	596.62
Adjustments	-	0.05	74.47	0.77	7.85	0.26	5.71	89.11
Closing Balance	-	524.05	3,617.79	27.73	35.12	56.02	182.42	4,443.13
Net Block	164.72	2,342.14	2,649.63	26.08	18.54	28.70	63.59	5,293.40

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

5. PROPERTY, PLANT AND EQUIPMENT (CONTD..)

Note:- The title deeds of immovable properties are held in the name of the Company as at the balance sheet date except for following two, which are yet to be registered in the name of the Company.

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
	(Rs. in crores)				
Apartment 1, Gurugram	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for
Apartment 2, Gurugram	18.94	Registration to be applied for	Not applicable	Since December 2020 till date of audit report	Registration to be applied for

6. CAPITAL WORK-IN-PROGRESS*

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	87.32	177.86
	87.32	177.86

Ageing of capital work in progress :

Particulars	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as at March 31, 2022	68.97	5.45	6.50	6.40	87.32
Projects in progress as at March 31, 2021	61.57	39.05	77.10	0.14	177.86

*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

7. OTHER INTANGIBLE ASSETS

Particulars	As at March 31, 2022			
	Model fee/Brand license/Product designs and development	Computer softwares	Technical know-how/export licenses	Total
Cost				
Opening Balance	1,012.83	186.40	2,895.67	4,094.90
Additions	36.68	13.94	-	50.62
Disposals	-	(0.01)	-	(0.01)
Closing Balance	1,049.51	200.33	2,895.67	4,145.51
Accumulated amortisation				
Opening Balance	783.04	125.93	2,895.67	3,804.64
Amortisation expense	25.26	17.12	-	42.38
Adjustments	-	(0.01)	-	(0.01)
Closing Balance	808.30	143.04	2,895.67	3,847.01
Net Block	241.21	57.29	-	298.50

Particulars	As at March 31, 2021			
	Model fee/Brand license/Product designs and development	Computer softwares	Technical know-how/export licenses	Total
Cost				
Opening Balance	849.76	158.09	2,895.67	3,903.52
Additions	163.07	28.31	-	191.38
Closing Balance	1,012.83	186.40	2,895.67	4,094.90
Accumulated amortisation				
Opening Balance	757.95	109.81	2,895.67	3,763.43
Amortisation expense	25.09	16.12	-	41.21
Closing Balance	783.04	125.93	2,895.67	3,804.64
Net Block	229.79	60.47	-	290.26



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

7. OTHER INTANGIBLE ASSETS (CONTD..)

7A. Right of use assets

Particulars	As at March 31, 2022		
	Leasehold land right	Right of Use of asset	Total
Cost			
Right of use assets as on April 01, 2021	277.25	215.80	493.05
Additions	-	38.55	38.55
Closing Balance	277.25	254.35	531.60
Accumulated amortisation			
Opening Balance	6.61	81.69	88.30
Amortisation expense during the year	3.17	26.54	29.71
Closing Balance	9.78	108.23	118.01
Net Block	267.47	146.12	413.59

Particulars	As at March 31, 2021		
	Leasehold land right	Right of Use of asset	Total
Cost			
Right of use assets as on April 01, 2020	277.25	186.58	463.83
Additions	-	29.22	29.22
Closing Balance	277.25	215.80	493.05
Accumulated amortisation			
Opening Balance	3.44	45.82	49.26
Amortisation expense during the year	3.17	35.87	39.04
Closing Balance	6.61	81.69	88.30
Net Block	270.64	134.11	404.75

The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	25.75	19.70
Non-current lease liabilities	142.32	129.81
Total	168.07	149.51

The following is the movement in lease liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	149.51	149.96
Additions	38.54	29.22
Finance cost accrued during the year	12.66	11.63
Payment of lease liabilities accrued during the year	(32.64)	(41.30)
Total	168.07	149.51

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	34.16	29.48
One to five years	121.49	104.41
More than five years	64.29	80.18
Total	219.94	214.07

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases is Rs. 35.63 crores during year ended March 31, 2022 (March 31, 2021: Rs. 32.89 crores).

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

8. INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	370.88	258.73
Total	370.88	258.73

Ageing of intangible assets under development :

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as on March 31, 2022	140.03	93.45	83.22	54.18	370.88
Projects in progress as on March 31, 2021	105.39	64.64	47.90	40.80	258.73

**Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

9. INVESTMENTS

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
Category-wise investments						
Investment in equity instruments			-	1,875.09	-	1,859.22
Investment in preference shares			-	504.38	-	504.38
Investment in debentures/bonds			51.05	1,119.51	54.55	610.49
Investment in mutual funds			5,786.61	1,315.68	6,136.94	1,334.09
			5,837.66	4,814.66	6,191.49	4,308.18
Investment in equity instruments carried at cost						
Unquoted Investments						
Investment in subsidiaries						
Hero Tech Centre Germany GMBH (Face Value of EUR 1 each)	2,525,000	2,525,000	-	19.57	-	19.57
HMCL Netherlands B.V (Face Value of USD 1 each)	45,205,685	45,205,685	-	296.19	-	296.19
HMCL Americas INC (Face Value of USD 1,000 each)	3,500	3,500	-	22.22	-	22.22
HMC MM Auto Limited (Face Value of Rs. 10 each)	47,999,993	47,999,993	-	48.00	-	48.00
			-	385.98	-	385.98
Investment in Associates						
Ather Energy Private Limited						
Equity shares Face Value of Rs. 1 each	1,098	100	-	0.20	-	0.20
Preference shares of Face Value of Rs 10 each (Compulsorily convertible in equity instruments)	128,533	128,533	-	330.38	-	330.38
Preference shares Series C 1 of Face Value of Rs. 10 each (Convertible into equity instruments)	20,688	20,688	-	84.00	-	84.00
Preference shares Series D 1 of Face Value of Rs. 10 each (Convertible into equity instruments)	30,475	30,475	-	90.00	-	90.00
Hero FinCorp Limited						
Equity shares of Face Value of Rs. 10 each, fully paid up	52,431,893	52,431,893	-	1,469.03	-	1,469.03
			-	1,973.61	-	1,973.61
Quoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in equity instruments of Other Entities						
Bombay Stock Exchange Limited						
Face Value of Rs. 2 each	210,600	70,200	-	19.88	-	4.01
			-	19.88	-	4.01
Investment in equity instruments			-	2,379.47	-	2,363.60



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
Investment in bonds/debentures						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Ather Energy Private Limited						
Compulsorily convertible debentures at the face value of Rs. 100 each	30,658	-	-	150.00	-	-
			-	150.00	-	-
Quoted Investments						
Investments carried at amortised cost						
Face Value of Rs. 1,000 each						
7.34% HUDCO - Maturity - February 16, 2023	250,000	250,000	25.22	-	-	25.22
7.18% IRFC - Maturity - February 19, 2023	250,000	250,000	25.83	-	-	25.83
8.18% NHPC Tax Free Bonds - Maturity - November 02, 2023	161,050	161,050	-	17.42	-	17.42
8.51% HUDCO Tax Free Bonds - Maturity - January 13, 2024	250,000	250,000	-	25.45	-	25.45
8.18% PFC Tax Free Bonds - Maturity - November 16, 2023	323,890	323,890	-	33.38	-	33.38
9.10% Shriram Transport Finance Company Limited TR-I SR - III 9.1 NCD - Maturity - July 12, 2021	-	250,000	-	-	25.77	-
Face Value of Rs. 1,000,000 each						
8.1082% HDB Financial Services - Maturity - June 04, 2021	-	250	-	-	28.78	-
SBI Series II 8.50 BD Perpetual - Maturity - November 22, 2024	250	250	-	25.87	-	25.92
Bank of Baroda Series XV 8.15 BD Perpetual - Maturity - January 13, 2026	250	250	-	25.53	-	25.56
SBI Series II 7.73 BD Perpetual - Maturity - November 24, 2025	250	250	-	26.03	-	26.12
LIC Housing Finance Ltd. 386 7.99 NCD - Maturity - July 12, 2029	500	500	-	54.69	-	54.88
Housing Development Finance Corporation Ltd. Series Y-005 6.83 NCD - Maturity - January 08, 2031	500	500	-	49.25	-	49.13
Food Corporation of India Series Ix 6.65 LOA - Maturity - October 23, 2030	500	500	-	49.69	-	49.55
REC Limited Series 189 7.92 BD - Maturity - March 31, 2030	350	350	-	36.16	-	36.27
REC Limited Series 198B 7.79 BD - Maturity - May 21, 2030	150	150	-	16.45	-	16.49
National Bank Of Agriculture And Rural Development Series PMAY G Pdi 6.39 LOA - Maturity - November 19, 2030	250	250	-	24.61	-	24.53
National Bank For Agriculture And Rural Development Series PMAY G Pd2 6.42 LOA - Maturity - November 25, 2030	200	200	-	19.71	-	19.65
Shriram Transport Finance Company Limited Series PPMLY 02 BR BCD - Maturity - April 27, 2023	250	250	-	27.20	-	25.19
Housing Development Finance Corporation Limited Series X-006 7.25 Ncd - Maturity - June 17, 2030	500	500	-	52.87	-	52.88
National Highways Authority Of India Series VIII 7.54 Bd - Maturity - January 27, 2030	500	500	-	51.82	-	51.93
Muthoot Fincorp Limited Series VIII BR NCD - Maturity - March 22, 2023	250	250	-	27.28	-	25.09
LIC Housing Finance Limited 7.05 LOA 21DC30 FVRS 10Lac - INE115A08369 - 250 - Maturity - December 21, 2030	250	-	-	25.45	-	-
Lic Housing Finance Limited Sr 2 7.70 LOA 19Mr31 Fvrs10Lac - Ine115A08377- Maturity - March 19, 2031	250	-	-	26.08	-	-
Housing Development Finance Corporation Ltd Sr Aa 01 7.05 LOA 01Dc31 Fvrs10Lac - Ine001A07Tg4 - Maturity - December 01, 2031	500	-	-	51.13	-	-
Food Corporation of India SR X 7.09 BD 13AG31 FVRS10LAC- INE861G08084 - Maturity - August 13, 2031	250	-	-	26.32	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
Food Corporation Of India SR X 7.09 BD 13AG31 FVRS10LAC - INE861G08084 - Maturity - August 13, 2031	250	-	-	26.32	-	-
Tata Capital Financial Services Limited SR H 7.10 NCD 29SP31 FVRS10LAC - INE306N07MN1 - Maturity - September 29, 2031	500	-	-	51.43	-	-
Food Corporation Of India SR X 7.09 BD 13AG31 FVRS10LAC - INE861G08084 - Maturity - August 13, 2031	250	-	-	25.90	-	-
Housing Development Finance Corporation Ltd SR AA 01 7.05 LOA 01DC31 FVRS10LAC-INE001A07TG4-Maturity-01.12.31	500	-	-	50.37	-	-
Food Corporation Of India SR X 7.09 BD 13AG31 FVRS10LAC - INE861G08084 - Maturity - August 13, 2031	250	-	-	25.86	-	-
Housing Development Finance Corporation LTD SR AA 01 7.05 LOA 01DC31 FVRS10LAC-INE001A07TG4 - Maturity - December 01, 2031	250	-	-	25.10	-	-
Power Finance Corporation Ltd SR 197 7.41 BD 15MY30 FVRS10LAC - INE134E08KM0 - 150 - Maturity - May 15, 2030	150	-	-	15.33	-	-
REC LIMITED SERIES 198B 7.79 BD 21MY30 FVRS10LAC - INE020B08CW3-100 - Maturity - May 21, 2030	100	-	-	11.06	-	-
REC LIMITED SR 203A 6.80 BD 20DC30 FVRS10LAC - INE020B08DE9-200 - Maturity - December 20, 2030	200	-	-	19.92	-	-
Food Corporation Of India SR X 7.09 BD 13AG31 FVRS10LAC- INE861G08084 - Maturity - August 13, 2031	250	-	-	25.83	-	-
			51.05	969.51	54.55	610.49
Investment in debentures/bonds			51.05	1,119.51	54.55	610.49
Investment in mutual funds						
{include funds which are listed but not quoted}						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Debt funds						
Units of the face value of Rs. 10 each						
ICICI Prudential Mutual Fund						
FMP - Series 82 - 1199 Days Plan L Direct Plan Cumulative	-	70,000,000	-	-	88.48	-
FMP - Series 82 - 1135 Days Plan U Direct Plan Cumulative	-	50,000,000	-	-	62.67	-
FMP Series 83 - 1105 Days Plan F Direct Plan Cumulative	-	50,000,000	-	-	62.94	-
Blended Plan B- Direct Plan- Growth Option (Merged with Banking and PSU Debt Fund Direct Plan Growth)	32,595,446	32,595,446	87.75	-	83.50	-
Short Term Fund - Direct Plan - Growth Option	-	45,067,080	-	-	219.11	-
Corporate Bond Fund - Direct Plan - Growth	15,805,811	61,271,259	38.86	-	144.03	-
Credit Risk Fund - Direct Plan - Growth	38,904,433	19,905,885	105.63	-	50.32	-
Aditya Birla Sunlife Mutual Fund						
Fixed Term Plan - Series PB (1190 days) - Direct Growth	-	90,000,000	-	-	113.64	-
Fixed Term Plan - Series PZ (1120 days) - Direct Growth	-	35,000,000	-	-	43.65	-
Fixed Term Plan - Series QB (1113 days) - Direct Growth	-	50,000,000	-	-	62.89	-
Fixed Term Plan - Series RC (1295 days) - Direct Growth	50,000,000	50,000,000	65.31	-	-	62.81
Short Term Fund - Growth - Direct Plan	-	19,685,918	-	-	75.70	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Fixed Horizon Fund - XXXVII-Series 10 - Direct Growth Plan	-	25,000,000	-	-	31.69	-
Fixed Horizon Fund - XXXVII-Series 12 - Direct Growth Plan	-	40,000,000	-	-	50.54	-
Short-term - Direct Growth Plan Growth Option	-	36,347,075	-	-	156.48	-
Credit Risk Fund - Direct Growth Plan Growth Option	59,725,194	-	178.20	-	-	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
FMP-Sr.33-Plan D (1273 Days) - Direct Sub Plan Growth	20,000,000	20,000,000	26.08	-	-	24.99



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
SBI Mutual Fund						
Savings Fund - Direct - Growth	70,345,757	43,898,670	250.16	-	150.12	-
Conservative Hybrid Fund Direct Plan Growth	4,382,290	-	25.06	-	-	-
IDFC Mutual Fund						
Fixed Term Plan Series 140 Direct Plan - Growth (1145 Days)	-	50,000,000	-	-	62.92	-
Fixed Term Plan Series 144 Direct Plan - Growth (1141Days)	-	50,000,000	-	-	62.64	-
Banking & PSU Debt Fund - Direct Plan - Growth	28,629,997	28,629,997	58.40	-	55.94	-
Credit Risk Fund - Direct Plan - Growth	-	40,448,820	-	-	54.84	-
Kotak Mutual Fund						
FMP Series 219 Direct - Growth	-	75,000,000	-	-	94.30	-
FMP Series 221 Direct - Growth	-	48,000,000	-	-	59.96	-
FMP Series 228 Direct - Growth	-	50,000,000	-	-	63.28	-
Credit Risk Fund - Direct Plan - Growth	58,219,209	10,839,356	156.70	-	27.28	-
HDFC Mutual Fund						
FMP 1143 D March 2018(1) - Direct - Growth - Series - 39	-	75,000,000	-	-	94.21	-
FMP 1147 D March 2018(1) - Direct - Growth - Series - 39	-	50,000,000	-	-	62.67	-
Low Duration Fund - Direct Plan - Growth Option	11,141,341	55,666,963	55.47	-	264.84	-
Banking & PSU Debt Fund - Direct Growth Option	-	29,139,567	-	-	53.18	-
Credit Risk Debt Fund - Direct - Growth	100,633,738	38,776,839	207.54	-	74.35	-
Axis Mutal Fund						
Short Term - Direct Plan - Growth	20,355,074	40,842,187	54.31	-	103.75	-
DSP Mutual Fund						
Low Duration Fund - Direct Plan - Growth	10,395,299	10,395,299	17.11	-	16.45	-
Units of the face value of Rs. 100 each						
ICICI Prudential Mutual Fund						
Savings Fund - Direct Plan - Growth Option	5,155,314	7,647,092	225.66	-	320.94	-
Money Market Fund Direct Plan Growth	4,890,393	-	150.08	-	-	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund - Growth - Direct Plan	4,363,469	4,363,469	252.37	-	240.89	-
Banking & PSU - Direct Plan - Growth	-	1,730,722	-	-	50.14	-
Money Manager Fund - Growth - Direct Plan	5,717,703	4,101,753	170.91	-	117.79	-
Units of the face value of Rs. 1,000 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Low Duration Fund - Direct Growth Plan Growth Option	172,138	516,415	54.55	-	155.97	-
Money Market Fund Direct Plan Growth	746,566	465,847	250.14	-	150.04	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Term Fund - Direct Plan Growth	626,087	626,087	198.19	-	189.58	-
Ultra Short Term Fund - Direct Plan Growth (Formerly Medium Term Bond Fund - Direct Plan Growth)	815,166	815,166	188.17	-	181.16	-
Corporate Bond Fund - Direct Plan Growth	139,843	502,311	38.25	-	131.35	-
Kotak Mutual Fund						
Corporate Bond Fund Direct Growth	148,253	148,253	46.45	-	44.25	-
Low Duration Fund Direct Growth	380,566	947,500	110.43	-	262.80	-
Money Market Fund - Direct Plan - Growth	773,516	627,223	280.07	-	218.51	-
Axis Mutal Fund						
Banking & PSU Debt Fund - Direct Growth	449,207	449,207	98.24	-	94.23	-
HDFC Mutual Fund						
Money Market Fund Direct Plan Growth	-	779,189	-	-	348.60	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	1,610,258	1,112,782	401.08	-	266.53	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
Edelweiss Mutual Fund						
Edelweiss Mutual Bharat Bond ETF	3,000,000	3,000,000	-	351.13	-	335.08
Edelweiss Mutual Bharat Bond ETF	8,896,795	8,896,795	-	964.55	-	911.21
Equity fund						
Units of the face value of Rs. 10 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Arbitrage Fund - Direct Growth Plan Growth Option	138,819,753	121,555,798	316.90	-	265.32	-
Aditya Birla Sunlife Mutual Fund						
Aditya Birla Sun Life Arbitrage Fund - Growth - Direct Plan (Formerly known as Aditya Birla Sun Life Enhanced Arbitrage Fund)	113,338,345	46,073,214	257.89	-	100.35	-
Edelweiss Mutual Fund						
Arbitrage Fund - Direct Plan Growth	213,572,159	127,606,360	352.04	-	200.95	-
Kotak Mutual Fund						
Equity Arbitrage Fund - Direct Plan - Growth	49,065,078	66,373,737	155.38	-	200.99	-
HDFC Mutual Fund						
Arbitrage Fund - Direct Plan - Growth	-	32,520,325	-	-	50.18	-
UTI Mutual Fund						
Arbitrage Fund Direct Growth Plan Growth	69,117,262	-	205.43	-	-	-
Tata Mutual Fund						
Arbitrage Fund - Direct Plan - Growth	171,452,455	-	205.49	-	-	-
Axis Mutal Fund						
Arbitrage Fund - Direct Growth	94,059,220	-	152.25	-	-	-
Liquid/Overnight fund						
Units of the face value of Rs. 100 each						
ICICI Prudential Mutual Fund						
Overnight Fund Direct plan Growth	8,726,308	-	100.01	-	-	-
Nippon India Mutual Fund						
Overnight Fund Direct plan Growth	8,765,763	-	100.04	-	-	-
Units of the face value of Rs. 1,000 each						
Aditya Birla Sunlife Mutual Fund						
Overnight Fund Direct plan Growth	521,932	-	60.01	-	-	-
Kotak Mutual Fund						
Overnight Fund - Direct Plan - Growth	793,871	-	90.00	-	-	-
Investment in mutual funds			5,786.61	1,315.68	6,136.94	1,334.09
Total Investments			5,837.66	4,814.66	6,191.49	4,308.18



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Aggregate book value of quoted investments	51.05	989.39	54.55	614.50
Aggregate market value of quoted investments	52.84	986.83	55.59	614.74
Aggregate carrying value of unquoted investments	5,786.61	3,825.27	6,136.94	3,693.68
Aggregate amount of impairment in value of investments	-	-	-	-

Category-wise investment as per Ind AS 109 classification

	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in Mutual Funds	5,786.61	1,315.68	6,136.94	1,334.09
Investment in debentures	-	150.00	-	-
Quoted				
Investment in equity instruments	-	19.88	-	4.01
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	51.05	969.51	54.55	610.49

Note: The above does not include investments in subsidiaries and associates amounting to Rs. 2,359.59 crores (as at March 31,2022) and Rs. 2,359.59 crores (as at March 31, 2021) carried at cost.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 41.

10. LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
NON - CURRENT		
Unsecured, considered good		
Loans to employees	17.43	16.73
Total	17.43	16.73
CURRENT		
Unsecured, considered good		
Loans to employees	22.81	22.95
Total	22.81	22.95

Note :- These financial assets are carried at amortised cost unless otherwise stated.

Note :- The Company's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 41.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

11. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
NON-CURRENT		
Unsecured, considered good		
Security deposits	41.60	35.50
Total	41.60	35.50
CURRENT		
Unsecured, considered good		
Interest accrued on deposits and others	34.60	3.90
Accrual of incentives from State Government	395.13	344.45
Other recoverables	22.46	9.18
Security deposits	2.61	13.99
Total	454.80	371.52

Note :- These financial assets are carried at amortised cost unless otherwise stated.

Note :- The Company's exposure to credit and currency risks, and impairment allowances related to Other financial assets is disclosed in Note 41.

12. INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
TAX ASSETS		
Advance income tax	1,137.00	1,286.03
Less : Provision for taxation	796.08	917.84
Total	340.92	368.19

13. OTHER ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
NON-CURRENT		
Unsecured, considered good		
Capital advances	87.77	27.33
Prepaid expenses	9.89	6.18
Balance with government authorities		
- Excise duty and others	12.85	12.17
- VAT/ sales tax	9.26	8.98
Total	119.77	54.66
CURRENT		
Unsecured, considered good		
Prepaid expenses	69.64	46.76
Advance to suppliers	125.89	107.01
Less: Loss allowance	(59.24)	(7.00)
	66.65	100.01
Other advances	2.69	0.02
Balance with government authorities		
- VAT/Sales tax and others	20.89	21.12
- Goods and service tax (GST)	0.59	28.12
- Export incentive receivable	37.19	17.34
Total	197.65	213.37



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

14. INVENTORIES

(lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials and components	545.55	740.20
Goods in transit of raw materials and components	27.90	108.00
Work-in-progress (Two wheelers)	36.82	46.90
Finished goods		
Two Wheelers	317.86	370.35
Spare parts	56.19	54.36
Stock in trade	11.84	23.82
Stores and spares	102.95	98.88
Loose tools	23.54	27.04
Total	1,122.65	1,469.55

The mode of valuation of inventories has been stated in note no. 3.12.

15. TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade Receivables considered good - (Secured) **	37.50	54.81
Trade Receivables considered good - (Unsecured) **	2,266.77	2,371.95
Trade Receivables credit impaired	116.86	117.05
	2,421.13	2,543.81
Less: Allowance for expected credit loss	116.86	117.05
Total	2,304.27	2,426.76

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 41.

Trade receivables ageing as on March 31, 2022:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,241.53	1,053.08	7.13	2.07	0.10	0.36	2,304.27
Undisputed Trade Receivables - credit impaired	1.80	22.81	1.67	8.29	18.40	24.87	77.84
Disputed Trade Receivables - credit impaired	-	0.82	0.29	1.32	17.20	19.39	39.02

Trade receivables ageing as on March 31, 2021:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,539.55	885.39	1.39	0.11	0.02	0.30	2,426.76
Undisputed Trade Receivables - credit impaired	0.70	25.68	7.18	31.33	12.55	13.67	91.11
Disputed Trade Receivables - credit impaired	-	1.19	0.20	5.82	7.11	11.62	25.94

** Include receivables from related parties (refer note 36)

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

16. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.01	0.01
Balances with banks		
In current accounts	97.23	167.83
In deposit accounts	1.44	1.38
Total	98.68	169.22

17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In dividend current accounts (earmarked accounts)	36.37	49.09
In deposit accounts*	40.07	38.84
Total	76.44	87.93

* The Company had placed fixed deposits aggregating ₹ 25.00 crores with Dena Bank on February 18, 2014. Subsequent thereto, it was brought to the notice of the Company that money had been fraudulently withdrawn by pledging fictitious copies of such fixed deposit receipts with the concerned bank by some individuals. The Company has filed a recovery suit which is pending in the honorable Delhi High Court against the bank. In the interim, the Bank has renewed the deposits (along with interest earned thereon).

18. (A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Equity shares capital		
250,000,000 (as at March 31, 2021 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
Total	50.00	50.00
Issued, subscribed and fully paid up		
199,811,941 (as at March 31, 2021: 199,780,217) Equity shares of ₹ 2 each	39.96	39.96
Total	39.96	39.96

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2022		As at March 31, 2021	
	Nos.	₹ in Crore	Nos.	₹ in Crore
Opening Balance	199,780,217	39.96	199,739,368	39.95
Issued during the year Rs. # Current year Rs. 63,448* (Previous year Rs. 81,698*) - Employee stock option plan	31,724	#	40,849	0.01
Closing Balance	199,811,941	39.96	199,780,217	39.96

* in absolute INR



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

18. (A) EQUITY SHARE CAPITAL (CONTD..)

(ii) Details of shareholders holding more than 5% equity shares in the company

	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Ms Renu Munjal *	9,309,019	4.66%	9,309,019	4.66%
Mr Suman Kant Munjal *	9,309,019	4.66%	9,309,019	4.66%
Mr Pawan Munjal *	9,309,020	4.66%	9,309,020	4.66%
M/S Bahadur Chand Investments (P) Ltd	40,033,238	20.04%	40,033,238	20.04%
Life Insurance Corporation of India	22,037,338	11.03%	14,816,832	7.42%

* Hold shares on behalf of Brijmohan Lal Om Prakash (partnership firm)

On March 31, 2022, the promoters of the Company have acquired certain shares of the Company. However, same was not reflecting in the relevant account of promoters as on March 31, 2022 and therefore not included in the shareholding pattern mentioned above. Details of shares acquired are as follows:

- Pawan Munjal Family Trust, had purchased 43,100 equity shares increasing its total shareholding to 201,100 (0.10%)
- Mr. Vidur Munjal, Promoter Group, had purchased 1,000 equity shares (0.00%) on March 31, 2022.
- Mr. Akshay Munjal, Promoter Group, had purchased 1,000 equity shares (0.00%) on March 31, 2022.
- Mr. Ujjwal Munjal, Promoter Group, had purchased 1,000 equity shares (0.00%) on March 31, 2022.

Shares held by promoters at the end of the year March 31, 2022			% change during the year
Promoter name	No. of shares	% of total shares	
Pawan Munjal	43,364	0.02%	0.00%*
Pawan Munjal (As Karta of Huf)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal And Suman Kant Munjal (On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	27,927,058	13.98%	0.00%
Renu Munjal	111,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of Huf)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt Ltd	40,033,238	20.04%	0.00%
Hero Investcorp Private Limited	873,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	158,000	0.08%	0.00%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%
Santosh Munjal	-	0.00%	0.00%

* Increase of 10 shares in absolute number.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

18. (A) EQUITY SHARE CAPITAL (CONTD..)

Shares held by promoters at the end of the year March 31, 2021			% change during the year
Promoter name	No. of shares	% of total shares	
Pawan Munjal	43,354	0.02%	0.00%
Pawan Munjal (As Karta of Huf)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal And Suman Kant Munjal (On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	27,927,058	13.98%	0.00%
Renu Munjal	111,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.01%
Suman Kant Munjal (As Karta of Huf)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt Ltd	40,033,238	20.04%	0.04%
Hero Investcorp Private Limited	873,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	158,000	0.08%	0.08%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%
Santosh Munjal	10	0.00%	0.00%

(iii) Shares options/ Restricted stock units/ Performance linked Restricted stock units granted under the Company's employee share option plan

Particulars	Share Options Outstanding (In Nos.)		Expiry Date
	As at March 31, 2022	As at March 31, 2021	
ESOP 2016	9,717	11,349	August 21, 2023
ESOP 2017	12,687	14,910	October 31, 2024
RSU 2017	-	2,128	October 31, 2024
ESOP 2018	61,780	82,406	March 25, 2026
RSU 2018	2,232	3,906	January 31, 2026
ESOP 2019	40,362	64,480	October 22, 2026
RSU 2019	2,084	3,647	October 22, 2026
ESOP 2020	68,795	94,000	October 27, 2027
RSU 2020	1,092	1,560	October 27, 2027
RSU 2021	30,632	-	August 11, 2025
PRSU 2021	28,279	-	August 11, 2025

Also refer details of the employee stock option plan provided in Note 40.

(B) PREFERENCE SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Preference shares capital		
400,000 (as at March 31, 2021 - 400,000) Cumulative convertible preference shares of Rs. 100 each	4.00	4.00
400,000 (as at March 31, 2021 - 400,000) Cumulative redeemable preference shares of Rs. 100 each	4.00	4.00
Total	8.00	8.00

Note:- The Company has not issued preference share capital.



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

19. OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserves (#Rs. 4,250 in absolute INR)	#	#
Securities premium	41.12	31.49
General reserve	2,645.79	2,645.79
Share options outstanding account	24.45	19.04
Retained earnings	13,031.60	12,462.15
Total	15,742.96	15,158.47
A. Capital Reserves		
On shares forfeited (#Rs. 4,250 in absolute INR)	#	#
Securities premium account on forfeited shares reissued(##Rs. 25,500 in absolute INR)	##	##
B. Securities premium		
Opening balance	31.49	18.40
Premium on equity shares issued @	9.63	13.09
Closing balance	41.12	31.49

@ Addition in securities premium represents premium on equity shares under various schemes amounting to Rs. 5.04 crores (Previous year Rs. 7.83 crores) and Rs. 4.59 crores (Previous year Rs. 5.26 crores) transferred from share option outstanding account on 31,724 equity shares (Previous year 40,849 equity shares) issued and allotted during the year under ESOP scheme. Also refer Note 40.

Particulars	As at March 31, 2022	As at March 31, 2021
C. General Reserve		
General reserve at the beginning and end of the year	2,645.79	2,645.79
D. Share options outstanding account *		
Opening balance	19.04	15.44
Add: Net charge during the year	10.00	8.86
Less: Transferred to securities premium on issue of shares	(4.59)	(5.26)
Closing balance	24.45	19.04

* Also refer note 40

Particulars	As at March 31, 2022	As at March 31, 2021
E. Retained earnings		
Opening Balance	12,462.15	11,416.82
Add: Profit for the year	2,473.02	2,964.20
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(5.44)	(21.06)
Less: Appropriations		
Final dividend	699.26	499.35
Interim dividend	1,198.87	1,398.46
Total appropriations	1,898.13	1,897.81
Balance at the end of year	13,031.60	12,462.15

In respect of the year ended March 31, 2022, the directors propose that a dividend of Rs. 35 per share (March 31, 2021 : Rs. 25 per share) and special dividend of Rs. nil per share (March 31, 2021: Rs. 10 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 699.34 crores (March 31, 2021 : Rs. 699.23 crores).

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

19. OTHER EQUITY (CONTD..)

Nature and Description

- (i) **Capital reserves:-** The Company had transferred forfeited share application money to Capital reserve in accordance with the provision of the Companies Act, 1956. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) **Securities premium:-** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) **General reserve:-** General Reserves are free reserves of the Company which are kept aside out of Company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (iv) **Share options outstanding account:-** Stock option outstanding account is used to record the impact of employee stock option scheme. Refer note 40 for further detail of this plan.
- (v) **Retained earnings:-** Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

20. PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employee benefits (Refer note (i) below)		
Compensated absences	34.08	26.04
Other employee benefits	8.91	8.80
Sub-total (A)	42.99	34.84
Warranties (Refer note (ii) below)	135.08	137.62
Sub-total (B)	135.08	137.62
Total (A+B)	178.07	172.46
Current		
Employee benefits (Refer note (i) below)		
Compensated absences	7.68	6.09
Other employee benefits	0.33	0.62
Sub-total (A)	8.01	6.71
Warranties (Refer note (ii) below)	152.41	153.66
Sub-total (B)	152.41	153.66
Total (A+B)	160.42	160.37

- (i) The provision for employee benefits includes sick leave, gratuity, earned leave and vested long term service reward.
- (ii) Movement in warranties provisions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	291.28	149.35
Additions during the year	105.74	222.22
Amount utilised during the year	(103.29)	(75.60)
Unwinding of discount and effect of changes in the discount rate	(6.24)	(4.69)
Closing balance	287.49	291.28

The provision for warranty claims represents the present value as best estimate of the future economic outflows that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

As at March 31, 2022, this particular provision had a carrying amount of Rs. 287.49 crores (March 31, 2021: Rs. 291.28 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated Rs. 28.75 crores higher or lower (March 31, 2021 - Rs. 29.13 crores higher or lower).



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

21. DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Property, plant and equipments and intangible assets	427.79	422.22
Financial assets carried at fair value through profit or loss	71.72	99.33
Others	3.14	2.91
Sub-total (A)	502.65	524.46
Less: Deferred tax assets		
Deferred revenue	52.34	67.46
Accrued expenses deductible on payment	55.44	39.96
VRS expenses u/s 35DDA	6.06	9.08
Right of use assets and lease liabilities	5.52	3.87
Sub-total (B)	119.36	120.37
Total (A-B)	383.29	404.09

Movement of Deferred tax (assets)/ liabilities as at March 31, 2022

Particulars	Opening balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities				
Property, plant and equipments and intangible assets	422.22	5.57	-	427.79
Financial assets carried at fair value through profit or loss	99.33	(27.61)	-	71.72
Others	2.91	0.23	-	3.14
	524.46	(21.81)	-	502.65
Less: Deferred tax assets				
Deferred revenue	67.46	(15.12)	-	52.34
Accrued expenses deductible on payment	39.96	15.48	-	55.44
VRS expenses u/s 35DDA	9.08	(3.02)	-	6.06
Right of use assets and lease liabilities	3.87	1.65	-	5.52
	120.37	(1.01)	-	119.36
Deferred tax liabilities (net)	404.09	(20.80)	-	383.29

Movement of Deferred tax (assets)/ liabilities as at March 31, 2021

Particulars	Opening balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities				
Property, plant and equipments and intangible assets	411.57	10.65	-	422.22
Financial assets carried at fair value through profit or loss	73.98	25.35	-	99.33
Others	8.58	(5.67)	-	2.91
	494.13	30.33	-	524.46
Less: Deferred tax assets				
Deferred revenue	60.14	7.32	-	67.46
Accrued expenses deductible on payment	26.74	13.22	-	39.96
VRS expenses u/s 35DDA	12.10	(3.02)	-	9.08
Right of use assets and lease liabilities	2.32	1.55	-	3.87
	101.30	19.07	-	120.37
Deferred tax liabilities (net)	392.83	11.26	-	404.09

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

22. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables ^{###}		
Total outstanding dues of micro and small enterprises	25.55	15.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,234.79	5,188.90
Total	4,260.34	5,204.61

^{###} Include payables to related parties (refer note 36)

Ageing of trade payables as on March 31, 2022:

Particulars	Outstanding for following periods from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	22.91	2.64	-	-	-	25.55
(2) Others - Trade payables	2,942.31	274.45	2.85	1.76	1.30	3,222.67
(3) Others - Accruals						1,012.12

Ageing of trade payables as on March 31, 2021:

Particulars	Outstanding for following periods from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	12.85	2.86	-	-	-	15.71
(2) Others - Trade payables	3,324.44	120.98	1.37	0.78	2.32	3,449.89
(3) Others - Accruals						1,739.01

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.

Disclosure in respect of the amounts payable to Micro and Small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	25.55	15.71
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME	-	-
The amount of interest accrued for unpaid principal at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

23. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Capital creditors	34.43	46.52
Security deposits dealers and others	62.93	63.91
Unclaimed dividend *	36.39	49.10
Total	133.75	159.53

* Does not include any amounts outstanding as at March 31, 2022 (March 31, 2021: NIL) which are required to be credited to Investor Education and Protection Fund.

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

24. OTHER LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Statutory remittances (contributions to provident fund and employee state insurance, withholding taxes, GST etc.)	167.15	231.86
Advance from customers	112.43	62.13
Deferred revenue	207.98	268.03
Others	4.56	3.99
Total	492.12	566.01

Contract balances

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as advance from customers disclosed as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers – current	112.43	62.13
Deferred revenue	207.98	268.03

Revenue recognised from amount included in contract liabilities (advance from customers and deferred revenue) at the beginning of the year amounts to Rs. 62.13 crores and Rs. 249.26 respectively (previous year Rs. 114.17 crores and Rs. 213.20 crores respectively).

25. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Sale of products		
Two-wheelers [49.44 lakh units (previous year 58.00 lakh units)]	24,275.42	26,683.82
Spare parts	3,933.75	3,177.70
	28,209.17	29,861.52
(b) Income from services		
Dealers support services	86.81	42.30
Dealer program	50.52	37.37
Services - others	341.24	362.34
	478.57	442.01
(c) Other operating revenue		
Duty drawback and other incentives	43.70	22.72
Incentive from State Government	447.09	427.46
Miscellaneous income	66.94	46.91
	557.73	497.09
Total	29,245.47	30,800.62

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	28,709.62	30,337.42
Less: Trade discounts and volume rebates	(500.45)	(475.90)
Sale of products	28,209.17	29,861.52

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

26. OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest income on financial assets carried at amortised cost		
Tax free bonds, debentures and other instruments classified as debt	49.52	26.57
Deposit with bank and others	136.77	68.53
(b) Dividend income		
Dividend received on investments carried at fair value through profit or loss	0.15	0.12
Dividend income from investments carried at cost	14.33	33.60
(c) Profit on sale of investments	101.37	167.13
(d) Gain on investments carried at fair value through profit or loss	223.82	283.01
(e) Other non-operating income		
Exchange fluctuation	30.33	-
Profit on sale of property, plant and equipment	0.62	0.89
Total	556.91	579.85

27. COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials and components consumed:		
Opening stock	848.20	616.47
Add: Purchase of raw materials and components	20,461.87	22,149.99
	21,310.07	22,766.46
Less: closing stock	573.45	848.20
	20,736.62	21,918.26
Less: Cash discount	28.55	42.93
Consumption of raw materials and components	20,708.07	21,875.33

28. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Opening stock (Refer note 14)		
Two Wheelers	370.35	263.33
Stock in trade	23.82	-
Spare parts	54.35	38.50
Work-in-progress	46.90	50.13
	495.42	351.96
(b) Closing stock (Refer note 14)		
Two Wheelers	317.86	370.35
Stock in trade	11.84	23.82
Spare parts	56.19	54.35
Work-in-progress	36.82	46.90
	422.71	495.42
Net decrease/(increase)	72.71	(143.46)



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

29. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	1,699.32	1,676.40
Contribution to provident and other funds	119.39	112.53
Employee stock compensation cost	10.00	8.86
Staff welfare expenses	106.73	100.93
Total	1,935.44	1,898.72

Employee Benefit Plans

The details of various employee benefits provided to employees are as under:

A. Defined benefit, Contribution and other plans

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Employer's contribution to provident fund and labour welfare fund	76.96	69.89
b) Employer's contribution to superannuation fund	17.60	17.32
c) Employer's contribution to gratuity fund *	21.70	21.65
d) Employer's contribution to employee state insurance	3.13	3.67
	119.39	112.53

* In addition to this contribution made amounting to Rs. 7.27 crore (previous year : Rs. 28.14 crore) is recognised in other comprehensive income.

B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk , longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows :-

Principal assumptions:	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Discount rate	6.90%	6.70%
Future salary increase	6.50% p.a.	6.50% p.a.
Retirement age	58 years	58 years
Withdrawal rate	Upto 30 years:3% from 31 to 44 years:2% After 44 years: 1%	Upto 30 years:3% from 31 to 44 years:2% After 44 years: 1%
In service mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

29. EMPLOYEE BENEFIT EXPENSES (CONTD..)

Amounts recognized in statement of profit and loss in respect of this defined benefit plan are as follows :-

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:		
Current service cost	22.67	21.13
Net Interest expense/(income)	(0.97)	0.52
Components of defined benefit costs recognized in profit or loss	21.70	21.65
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.36)	3.25
Actuarial (gains)/losses arising from changes in financial assumptions	(5.87)	(2.70)
Actuarial (gains)/losses arising from experience adjustments	13.50	27.59
Components of defined benefit costs recognized in other comprehensive income	7.27	28.14
Total	28.97	49.79

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Present Value of funded defined benefit obligation	395.90	356.80
Fair value of plan assets	395.90	356.80
Net liability arising from defined benefit obligation	-	-

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined obligation	356.80	318.03
Current service cost	22.67	21.13
Interest cost	23.42	20.10
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in financial assumptions	(5.87)	(2.70)
Actuarial (gains)/losses arising from experience adjustments	13.51	27.59
Benefits paid	(14.63)	(27.35)
Closing defined benefit obligation	395.90	356.80

Movements in the fair value of the plan assets are as follows

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	356.80	252.35
Interest income	24.38	19.58
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.37	(3.25)
Contribution	28.98	115.47
Benefit paid	(14.63)	(27.35)
Closing fair value of plan assets	395.90	356.80



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

29. EMPLOYEE BENEFIT EXPENSES (CONTD..)

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs.13.99 crore (increase by Rs. 14.99 crore) [as at March 31, 2021: Decrease by Rs. 13.03 crores (increase by Rs. 13.95 crores)].
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by Rs. 14.98 crores (decrease by Rs. 14.10 crores) [as at March 31, 2021: increase by Rs. 13.92 crores (decrease by Rs. 13.11 crores)].

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting year, which is same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted Average duration of the defined benefit obligation (in years)	9.0 years	9.0 years

The Company expects to make a contribution of Rs. 24.74 crore (as at March 31, 2021: Rs. 22.67 crore) to the defined benefit plans during the next financial year.

Defined benefit liability and employer contribution

The Expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at March 31, 2022	67.24	27.79	97.80	198.79	391.62
As at March 31, 2021	56.36	23.63	94.08	166.15	340.22

30. FINANCE COSTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest cost on financial liability at amortised cost		
- on dealers security deposits	2.70	2.50
- on others	0.64	1.49
- Unwinding of discount on provisions and lease liabilities	22.46	17.85
Total	25.80	21.84

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

31. OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores and tools consumed	79.46	81.47
Packing, forwarding and freight	940.47	955.31
Power and fuel	108.53	112.91
Rent (Refer note 7A)	35.63	32.89
Repairs and maintenance		
- Buildings	22.20	17.99
- Plant and machinery	113.23	105.97
- Others	9.82	9.30
Insurance charges	73.40	68.11
Rates and taxes	17.56	16.11
Advertisement and publicity	720.45	593.32
Donations	0.02	0.09
Expenditure on corporate social responsibility (Refer note 42)	87.85	68.35
Payment to auditors (Refer Below)	1.97	1.69
Exchange fluctuation	-	8.34
Loss on sale of property, plant and equipment	10.23	4.67
Loss allowance on trade receivables	-	45.80
Miscellaneous expenses	893.71	998.01
Total	3,114.53	3,120.33

Payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) As Statutory Audit		
- Audit fee	0.92	0.82
- Limited Review of unaudited financial results	0.75	0.60
- Other certifications	0.09	0.08
b) Tax audit fees	0.08	0.08
c) Out of pocket expenses	0.13	0.11
Total	1.97	1.69

32. INCOME TAX EXPENSE

(a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	797.91	924.92
Deferred tax		
In respect of the current year	(20.80)	11.26
Total income tax expense recognised in the Statement of profit and loss	777.11	936.18

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligations	(1.83)	(7.08)
Total income tax benefit recognised in other comprehensive income	(1.83)	(7.08)



Notes forming part of the standalone financial statements

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(Amount in crores of INR)

32. INCOME TAX EXPENSE (CONTD.)

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	3,250.13	3,900.38
Income tax expense calculated at 25.168%	817.99	981.65
Effect of income exempt/ taxed on lower/ higher rate	(60.87)	(35.94)
Others	19.99	(9.53)
Income tax expense recognised in the Statement of profit and loss	777.11	936.18

33. EARNING PER SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (in Rs.)	123.78	148.39
Diluted earnings per share (in Rs.)	123.74	148.37
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Profit for the year, as per statement of profit and loss (Rs. in crores)	2,473.02	2,964.20
Opening Balance	199,780,217	199,739,368
Effect of share options exercised	16,722	16,417
Weighted average number of equity shares for the purposes of basic earnings per share	199,796,939	199,755,785
Effect of share options	61,672	30,379
Weighted average number of equity shares for the purposes of diluted earnings per share	199,858,611	199,786,164

34. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Contingent liabilities		
In respect of excise and other matters	-	-

The various matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company.

Additionally, the Company is involved in other disputes, lawsuits, claims, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

Particulars	As at March 31, 2022	As at March 31, 2021
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to Rs. 87.77 crores (March 31, 2021: Rs. 27.33 crores))	296.89	248.55

c) The Income Tax Department ("the Department") conducted a Search activity ("the Search") under Section 132 of the Income Tax Act on the Company in March 2022. Subsequently, the Company has provided all support and cooperation and the necessary documents and data to the Department, as requested by the Department.

The Company is examining and reviewing details of the matter and will take appropriate actions, including addressing regulatory actions, if and when they occur.

While the uncertainty exists regarding the outcome of the proceedings by the department, the Company after considering all available information and facts as of date, has not identified the need for any adjustments to the current or prior period financial statements.

Notes forming part of the standalone financial statements

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35. The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely automotive segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from operations from external customers for the year ended March 31, 2022

	Domestic	Overseas	Total
2021-22	27,607.50	1,637.97	29,245.47

Revenue from operations from external customers for the year ended March 31, 2021

	Domestic	Overseas	Total
2020-21	29,780.15	1,020.47	30,800.62

Disclosure as per the requirement of Ind AS 115, Revenue : For the year ended March 31, 2022

	India	Outside India	Total
Sale of products	26,591.50	1,617.67	28,209.17
Income from services	458.28	20.29	478.57
Other operating revenue	557.73	-	557.73
Total	27,607.51	1,637.96	29,245.47

Disclosure as per the requirement of Ind AS 115, Revenue : For the year ended March 31, 2021

	India	Outside India	Total
Sale of products	28,854.86	1,006.66	29,861.52
Income from services	428.20	13.81	442.01
Other operating revenue	497.09	-	497.09
Total	29,780.15	1,020.47	30,800.62

- Domestic segment includes sales and services to customers domiciled in India.
- Overseas segment includes sales and services rendered to customers domiciled outside India.
- There are no material non-current assets domiciled outside India.
- There is no major individual customer whose revenue exceeds more than 10% of the entity's revenue.



Notes forming part of the standalone financial statements

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36. RELATED PARTY DISCLOSURES UNDER IND AS 24

A. Parties in respect of which the Company is an associate

Bahadur Chand Investments Private Limited - Core Investment Company

Brijmohan Lal Om Prakash (Partnership firm)

B. Parties over which the Company has control

Subsidiaries

HMCL Americas Inc. USA

HMCL Netherlands BV

HMC MM Auto Limited

Hero Tech Center Germany GmbH

Subsidiaries of HMCL Netherlands BV

- HMCL Colombia SAS

- HMCL Niloy Bangladesh Limited

Associate of the Company

Hero FinCorp Limited

Ather Energy Private Limited

C. Key management personnel and their relatives

Mr. Pawan Munjal - Chairman and Chief Executive Officer

Mr. Suman Kant Munjal - Director

Mr. Vikram Sitaram Kasbekar - Whole Time Director

Mr. Niranjan Kumar Gupta - Chief Financial Officer

Ms. Neerja Sharma (till January 31, 2022) - Company Secretary

Mr. Dhiraj Kapoor (w.e.f February 01, 2022) - Company Secretary

Non Executive and Independent Directors

Mr. Pradeep Dinodia

Mr. M.Damodaran

Mr. Paul B. Edgerley (till May 04, 2021)

Dr. Jagmohan Singh Raju

Ms. Tina Trikha

Mr. B.S. Dhanoa (w.e.f. October 01, 2020)

Ms. Camille Tang (w.e.f November 19, 2021)

Mr. Rajnish Kumar (w.e.f November 25, 2021)

Ms. Vasudha Dinodia (w.e.f November 25, 2021)

Enterprises over which key management personnel and their relatives are able to control:

A. G. Industries Private Limited, A. G. Industries (Bawal) Pvt. Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero Mindmine Institute Private Limited, Hero InvestCorp Private Limited, Hero Solar Energy Private Limited, BML Munjal University, Raman Kant Munjal Foundation, Excellence Enablers Private Limited and Raman Munjal Vidya Mandir

Notes forming part of the standalone financial statements

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(Amount in crores of INR)

36. RELATED PARTY DISCLOSURES UNDER IND AS 24 (CONTD..)

Transactions with the above related parties:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) PARTIES IN RESPECT OF WHICH THE COMPANY IS AN ASSOCIATE		
Dividend paid		
Brijmohan Lal Om Prakash (Partnership firm)	265.31	265.31
Hero InvestCorp Private Limited	8.30	8.30
Bahadur Chand Investments Private Limited	380.32	380.32
b) PARTIES OVER WHICH THE COMPANY HAS CONTROL		
Investment in equity instruments during the year		
Subsidiaries		
HMCL Netherlands BV	-	14.22
Dividend Received		
HMCL Netherlands BV	9.09	20.83
Sales *		
HMCL Colombia SAS	256.35	180.33
HMCL Niloy Bangladesh Limited	442.86	372.03
Hero Tech Center Germany GmbH	-	0.13
Other operating revenues		
HMCL Colombia SAS	6.57	3.93
HMCL Niloy Bangladesh Limited	13.72	9.82
Purchases of goods/services		
HMC MM Auto Limited	218.12	451.78
Hero Tech Center Germany GmbH	110.43	78.28
Purchase of Assets		
HMC MM Auto Limited	-	4.80
Expenses reimbursed		
HMCL Colombia SAS	14.94	11.76
HMCL Niloy Bangladesh Limited	10.67	9.52

*Net of reimbursements amounting to Rs. 6.90 crores (March 31, 2021: Rs. 5.57 crores)

Balance outstanding at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
- Trade Receivable		
HMCL Colombia SAS	90.00	85.67
HMCL Niloy Bangladesh Limited	125.81	99.03
- Trade Payable		
HMC MM Auto Limited	32.12	60.25
Hero Tech Center Germany GmbH	26.82	15.70

c) ASSOCIATE OF THE COMPANY

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Hero FinCorp Limited		
Lease rental expenses	2.67	7.83
Dividend received	5.24	12.77
Dividend paid	0.01	0.01
Investment in equity instruments during the year	-	194.38
Miscellaneous expenses	12.19	13.23
Ather Energy Private Limited		
Investment (refer note 9)	150.00	174.00



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

36. RELATED PARTY DISCLOSURES UNDER IND AS 24 (CONTD..)

Balance outstanding at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
- Payable		
Hero FinCorp Limited	-	0.04

d) KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Managerial Remuneration/Sitting fees		
Mr. Pawan Munjal	84.35	86.93
Mr. Vikram Sitaram Kasbekar	8.08	6.54
Mr. Suman Kant Munjal	0.36	0.23
Mr. Niranjana Kumar Gupta	6.71	4.97
Ms. Neerja Sharma (till January 31, 2022)	5.10	5.31
Mr. Dhiraj Kapoor (w.e.f February 01, 2022)	0.15	-
Dividend paid	2.93	2.93
Commission/Sitting fees/expenses reimbursement to Non-Executive and Independent Directors		
Mr. Pradeep Dinodia	1.43	1.09
Mr. M.Damodaran	1.28	1.01
Mr. Paul B. Edgerley (till May 04, 2021)	0.05	0.68
Dr. Jagmohan Singh Raju	0.93	0.66
Mr. B. S. Dhanoa (w.e.f October 01, 2020)	0.87	0.24
Ms. Tina Trikha	0.95	0.56
Ms. Camille Tang (w.e.f November 19, 2021)	0.25	-
Mr. Rajnish Kumar (w.e.f November 25, 2021)	0.18	-
Ms. Vasudha Dinodia (w.e.f November 25, 2021)	0.18	-

Balance outstanding at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
-Payables (including commission)	30.49	41.35

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Managerial remuneration*		
Short-term benefits	97.82	98.94
Post-employment benefits	4.55	3.92
Share-based payments	2.02	0.89

* Does not include provisions for incremental gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

e) ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES ARE ABLE TO EXERCISE CONTROL

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of raw materials and components etc.	2,959.95	2,610.84
Purchase of property, plant and equipments	26.81	18.79
Payment towards services etc.	6.35	3.55
Expenditure towards Corporate Social Responsibility (CSR)	23.84	12.10

Notes forming part of the standalone financial statements

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(Amount in crores of INR)

36. RELATED PARTY DISCLOSURES UNDER IND AS 24 (CONTD..)

Balance outstanding as at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
- Payables	449.69	400.03
- Receivables	-	0.19

Significant related party transactions included in the above are as under :-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of raw materials and components etc.		
A. G. Industries Private Limited	811.47	788.25
Rockman Industries Limited	2,022.02	1,669.14
A. G. Industries (Bawal) Pvt Limited	126.46	151.10
Purchase of Assets		
Rockman Industries Limited	18.54	11.92
A.G. Industries Private Limited	6.11	6.87
Hero Solar Energy Private Limited	2.16	-
Payment for services etc.		
BML Munjal University	1.64	2.33
Hero Solar Energy Private Limited	1.96	0.20
A. G. Industries Private Limited	-	0.85
Cosmic Kitchen Pvt Limited	2.74	-
Excellence Enablers Private Limited	-	0.09
Raman Munjal Vidya Mandir	-	0.08
CSR		
Raman Kant Munjal Foundation	3.84	2.10
BML Munjal University	20.00	10.00

Significant closing balances of related parties are as under :-

Particulars	As at March 31, 2022	As at March 31, 2021
- Trade Payables		
A. G. Industries Private Limited	114.95	56.88
Rockman Industries Limited	319.02	337.83
A. G. Industries (Bawal) Pvt Limited	14.49	5.16

D. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.

37. NOTE ON COVID-19

The situation of COVID-19 pandemic is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

38. Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) Order, 2020 in respect of disputed dues, not deposited as at March 31, 2022, pending with various authorities:

Name of Statute	Nature of Dues	Amount	Amount paid	Financial year to which the Amount Relates	Forum where Dispute is Pending
Central Excise Law	Excise duty	2.91	0.12	FY 2004-05 to FY 2015-16, FY 2017-18	Additional Commissioner
		59.28	1.64	2004-05 to 2017-18	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)
		0.78	0.02	FY 2014-15 to FY 2017-18	Commissioner Appeal
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	0.09	0.01	2017-18	GST Appellate Tribunal
		0.18	0.18	FY 2021-22	Joint commissioner Appeals
Finance Act, 1994	Service Tax	0.89	0.45	2004-05 to 2005-06	Supreme Court
		233.11	24.99	2004-05 to 2011-12	CESTAT
Income Tax Act, 1961	Income-tax	9.94	-	FY 2018-19	Commissioner of Income Tax (Appeals)
		2,336.71	350.51	FY 2010-11	Commissioner of Income Tax (Appeals)
Customs Act	Custom Duty	0.10	0.00*	Financial year ("FY") 2015-16 to FY 2016-17	CESTAT (The Customs Excise and Service Tax Appellate Tribunal)

*Rs. 38,452 in absolute terms.

The following matters have been decided in favour of the Company but the department has preferred appeals at higher levels:

Name of Statute	Nature of Dues	Amount (Rs. in crores)	Amount paid as per stay order/ mandatory deposit	Financial year to which the Amount Relates	Forum where Dispute is Pending
Central Excise Law	Excise duty	8.78	-	2002-03 to 2008-09	Supreme Court
		85.66	-	2009-10 to 2010-11, 2013-14	CESTAT
Income Tax Act, 1961	Income-tax	4.10	-	2005-06	Supreme Court
		7,367.64	-	1995-96, 1996-97, 1997-98, 1998-99, 2000-01, 2002-03, 2003-04, 2006-07, 2009-10, 2010-11, 2011-12 and 2012-13.	High Court
		305.22	-	FY 2013-14	Income Tax Appellate Tribunal

39. RESEARCH AND DEVELOPMENT EXPENSES:

Expenses charged to revenue account

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw material consumption	22.09	12.23
Consumables	5.78	2.48
Employee Benefits	224.91	211.93
Depreciation and amortisation	102.14	96.97
Others*	76.50	72.20
Total	431.42	395.81

* Includes intangible asset under development amounting to Rs. Nil (previous year Rs. 0.23 crores) expensed off during the year.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

39. RESEARCH AND DEVELOPMENT EXPENSES (CONTD.)

Capital Expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Building	0.20	0.06
Equipments	8.43	10.13
Furniture and fixtures	0.54	1.14
Software	13.07	8.66
Vehicles	1.93	2.24
Data processing equipments	7.00	1.52
Intangible assets	31.28	18.52
	62.45	42.27
Capital Work-in-progress	121.98	101.94
Total	184.43	144.21

40. SHARE-BASED PAYMENTS

Employee Stock Option Plan

The Employee Stock Options Scheme titled "Employee Incentive Scheme 2014 - Options and Restricted Stock Unit" hereafter referred to as "Employee Incentive Scheme 2014" or "the Scheme" was approved by the shareholders of the Company through postal ballot on September 22, 2014. The Scheme covered 49,90,000 options/restricted units for 49,90,000 equity shares. The Scheme allows the issue of options/restricted stock units (RSU)/performance linked restricted stock units (PRSU) to employees of the Company which are convertible to one equity share of the Company. As per the Scheme, the Nomination and Remuneration Committee grants the options/RSU/PRSU to the employees deemed eligible. The options and RSU/PRSU granted vest over a period of 4 and 3 years respectively from the date of the grant in proportions specified in the respective ESOP Plans. Options/RSU/PRSU may be exercised by the employees after vesting period upto 7 years from the date of grant. The fair value as on the date of the grant of the options/RSU/PRSU, representing Stock compensation charge, is expensed over the vesting period.

Details of the Stock Option/RSU/PRSU issued under the Scheme

Plan	Number of Options/ RSU/PRSU	Grant date	Expiry date	Exercise Price Rs.	Weighted Average Fair value of the Options at grant date Rs.
ESOP 2014	23,110	October 22, 2014	October 21, 2021	2,159	1,228
ESOP 2016	41,290	August 22, 2016	August 21, 2023	2,469	1,324
RSU 2016	11,194	August 22, 2016	August 21, 2023	2	3,290
ESOP 2017	29,800	October 31, 2017	October 31, 2024	2,818	1,615
RSU 2017	15,769	October 31, 2017	October 31, 2024	2	3,663
ESOP 2018	125,000	March 25, 2019	March 25, 2026	2,033	1,138
RSU 2018	17,760	January 31, 2019	January 31, 2026	2	2,672
ESOP 2019	98,750	October 22, 2019	October 22, 2026	1,745	1,067
RSU 2019	5,210	October 22, 2019	October 22, 2026	2	2,308
ESOP 2020	101,375	October 27, 2020	October 27, 2027	2,085	1,200
RSU 2020	1,560	October 27, 2020	October 27, 2027	2	2,686
RSU 2021	39,210	August 11, 2021	August 11, 2025	2	2,699
PRSU 2021	34,895	August 11, 2021	August 11, 2025	2	2,439



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

40. SHARE-BASED PAYMENTS (CONTD..)

Fair value of share options/RSU granted during the year

The fair value of options/RSU granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options/RSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

Fair value of PRSU granted during the year

The fair value of PRSU granted is estimated using the Monte Carlo simulation model for performance based conditions, after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life PRSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

Inputs in to the pricing model

Particulars	Option Plan			
	RSU 2021	PRSU 2021	ESOP 2020	RSU 2020
Weighted Average Fair value of option/RSU/ PRSU	2,699	2,439	1,200	2,686
Spot share price	2,999	2,797	3,210	3,210
Exercise price	2	2	2,085	2
Expected average volatility	36.11%	33.30%	26.42%	26.61%
Option life	4 years	4 years	7 Years	7 Years
Dividend yield	4.22%	3.16%	3.91%	3.91%
Average risk-free interest rate	6.27%	5.16%	5.88%	5.88%

Movements in share options during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Outstanding at the beginning of the year	267,145	2,044	245,061	2,031
Granted during the year	-	-	101,375	2,085
Forfeited during the year	47,913	2,011	41,679	2,026
Exercised during the year	25,891	1,952	37,612	2,085
Outstanding at the end of year	193,341	2,065	267,145	2,044
Exercisable at the end of year	78,682	2,194	50,538	2,267

Movements in RSU/PRSU during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of RSU/PRSU	Weighted average exercise price Rs.	Number of RSU/PRSU	Weighted average exercise price Rs.
Outstanding at the beginning of the year	11,241	2.00	12,918	2.00
Granted during the year	74,105	2.00	1,560	2.00
Forfeited during the year	15,195	2.00	-	-
Exercised during the year	5,833	2.00	3,237	2.00
Outstanding at the end of year	64,318	2.00	11,241	2.00
Exercisable at the end of year	2,232	2.00	3,802	2.00

Notes forming part of the standalone financial statements

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(Amount in crores of INR)

40. SHARE-BASED PAYMENTS (CONTD..)

Share options exercised during the year

Option Plan	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of options exercised	Weighted Share price at exercise date Rs.	No. of options exercised	Weighted Share price at exercise date Rs.
ESOP 2014	-	-	864	3,224
ESOP 2016	336	2,870	7,941	3,101
RSU 2016	-	-	-	-
ESOP 2017	265	2,898	2,628	3,164
RSU 2017	2,128	2,786	-	-
ESOP 2018	10,726	2,852	13,344	3,014
RSU 2018	1,674	2,786	1,674	2,361
ESOP 2019	9,458	2,718	12,835	3,202
RSU 2019	1,563	2,668	1,563	3,238
ESOP 2020	5,106	2,698	-	-
RSU 2020	468	2,668	-	-

Share options/RSU/PRSU outstanding at end of the year

Options/ RSU Plans/PRSU	Options outstanding as at March 31, 2022	Options outstanding as at March 31, 2021	Remaining contractual life (in Years) as on March 31, 2022	Remaining contractual life (in Years) as on March 31, 2021	Exercise Price Rs.
ESOP 2014	-	-	-	0.56	2,159
ESOP 2016	9,717	11,349	1.39	2.39	2,469
RSU 2016	-	-	1.39	2.39	2
ESOP 2017	12,687	14,910	2.59	3.59	2,818
RSU 2017	-	2,128	2.59	3.59	2
ESOP 2018	61,780	82,406	3.98	4.98	2,033
RSU 2018	2,232	3,906	3.84	4.84	2
ESOP 2019	40,362	64,480	4.56	5.56	1,745
RSU 2019	2,084	3,647	4.56	5.56	2
ESOP 2020	68,795	94,000	5.58	6.58	2,085
RSU 2020	1,092	1,560	5.58	6.58	2
RSU 2021	30,632	-	3.37	-	2
PRSU 2021	28,279	-	3.37	-	2
	257,660	278,386			

During the year ended March 31, 2022, the Company recorded an employee stock compensation expense of Rs. 10.00 crores (previous year Rs. 8.86 crore) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2022 is Rs. 24.45 crore (March 31, 2021: Rs. 19.04 crore).



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

41. FINANCIAL INSTRUMENTS

41.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have debts and meets its capital requirement through equity and internal accruals.

The Company is not subject to any externally imposed capital requirements

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarizes the capital of the Company:

Particulars	As at March 31, 2022	As at March 31, 2021
Share capital	39.96	39.96
Equity reserves	15,742.96	15,158.47
Total Equity	15,782.92	15,198.43

Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	1,485.56	1,338.10
Current		
Investments	5,786.61	6,136.94
Financial assets at amortised cost		
Non-current		
Investments	969.51	610.49
Loans	17.43	16.73
Others	41.60	35.50
Current		
Investments	51.05	54.55
Trade receivables	2,304.27	2,426.76
Cash and bank balances	175.12	257.15
Loans	22.81	22.95
Others	454.80	371.52
Total	11,308.76	11,270.69
Financial liabilities at amortised cost		
Non-Current		
Lease Liability	142.32	129.81
Other financial liabilities	155.04	146.04
Current		
Lease Liability	25.75	19.70
Trade payables	4,260.34	5,204.61
Other financial liabilities	133.75	159.53
Total	4,717.20	5,659.69

Notes forming part of the standalone financial statements

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(Amount in crores of INR)

41. FINANCIAL INSTRUMENTS (CONTD..)

41.2 Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

Particulars	Fair value as at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,315.68	-
Investments in equity instruments	19.88	-	-
Investments in debentures	-	-	150.00
Current			
Investments in mutual funds	5,695.22	91.39	-

Particulars	Fair value as at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,334.09	-
Investments in equity instruments	4.01	-	-
Current			
Investments in mutual funds	5,120.10	1016.84	-



Notes forming part of the standalone financial statements

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(Amount in crores of INR)

41. FINANCIAL INSTRUMENTS (CONTD..)

41.2 Fair value measurements (Contd..)

Fair value of the Company's financial assets that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial instruments approximate their fair values:

Particulars	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost				
Non-current				
Investments in bonds	969.51	966.95	610.49	610.73
Current				
Investments in bonds	51.05	52.84	54.55	55.59

Particulars	Fair value hierarchy	
	March 31, 2022 Level 2	March 31, 2021 Level 2
Financial assets at amortised cost		
Non-current		
Investments in bonds	966.95	610.73
Current		
Investments in bonds	52.84	55.59

The fair value of the financial assets and financial liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between the market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions:- Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current lease liabilities and other current financial liabilities: Fair value approximate their carrying amounts largely due to short-term maturities of these instruments.
- The Company's non current lease liabilities and non current financial assets are measured at amortised cost, which approximates the fair value as on the reporting date.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates, as such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022 and March 31, 2021

Notes forming part of the standalone financial statements

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41. FINANCIAL INSTRUMENTS (CONTD..)**Financial risk management objectives and Policies****41.3 Financial risk management objectives**

The Company's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments, diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Company's policies on foreign exchange risk and the investment. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity which impact returns on investments. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including export receivables and import payables. Future specific market movements cannot be normally predicted with reasonable accuracy.

Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency exposure as at March 31, 2022	USD	EURO	JPY	COP
Trade Receivable	4.01	-	1.03	-
Trade Payables	0.22	0.34	-	0.59
Capital Creditors	-	0.01	-	-
Forward cover-Bought	-	-	-	-

Foreign currency exposure as at March 31, 2021	USD	EURO	JPY	SGD
Trade Receivable	3.10	-	-	-
Trade Payables	1.46	0.02	1.57	0.01
Capital Creditors	0.00	0.23	-	-
Forward cover-Bought	1.20	-	-	-

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. (+)(-)5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens (+)(-)5% against the relevant currency. For a 5% weakening of the rupees against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive or negative.



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41. FINANCIAL INSTRUMENTS (CONTD..)

41.3 Financial risk management objectives (Contd..)

Currency	2021-22		2020-21	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	15.18	(15.18)	11.31	(11.31)
JPY	0.03	(0.03)		
Trade Payable				
USD	(0.82)	0.82	(5.33)	5.33
JPY	-	-	(0.06)	0.06
EUR	(1.45)	1.45	(0.10)	0.10
SGD	(0.01)	0.01	(0.01)	0.01
COP	-	-		
Capital Creditors				
USD	-	-	(0.01)	0.01
EUR	(0.03)	0.03	(1.04)	1.04
Forward cover-Bought	-	-	4.38	(4.38)
Impact on profit or loss as at the end of the reporting period	12.90	(12.90)	9.14	(9.14)
Impact on total equity as at the end of the reporting period	9.65	(9.65)	6.84	(6.84)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/ in future years.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, mutual funds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

The Company write off the receivables in case of certainty of irrecoverability.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no. 15 above.

The Company has used a practical expedient and analysed the recoverable amount of receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

41. FINANCIAL INSTRUMENTS (CONTD..)

41.3 Financial risk management objectives (Contd..)

Movement in the expected credit loss allowance of financial assets

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at beginning of the year	117.05	71.25
Add: Provided during the year	22.24	58.45
Less: Reversals of provision	22.24	12.26
Less: Amounts written back	0.19	0.39
Balance at the end of the year	116.86	117.05

Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds/ debentures, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

- profit for the year ended March 31, 2022 would increase/decrease by Rs. 71.02 Crores (for the year ended March 31, 2021 Rs. 74.71 crores).

Interest rate risk

The Company has lease liabilities which have been accounted with incremental borrowing rate and are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Liquidity risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time. To mitigate this risk, the Company maintains sufficient liquidity by way of readily convertible instruments and working capital limits from banks.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date on undiscounted basis.

Particulars	As at March 31, 2022			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Trade payables	4,260.34	-	-	4,260.34
(ii) Other financial liabilities	133.75	128.83	45.47	308.05
(iii) Lease liabilities	34.16	121.49	64.29	219.94

Particulars	As at March 31, 2021			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Trade payables	5,204.61	-	-	5,204.61
(ii) Other financial liabilities	159.53	80.37	87.67	327.57
(iii) Lease liabilities	29.48	104.41	80.18	214.07

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

42. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the Company during the year	87.22	97.06
Amount of expenditure incurred	87.85	68.35
Total of previous years shortfall *	-	31.38
Shortfall at the end of the year	-	-
Nature of CSR activities	Promoting education; promoting gender equality and empowering women; disaster management including relief, rehabilitation and reconstruction activities; ensuring environmental sustainability and ecological balance; rural development projects; eradicating hunger, poverty and malnutrition	
Details of related party transactions (Refer Note 36 Related Party Transactions)	23.84	12.10
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

* The Company had contributed Rs. 31.38 Crores in year ended March 31, 2020 towards PM Cares fund which was carried forward for set-off in the financial year March 31, 2021, based on communication released by Ministry of Corporate affairs.

43. The Company has sanctioned borrowing facilities, comprising fund based and non-fund based limits from various bankers on unsecured basis.

44. Following are analytical ratios for the year ended March 31, 2022 and March 31, 2021:

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
Current ratio	Current assets	Current liabilities	1.99	1.79	11.25%
Debt equity ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.01	0.01	8.25%
Debt service coverage ratio	Earnings available for debt service = Net profit after taxes + Depreciation + Finance cost	Debt payments including lease payments during the year	96.46	88.69	8.76%
Return on equity	Net profit after taxes	Average shareholder's equity	15.96%	20.21%	-21.00%
Inventory turnover ratio	Cost of goods sold includes cost of raw material consumed, purchase of stock in trade and change in inventories of finished goods, stock in trade and work-in-progress	Average Inventory	16.07	16.99	-5.43%
Trade receivables turnover ratio	Sale of products + income from services	Average Trade receivables	12.13	15.04	-19.36%
Trade payables turnover ratio	Purchase of stock in trade + Purchase raw material and components - cash discount + Other expenses	Average Trade Payables	4.91	6.00	-18.20%
Net capital turnover ratio	Revenue from operations	Average Working capital (Current assets - current liabilities)	5.92	6.73	-12.06%
Net profit ratio	Net profit after taxes	Total income	8.30%	9.45%	-12.15%
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + deferred tax liability	20.06%	24.90%	-19.45%
Return on investment (ROI)	Income generated from investments carried at FVTPL and amortised cost	Investments carried at FVTPL and amortised cost	4.81%	5.81%	-17.27%

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

45. CHANGE IN CLASSIFICATION

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from April 1, 2021, the Company has modified the classification of security deposits from "Loans" to "Others" in financial assets. Comparative amounts in the notes to the standalone financial statements were reclassified for consistency.

	As per earlier reported	Revised classification	Difference
Assets			
Non current assets			
Financial assets			
Loans	52.23	16.73	(35.50)
Others	-	35.50	35.50
Current assets			
Financial assets			
Loans	36.94	22.95	(13.99)
Others	357.53	371.52	13.99

46. ADDITIONAL INFORMATION

- (i) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- (iii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (v) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vi) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(Amount in crores of INR)

46. ADDITIONAL INFORMATION (CONTD..)

(vii) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(viii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration

No.: 101248W/W-100022

Vikram Advani

Partner

Membership No.: 091765

UDIN: 22091765AIIIFJM7228

Place: Gurugram

Date: May 03, 2022

For and on behalf of the Board of Directors of

Hero MotoCorp Limited

Pawan Munjal

Chairman & CEO

DIN: 00004223

Niranjan Kumar Gupta

Chief Financial Officer

Place: Gurugram

Date: May 03, 2022

M. Damodaran

Chairman Audit Committee

DIN: 02106990

Pradeep Dinodia

Non-Executive Director

DIN: 00027995

Dhiraj Kapoor

Company Secretary

Independent Auditors' Report

To the Members of Hero MotoCorp Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Hero MotoCorp Limited (hereinafter referred to as the 'Holding Company' or the 'Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements/ financial information of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2022,

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

Attention is invited to note 36(c) of the consolidated financial statements, relating to the search carried out by the Income Tax Department in March 2022 concerning the Company. Since the investigation and related proceedings are pending, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained at this point of time.

Our opinion is not modified in respect of this matter.

S. No. The key audit matter	How the matter was addressed in our audit
<p>1. Government Grants</p> <p>(Refer note 3.5 and 4 (f) to the consolidated financial statements)</p> <p>The Company obtains various grants from Government authorities in connection with manufacturing and sales of two wheelers. There are certain specific conditions and approval requirement attached to the grants.</p> <p>Management evaluates, at the end of each reporting period, whether the Company has complied with the relevant conditions attached to each grant and whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.</p> <p>We identified the recognition of government grants as a key audit matter because of the significance of the amount of grants and due to significant management judgement involved in assessing whether the conditions attached to grants have been met and whether there is reasonable assurance that grants will be received.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ▪ assessed the appropriateness of the accounting policy for government grants as per the relevant accounting standard; ▪ evaluated the design and implementation of the Company's key internal financial controls over recognition of government grants and tested the operating effectiveness of such controls on selected transactions; ▪ inspected/evaluated, on a sample basis, documents relating to the grants given by the various government authorities and identifying the specific conditions and approval requirements attached to the respective grants; ▪ evaluated the basis of management's judgement regarding fulfilment of conditions attached to the grants and reasonable assurance that grants will be received. This included examining, on a sample basis, the terms of the underlying documentation, correspondence with the government authorities and whether corresponding sales were made in respect of such grants; ▪ assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.



INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the consolidated financial statements 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 and Board of Directors.

Independent Auditors' Report (Contd.)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- (a) We did not audit the financial statements/financial information of five subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 1,382.07 crores as at March 31, 2022, total revenues (before consolidation adjustments) of Rs. 1,161.92 crores and total net profit after tax (before consolidation adjustments) of Rs. 50.99 crores and net cash outflows (before consolidation adjustments) amounting to Rs. 24.51 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) (before consolidation adjustments) of Rs. 199.24 crores for the year ended March 31, 2022, in respect of two associates, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.

Certain 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 Holding Company'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 Holding Company'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 Holding Company and audited by us.



Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- 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.
 - 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.
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- C. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 of the subsidiaries and associates, incorporated in India, as noted in the 'Other Matters' paragraph:
- The consolidated financial statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group and its associates. Refer Note 36 to the consolidated financial statements.
 - The Group and one of its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2022. Provision has been made by the other associate in its financial statements.
 - There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company and associate companies incorporated in India during the year ended March 31, 2022.
 - 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 Holding Company or its subsidiary company or associate companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company or its associate companies incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Independent Auditors' Report (Contd.)

- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary company or associate companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company or associate companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
- Refer note 45 (vi) and 45 (vii) to the consolidated financial statements.
- (iv) In our opinion and based on the consideration of reports of other auditors, the dividend declared or paid during the year by the Holding Company and its subsidiary company and associate companies incorporated in India, wherever applicable, is in compliance with Section 123 of the Act.
- D. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, one of its subsidiary company and its associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and its associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration No.:
101248W/W-100022

Vikram Advani

Partner

Membership No.: 091765

UDIN: 22091765AIIFQL4657

Place: Gurugram

Date: May 03, 2022



Annexure A referred to in the Independent Auditors' Report

to the Members of Hero MotoCorp Limited on the consolidated financial statements for the year ended 31 March 2022 (Referred to in our report of even date)

In our opinion and according to the information and explanations given to us, there are no unfavorable or qualifications or adverse remarks in the Companies (Auditor's Report) Order, 2020 reports of the Holding Company and its subsidiary company incorporated in India:

Sr. No.	Name	CIN	Holding Company/subsidiary/Associate/Joint Venture
1	Hero MotoCorp Limited	L35911DL1984PLC017354	Holding Company
2	HMC MM Auto Limited	U35923DL2013PLC260142	Subsidiary

According to the information and explanations given to us, the following associate companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020.

Sr. No.	Name	CIN	Holding Company/subsidiary/Associate/Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Hero FinCorp Limited	U74899DL1991PLC046774	Associate	Clause iii (c), xi (a), xiv (b) of annexure B to the Independent Auditor's report
2	Ather Energy Private Limited	U40100KA2013PTC093769	Associate	Clause xvii, xviii and xix of annexure B to the Independent Auditor's report

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration No.: 101248W/W-100022

Vikram Advani

Partner

Membership No.: 091765

UDIN: 22091765AIIIFQL4657

Place: Gurugram
Date: May 03, 2022

Annexure B to the Independent Auditors' report

on the consolidated financial statements of Hero MotoCorp Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022 we have audited the internal financial controls with reference to consolidated financial statements of Hero MotoCorp Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company, and its associate companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company, and its associate companies, have, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND THE BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the

respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, 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 the consolidated financial statements were 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 the 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 the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 relevant associate companies 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.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls 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 controls with reference to the 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 controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports 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 two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

Vikram Advani
Partner

Place: Gurugram
Date: May 03, 2022

Membership No.: 091765
UDIN: 22091765AIIIFQL4657

Consolidated Balance Sheet

As at March 31, 2022

(Amount in crore of INR)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,354.34	5,550.67
(b) Capital work-in-progress	6	149.13	236.40
(c) Right of use of assets	7	517.90	511.24
(d) Other Intangible assets	7A	321.30	318.48
(e) Intangible assets under development	8	368.09	258.73
(f) Equity accounted investments in associates	9A	2,202.51	2,407.69
(g) Financial assets			
(i) Investments	9B	2,455.05	1,948.59
(ii) Loans	10	17.43	16.73
(iii) Others	11	42.01	35.91
(h) Income tax assets (net)	12	358.07	378.49
(i) Other non-current assets	13	120.34	62.68
Total Non - Current Assets		11,906.17	11,725.61
Current assets			
(a) Inventories	14	1,472.41	1,789.27
(b) Financial assets			
(i) Investments	9B	5,870.31	6,225.34
(ii) Trade receivables	15	2,158.49	2,274.68
(iii) Cash and cash equivalents	16	181.02	274.62
(iv) Bank balances other than (iii) above	17	118.72	121.62
(v) Loans	10	22.81	22.95
(vi) Others	11	475.00	382.55
(c) Other current assets	13	273.46	279.45
Total Current Assets		10,572.22	11,370.48
Total Assets		22,478.39	23,096.09
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	39.96	39.96
(b) Other equity	19	15,806.69	15,376.46
Total Equity attributable to owners of the Company		15,846.65	15,416.42
Non-controlling interests	20	148.05	143.19
Total Equity		15,994.70	15,559.61
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	36.17	45.18
(ii) Lease liabilities	7	215.51	212.42
(iii) Other financial liabilities		155.04	146.04
(b) Provisions	22	181.13	175.57
(c) Deferred tax liabilities (net)	23	378.21	452.74
Total Non - Current Liabilities		966.06	1,031.95
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	317.31	296.85
(ii) Lease liabilities	7	36.18	29.57
(iii) Trade payables	24		
Total outstanding dues of micro and small enterprises		26.19	16.68
Total outstanding dues of creditors other than micro and small enterprises		4,316.90	5,247.50
(iv) Other Financial liabilities	25	145.58	167.52
(b) Other current liabilities	26	496.32	570.59
(c) Provisions	22	179.15	175.82
Total Current Liabilities		5,517.63	6,504.53
Total Equity and Liabilities		22,478.39	23,096.09
The notes referred to above form an integral part of the consolidated financials statements	1 - 45		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration
No.: 101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
UDIN: 22091765AIIIFQL4657

Place: Gurugram
Date: May 03, 2022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

Niranjan Kumar Gupta
Chief Financial Officer

Place: Gurugram
Date: May 03, 2022

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary



Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

(Amount in crore of INR)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	27	29,551.28	30,959.19
Other income	28	555.01	557.90
Total Income		30,106.29	31,517.09
Expenses			
Cost of materials consumed	29	20,845.74	21,968.04
Purchase of stock in trade		45.95	31.14
Change in inventories of finished goods, stock-in-trade and work-in-progress	30	28.67	(255.57)
Employee benefit expenses	31	1,995.78	1,951.02
Finance costs	32	53.10	46.41
Depreciation and amortisation expenses	5, 7 and 7A	689.52	715.12
Other expenses	33	3,190.37	3,165.05
Total expenses		26,849.13	27,621.21
Profit before share of loss of associates and tax		3,257.16	3,895.88
Loss from associates			
Share in loss of associates		(199.05)	(46.56)
		(199.05)	(46.56)
Profit before tax		3,058.11	3,849.32
Tax expense	34		
Current tax		805.44	931.38
Deferred tax		(76.38)	(18.11)
Total tax expense		729.06	913.27
Net profit after taxes and share of loss of associates		2,329.05	2,936.05
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:-			
Re-measurement losses on defined benefit plans		(7.22)	(28.16)
Income tax effect	34	1.83	7.08
Share of Other comprehensive income of associate, to the extent not be reclassified to profit or loss		(0.89)	0.27
		(6.28)	(20.81)
Items that will be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		7.53	(6.79)
Income tax effect	34	(1.85)	1.73
		5.68	(5.06)
Total other comprehensive income, net of tax		(0.60)	(25.87)
Total comprehensive income for the year, net of tax		2,328.45	2,910.18
Net Profit for the year attributable to:			
- Owners of the Company		2,316.88	2,917.75
- Non-controlling interests		12.17	18.30
		2,329.05	2,936.05
Other Comprehensive income for the year attributable to:			
- Owners of the Company		(2.44)	(24.01)
- Non-controlling interests		1.84	(1.86)
		(0.60)	(25.87)
Total Comprehensive income for the year attributable to:			
- Owners of the Company		2,314.44	2,893.74
- Non-controlling interests		14.01	16.44
		2,328.45	2,910.18
Earnings per share (Nominal Value of Rs. 2 each) in Rs.	35		
(a) Basic		115.96	146.07
(b) Diluted		115.93	146.04
The notes referred to above form an integral part of the consolidated financial statements	1 - 45		

As per our report of even date attached
For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration

No.: 101248W/W-100022

Vikram Advani

Partner

Membership No.: 091765

UDIN: 22091765AIIIFQL4657

Place: Gurugram

Date: May 03, 2022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal

Chairman & CEO

DIN: 00004223

Nirajan Kumar Gupta

Chief Financial Officer

M. Damodaran

Chairman Audit Committee

DIN: 02106990

Pradeep Dinodia

Non-Executive Director

DIN: 00027995

Dhiraj Kapoor

Company Secretary

Place: Gurugram

Date: May 03, 2022

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

(Amount in crore of INR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax and share of loss of associates	2,329.05	2,936.05
Adjustments for:		
Add: Depreciation and amortisation expense	689.52	715.12
Tax expense	729.06	913.27
Loss on property, plant and equipments sold/discarded	10.23	4.67
Finance cost	53.10	46.41
Employee Stock Compensation Cost	10.00	8.86
Loss allowance on advances	52.24	-
Loss allowance on trade receivables	0.74	46.90
	1,544.89	1,735.23
Less: Interest income on financial assets carried at amortised cost	189.05	100.42
Dividend income	1.67	1.39
Profit on sale of investments	109.11	169.07
Gain on investments carried at fair value through profit or loss	223.82	285.77
Share of profit/(loss) in associates	(199.05)	(46.56)
Profit on sale of property, plant and equipments	0.62	0.89
Net Foreign currency translation	(7.53)	6.79
	317.69	517.77
Operating profit before working capital changes	3,556.25	4,153.51
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories	316.86	(506.95)
Trade receivables	115.45	(809.67)
Loans – Current	0.14	(16.02)
Loans – Non-Current	(0.70)	5.42
Other financial assets	(66.89)	11.22
Other current assets	(46.25)	43.19
Other non-current assets	3.08	(3.57)
	321.69	(1,276.38)
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	(921.09)	2,136.56
Other financial liabilities	3.53	(1.23)
Other current liabilities	(74.27)	39.13
Current provisions	(3.89)	(12.03)
Non-current provisions	5.56	51.67
	(990.16)	2,214.10
Cash generated from operations	2,887.78	5,091.23
Less: Direct taxes paid (net of refund)	784.08	980.78
Net cash generated from operating activities	2,103.70	4,110.45
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment, intangible assets, capital work-in-progress and intangible assets under development including capital advances	(569.66)	(581.02)
Proceeds from sale of property, plant and equipment	10.82	7.18
Deposits (made)/withdrawn	(9.82)	0.69
Sale of investments	42,437.49	47,929.45
Purchase of investments	(42,105.10)	(49,388.54)
Dividend income received from associates	5.24	12.76
Investment in associates	(150.00)	(368.37)
Interest income on financial assets carried at amortised cost	157.39	97.14
Dividend income	1.67	1.39
Net cash used in investing activities	(221.97)	(2,289.32)



Consolidated Statement of Cash Flows

For the year ended March 31, 2022

(Amount in crore of INR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(52.85)	(46.19)
Repayment of lease liabilities	(30.58)	(29.17)
Dividend paid	(1,907.27)	(1,918.30)
Tax on dividend	(1.12)	(2.50)
Additions to minority interest	-	6.65
Proceeds from issue of equity share capital (including securities premium)	5.04	7.83
(Repayment)/proceeds of non current borrowings	(9.01)	1.16
Proceeds of current borrowings	20.46	128.70
Net cash used in financing activities	(1,975.33)	(1,851.82)
D. DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(93.60)	(30.69)
Cash and cash equivalents at the beginning of the year	274.62	305.31
Cash and cash equivalents at the end of the year	181.02	274.62

Movement of Borrowings	Non-current Borrowings	Current Borrowings (including current maturities)	Interest expense on financial liabilities	Total
As on March 31, 2021	45.18	296.85	0.39	342.42
Cash Flows (net)	(9.01)	20.46	(52.85)	(41.40)
Non Cash:				
Interest expenses	-	-	53.10	53.10
As on March 31, 2022	36.17	317.31	0.64	354.12

Notes:

- The consolidated statement of cash flow has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 'Statement of Cash Flows' as notified under section 133 of companies act, 2013, read with the relevant rules there under.
- Refer note 33 for the disclosure related to corporate social responsibility expense.
- Also refer to note 7 for reconciliation of cash flows from lease liabilities.

The notes referred to above form an integral part of the consolidated financial statements 1 - 45

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration
No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Vikram Advani
Partner
Membership No.: 091765
UDIN: 22091765AIIIFQL4657

Niranjan Kumar Gupta
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary

Place: Gurugram
Date: May 03, 2022

Place: Gurugram
Date: May 03, 2022

Consolidated Statements of Changes in Equity

For the year ended March 31, 2022

(Amount in crore of INR)

A. EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2020	199,739,368	39.95
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (# in absolute INR 81,698) (Note 41)	40,849	0.01
Balance as at March 31, 2021	199,780,217	39.96
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (# in absolute INR 63,448) (Note 41)	31,724	#
Balance as at March 31, 2022	199,811,941	39.96

B. OTHER EQUITY*

Particulars	Reserves and Surplus					Exchange differences in translating the financial statements of foreign operations	Total attributable to the owners of Company	Attributable to non controlling interest	Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings				
Balance as at March 31, 2020	#	18.40	2,676.34	15.44	11,652.06	4.09	14,366.33	140.60	14,506.93
Profit for the year	-	-	-	-	2,917.75	-	2,917.75	18.30	2,936.05
Addition during the year	-	-	-	-	-	-	-	6.65	6.65
Other comprehensive income for the year, net of income tax	-	-	-	-	(20.81)	(3.20)	(24.01)	(1.86)	(25.87)
Total Comprehensive Income for the year	-	-	-	-	2,896.94	(3.20)	2,893.74	23.09	2,916.83
Transaction with owners, recorded directly in equity									
Charge against share-based payments	-	-	-	8.86	-	-	8.86	-	8.86
Transferred to securities premium on issue of shares	-	5.26	-	(5.26)	-	-	-	-	-
Payment of dividends	-	-	-	-	(1,897.81)	-	(1,897.81)	(20.50)	(1,918.31)
Tax on dividend	-	-	-	-	(2.49)	-	(2.49)	-	(2.49)
Issue of equity shares under employee share option plan	-	7.83	-	-	-	-	7.83	-	7.83
Balance as at March 31, 2021	#	31.49	2,676.34	19.04	12,648.70	0.89	15,376.46	143.19	15,519.65
Profit for the year	-	-	-	-	2,316.88	-	2,316.88	12.17	2,329.05
Addition during the year	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	(6.28)	3.84	(2.44)	1.84	(0.60)
Total Comprehensive Income for the year	-	-	-	-	2,310.60	3.84	2,314.44	14.01	2,328.45



Consolidated Statements of Changes in Equity

For the year ended March 31, 2022

(Amount in crore of INR)

Particulars	Reserves and Surplus					Exchange differences in translating the financial statements of foreign operations	Total attributable to the owners of Company	Attributable to non controlling interest	Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings				
Transaction with owners, recorded directly in equity									
Charge against share-based payments	-	-	-	10.00	-	-	10.00	-	10.00
Transferred to securities premium on issue of shares	-	4.59	-	(4.59)	-	-	-	-	-
Payment of dividends	-	-	-	-	(1,898.13)	-	(1,898.13)	(9.15)	(1,907.28)
Tax on dividend	-	-	-	-	(1.12)	-	(1.12)	-	(1.12)
Issue of equity shares under employee share option plan	-	5.04	-	-	-	-	5.04	-	5.04
Balance as at March 31, 2022	#	41.12	2,676.34	24.45	13,060.05	4.73	15,806.69	148.05	15,954.74

*Purpose of each reserve within Other Equity has been disclosed under Note 19.

on shares forfeited (in absolute INR 4,250) and share premium account on forfeited share reissued (in absolute INR 25,500)

The notes referred to above form an integral part of the consolidated financials statements 1-45

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration
No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Vikram Advani
Partner
Membership No.: 091765
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Niranjan Kumar Gupta
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary

Place: Gurugram
Date: May 03, 2022

Place: Gurugram
Date: May 03, 2022

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

1. GENERAL INFORMATION

Hero MotoCorp Limited (the "Company" or the "Holding Company"), its subsidiaries (collectively called as "Group") and its associates are engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services along with providing non-banking financial services. The Company is a public company domiciled and incorporated in India under the provisions of the Companies Act, 1956 on January 19, 1984. The Company's registered office and principal place of business is The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj – Phase II, New Delhi – 110070, India. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The consolidated financial statements (or 'financial statements') for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 03, 2022.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments, net defined benefit asset/ liability and liabilities for equity settled share based payment arrangement that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

These financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional currency. All amounts have been rounded-off to the nearest crores, upto two decimals unless otherwise stated.

2.3 Operating Cycle

Based on the nature of products/ activities of the Group, the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group have determined its operating cycle as less than 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary,



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Non controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit or loss.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of Incorporation and principal place of business	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				March 31, 2022	March 31, 2021
HMCL Americas Inc.	Subsidiary	United States of America	Company	100%	100%
HMC MM Auto Limited	Subsidiary	India	Company	60%	60%
HMCL Netherlands B.V.	Subsidiary	Netherlands	Company	100%	100%
HMCL Colombia SAS	Subsidiary	Colombia	HMCL Netherlands BV	68%	68%
HMCL Niloy Bangladesh Limited	Subsidiary	Bangladesh	HMCL Netherlands BV	55%	55%
Hero TechCenter Germany GmbH	Subsidiary	Germany	Company	100%	100%

2.5 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or, a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee

becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount

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of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associates are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Following associate companies have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of Incorporation and principal place of business	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				March 31, 2022	March 31, 2021
Hero FinCorp Limited	Associate	India	Company	41.19%	41.19%
Ather Energy Private Limited	Associate	India	Company	37.65%	38.08%

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the government

- Revenue from sale of goods is recognised when control of goods are transferred to the buyer which is generally on dispatch for domestic sales and on dispatch/ delivery on local port in India for export sales; as per the terms of sale.
- Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue from service is based on number of services provided to the end of reporting period as a proportion of the total number services to be provided.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A liability is recognised where payments are received from customers before transferring control of the goods being sold or providing services to the customer.

The Group disaggregates revenue from contracts with customers by nature of goods and service.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

3.2 Leasing

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



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The Group as lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially 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 in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Refer note 7A for other disclosures.

3.3 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not

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recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises the related costs as expenses, if any, for which the grants are intended to compensate.

3.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and

is not reclassified to the statement of profit and loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefit expenses' and the third component is presented as part of other comprehensive income.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term employee benefits

Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year end. Re-measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

3.7 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 41.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of



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the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share option's outstanding account.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In case of a history of recent losses, the group recognises a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

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Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method as per estimated economic useful lives prescribed in the Schedule II to the Act other than moulds and dies which are depreciated over a period of 3-8 years grouped under property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

3.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets, comprising of software, expenditure on model fee, etc. incurred are amortised on a straight line method over a period of its useful life.

3.11 Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



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For impairment testing, assets that don't generate independent cash flows are grouped together into cash generating units (CGU's). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGU's.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their present location and condition. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting

period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise-being typically two to five years.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

3.15 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through the statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through the statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit and loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the statement of profit and loss and is included in the "Other income" line item.

Financial assets at fair value through the statement of profit and loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would

arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.



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Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.17 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, interest rate including foreign exchange forward contracts, option contracts, etc.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.19 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.20 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs

3.21 Standards issued but not yet effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases).

The Group will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

(a) Recoverability of intangible asset

Capitalisation of cost in intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Group's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent gain are not recognized until the contingency has been resolved and amounts are received or receivable.

(d) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

(e) Impairment of investment in associate companies

During the year, the Group assessed the investment in equity instrument of associate companies for impairment of testing. Some of these companies are start-ups or are at early stage of their operations and are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Group is confident that the investments do not require any impairment.

(f) Government grant

During the year, management has assessed the conditions attached to grants which have been met and has assessed whether the grants will be received or not. Basis assessment, the Group has recognised the government grants in the Statement of profit and loss.

(g) Investment in compulsory convertible debentures

The classification of compulsory convertible debentures, as equity or debt instrument, is based on management's judgement and evaluation of applicable criteria.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data Processing equipment	Total
Cost								
At April 1, 2020	186.47	2,908.61	6,234.93	57.36	64.68	82.48	237.07	9,771.60
Additions	-	78.77	276.40	2.63	8.31	9.10	22.17	397.38
Disposals	-	0.13	82.13	1.16	10.15	0.30	6.16	100.03
Foreign currency translation reserve	-	-	(1.98)	-	-	-	-	(1.98)
At March 31, 2021	186.47	2,987.25	6,427.22	58.83	62.84	91.28	253.08	10,066.97
Additions	-	85.09	280.06	3.43	11.08	11.69	33.49	424.84
Disposals	11.32	-	101.57	0.25	13.38	0.62	21.31	148.45
Foreign currency translation reserve	-	-	4.18	-	-	-	-	4.18
At March 31, 2022	175.15	3,072.34	6,609.89	62.01	60.54	102.35	265.26	10,347.54
Accumulated depreciation								
At April 1, 2020	-	450.55	3,253.08	26.82	40.84	47.12	166.95	3,985.36
Depreciation expenses	-	91.26	480.07	4.95	5.21	12.91	25.88	620.28
Disposals	-	0.05	74.69	0.77	7.72	0.26	5.72	89.21
Foreign currency translation reserve	-	-	(0.13)	-	-	-	-	(0.13)
At March 31, 2021	-	541.76	3,658.33	31.00	38.33	59.77	187.11	4,516.30
Depreciation expenses	-	92.38	464.66	4.66	5.97	11.40	24.78	603.85
Disposals	-	-	95.59	0.23	11.40	0.58	20.22	128.02
Foreign currency translation reserve	-	-	1.07	-	-	-	-	1.07
At March 31, 2022	-	634.14	4,028.47	35.43	32.90	70.59	191.67	4,993.20
Net block								
At March 31, 2021	186.47	2,445.49	2,768.89	27.83	24.51	31.51	65.97	5,550.67
At March 31, 2022	175.15	2,438.20	2,581.42	26.58	27.64	31.76	73.59	5,354.34

6. CAPITAL WORK-IN-PROGRESS*

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	149.13	236.40
	149.13	236.40

Ageing of capital work in progress :

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as at March 31,2022	78.51	51.77	11.81	7.04	149.13
Projects in progress as at March 31,2021	105.77	51.40	79.09	0.14	236.40

*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

7. RIGHT OF USE OF ASSETS

Particulars	Leasehold land right	Right of use assets	Total
Cost			
At April 1, 2020	277.25	293.38	570.63
Additions	-	30.08	30.08
Foreign currency translation reserve	-	8.39	8.39
At March 31, 2021	277.25	331.85	609.10
Additions	-	40.28	40.28
Foreign currency translation reserve	-	0.88	0.88
At March 31, 2022	277.25	373.01	650.26
Accumulated amortisation			
At April 1, 2020	3.44	48.40	51.84
Amortisation expense during the year	3.17	41.54	44.71
Foreign currency translation reserve	-	1.31	1.31
At March 31, 2021	6.61	91.25	97.86
Amortisation expense during the year	3.17	31.07	34.24
Foreign currency translation reserve	-	0.26	0.26
At March 31, 2022	9.78	122.58	132.36
Net block			
At March 31, 2021	270.64	240.60	511.24
At March 31, 2022	267.47	250.43	517.90

The following is the break-up of current and non-current lease liabilities:-

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	36.18	29.57
Non-current lease liabilities	215.51	212.42
Total	251.69	241.99

The following is the movement in lease liabilities :

Particulars	Amount
At April 1, 2020	241.08
Additions	30.08
Finance cost accrued during the period	19.68
Payment of lease liabilities during the period	(54.91)
Foreign Currency Translation Reserve	6.06
At March 31, 2021	241.99
Additions	40.28
Finance cost accrued during the period	19.22
Payment of lease liabilities during the period	(49.31)
Foreign Currency Translation Reserve	(0.49)
At March 31, 2022	251.69

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	46.65	42.89
One to five years	183.13	164.37
More than five years	113.01	133.53
Total	342.79	340.79



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

7. RIGHT OF USE OF ASSETS (CONTD..)

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases is Rs. 38.22 crores during year ended March 31, 2022 (March 31, 2021 - Rs. 35.37 crores).

7A. Other intangible assets

Particulars	Model fee/brand license/Product designs and development	Computer Software	Technical know how/Export licenses	Total
Cost				
At April 1, 2020	864.15	169.73	2,912.50	3,946.38
Additions	169.37	30.97	-	200.34
Adjustments	-	0.72	-	0.72
Foreign Currency Translation reserve	-	0.50	-	0.50
At March 31, 2021	1,033.52	201.92	2,912.50	4,147.94
Additions	37.15	17.20	-	54.35
Foreign Currency Translation reserve	-	(0.13)	-	(0.13)
At March 31, 2022	1,070.67	218.99	2,912.50	4,202.16
Accumulated amortisation				
At April 1, 2020	762.39	113.63	2,902.46	3,778.48
Amortisation expenses	29.10	19.35	1.68	50.13
Less: Adjustments	-	0.66	-	0.66
Foreign Currency Translation reserve	-	0.19	-	0.19
At March 31, 2021	791.49	133.83	2,904.14	3,829.46
Amortisation expenses	28.58	21.17	1.68	51.43
Foreign Currency Translation reserve	-	(0.03)	-	(0.03)
At March 31, 2022	820.07	154.97	2,905.82	3,880.86
Net block				
At March 31, 2021	242.03	68.09	8.36	318.48
At March 31, 2022	250.60	64.02	6.68	321.30

8. INTANGIBLE ASSETS UNDER DEVELOPMENT**

	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	368.09	258.73
Total	368.09	258.73

Ageing of intangible assets under development :

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as on March 31, 2022	137.24	93.45	83.22	54.18	368.09
Projects in progress as on March 31, 2021	105.39	64.64	47.90	40.80	258.73

**Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
9A. Equity accounted investment in Associates						
Investment in equity instruments						
Unquoted Investments						
Investment in Associates (carrying amount determined using equity method of accounting)						
Ather Energy Private Limited						
Equity Shares of Face Value of Rs. 1 each	1,098	100	-	0.20	-	0.20
Preference shares of face value of Rs. 10 each (Compulsorily Convertible into equity instruments) [#]	179,696	179,696	-	504.38	-	504.38
[#] (including Goodwill on acquisition of interest Rs. 166.52 crores (Previous Year Rs. 166.52 Crores))						
Add: Group's share of loss			-	(317.45)	-	(194.75)
			-	187.13	-	309.83
Hero FinCorp Limited						
Equity shares of Face Value of Rs. 10 each fully paid up ^{##}	52,431,893	52,431,893	-	1,469.04	-	1,469.04
^{##} (including Goodwill on acquisition of interest Rs. 51.64 crores (Previous Year Rs. 51.64 Crores))						
Add: Groups share of profit (net off dividend received)			-	546.34	-	628.82
			-	2,015.38	-	2,097.86
Investment in equity instruments			-	2,202.51	-	2,407.69
9B. Investments						
Category-wise investments						
Investment in equity instruments			32.64	19.88	33.85	4.01
Investment in debentures/bonds			51.05	1,119.49	54.55	610.49
Investment in mutual funds			5,786.62	1,315.68	6,136.94	1,334.08
			5,870.31	2,455.05	6,225.34	1,948.58
Investments carried at fair value through profit or loss (FVTPL)						
Quoted investments						
Investment in equity instruments of Other Entities						
Bombay Stock Exchange Limited						
Face Value of Rs. 2 each	210,600	70,200	-	19.88	-	4.01
Face value of Bangladesh Takas 10 each						
Active Fine Chemicals Ltd.	-	1,500,000	-	-	2.00	-
Al-Arafah Islami Bank Ltd	-	150,000	-	-	0.28	-
Aman Feed Ltd.	-	179,189	-	-	0.45	-
Apex Footwear Ltd.	-	3,000	-	-	0.06	-
Bangladesh Export Import Company Ltd.	-	70,000	-	-	0.45	-
Bangladesh general Insurance Company Ltd.	-	20,000	-	-	0.06	-
Baraka Patenga Power Limited	140,000	-	0.40	-	-	-
Baraka Power Limited	115,000	-	0.25	-	-	-
BBS Cables Limited	83,297	45,100	0.42	-	0.21	-
BD Thai Food & Beverage	26	-	0.00	-	-	-
Berger Paints Bangladesh Ltd.	-	1,000	-	-	0.15	-
Beximo Pharmaceuticals Ltd.	-	25,000	-	-	0.40	-
Beximo Green-Sukal Istisna's	289,085	-	2.24	-	-	-
British American Tobacco Bangladesh Company Ltd.	-	5,000	-	-	0.23	-
BSRM Steels Ltd.	-	130,229	-	-	0.48	-
Dhaka Bank Ltd.	-	29,298	-	-	0.03	-
Dhaka Insurance Ltd.	-	20,000	-	-	0.07	-
Delta Brac Housing Finance Corp.	44,000	-	0.25	-	-	-
Dutch-Bangla Bank Ltd.	-	75,557	-	-	0.37	-
DBH First Mutual Fund	1,260,695	-	0.83	-	-	-



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
Eastern Bank Ltd.	-	350,000	-	-	1.10	-
Eastland Insurance Company Ltd.	-	35,000	-	-	0.08	-
Evince Textiles Ltd.	-	52,500	-	-	0.04	-
Export Import (Exim) Bank of Bangladesh Ltd.	1,864,261	1,500,000	2.05	-	1.46	-
Global Heavy Chemicals Ltd.	-	28,200	-	-	0.08	-
GPH Ispat Ltd.	129,000	-	0.62	-	-	-
Grameenphone Ltd.	107,336	23,000	3.11	-	0.65	-
Green Delta Mutual Fund	1,500,000	-	1.02	-	-	-
Heidelberg Cement Bangladesh Ltd.	-	35,500	-	-	0.52	-
IFAD Autos Limited	305,000	265,000	1.23	-	0.98	-
IFIC Bank Ltd.	1,070,000	-	1.29	-	-	-
Jamuna Bank Ltd.	333,518	1,599,338	0.67	-	2.57	-
JMI Hospital Requisite Manufacturing Ltd.	52	-	0.00	-	-	-
Karnaphuli Insurance Company Ltd.	-	50,000	-	-	0.12	-
Khulna Power Company Ltd.	-	89,755	-	-	0.35	-
LafargeHolcim Bangladesh Ltd.	-	-	-	-	-	-
Lankabangla Finance Ltd.	75,000	10,000	0.21	-	0.02	-
LR Global Bangladesh Mutual Fund One	880,000	-	0.52	-	-	-
Marico Bangladesh Ltd.	-	1,092	-	-	0.20	-
Meghna Petroleum Ltd.	-	1,000	-	-	0.01	-
Mercantile Bank Limited	340,000	1,850,000	0.51	-	2.17	-
Mercantile Insurance Company Limited	-	20,000	-	-	0.06	-
MJL Bangladesh Ltd.	-	5,000	-	-	0.03	-
Nahee Aluminium Composite Panel Ltd.	-	247,424	-	-	1.01	-
National Credit and Commerce Bank Ltd.	2,630,000	4,500,000	3.57	-	5.21	-
National Tubes Ltd.	105,133	115,000	0.80	-	1.02	-
One Bank Limited	300,000	1,150,000	0.35	-	1.02	-
Orion Infusion Ltd.	-	50,025	-	-	0.31	-
Orion Pharma Ltd.	-	240,000	-	-	0.92	-
Pacific Denims Ltd.	-	3,000	-	-	0.00	-
Premier Bank Ltd.	-	850,000	-	-	0.99	-
Renata Ltd.	-	500	-	-	0.05	-
Ring Shine Textiles Ltd.	2,800	382,800	0.00	-	0.21	-
Robi Axiata Ltd.	255,000	-	0.75	-	-	-
Rupali Bank Ltd.	610,000	-	1.52	-	-	-
Runner Automobiles Ltd.	81,800	-	0.37	-	-	-
Sandhani Life Insurance Company Ltd.	-	60,000	-	-	0.12	-
Singer Bangladesh Ltd	52,299	-	0.78	-	-	-
Shahjalal Islami Bank Ltd.	-	120,000	-	-	0.23	-
Shasha Denims Limited	-	319,430	-	-	0.60	-
Southeast Bank Limited	710,000	252,500	0.89	-	0.27	-
Square Pharmaceuticals Ltd.	100,000	2,000	1.93	-	0.03	-
Standard Insurance Ltd.	-	5,000	-	-	0.02	-
Style Craft Limited	-	500	-	-	0.01	-
The City Bank Limited	1,086,591	-	2.48	-	-	-
Titan Gas Transmission & Dist. Company Ltd.	-	20,000	-	-	0.05	-
Unilever Consumer Care Ltd.	-	100	-	-	0.02	-
United Insurance Ltd.	-	50,000	-	-	0.17	-
United Power Generation & Distribution Company Limited	128,964	147,617	2.88	-	3.39	-
Uttara Bank Limited	-	500,000	-	-	1.05	-
VFS Thread Dyeing Ltd.	-	456,000	-	-	0.89	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
Walton Hi-Tech Industries Ltd.	7,392	4,000	0.70	-	0.41	-
Western Marine Shipyard Limited	-	166,405	-	-	0.17	-
Investment in equity instruments			32.64	19.88	33.85	4.01
Investment in debentures						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Ather Energy Private Limited						
Compulsorily convertible debentures at the face value of Rs. 100 each	30,658	-	-	150.00	-	-
Total			-	150.00	-	-
Quoted Investments						
Investments carried at amortised cost						
Face Value of Rs. 1,000 each						
7.34% HUDCO - Maturity - February 16, 2023	250,000	250,000	25.22	-	-	25.22
7.18% IRFC - Maturity - February 19, 2023	250,000	250,000	25.83	-	-	25.83
8.18% NHPC Tax Free Bonds - Maturity - November 02, 2023	161,050	161,050	-	17.42	-	17.42
8.51% HUDCO Tax Free Bonds - Maturity - January 13, 2024	250,000	250,000	-	25.45	-	25.45
8.18% PFC Tax Free Bonds - Maturity - November 16, 2023	323,890	323,890	-	33.38	-	33.38
9.10% Shriram Transport Finance Company Limited TR-I SR -III	-	250,000	-	-	25.77	-
9.1 NCD - Maturity - July 12, 2021						
Face Value of Rs. 10,00,000 each						
8.1082% HDB Financial Services - Maturity - June 04, 2021	-	250	-	-	28.78	-
8.50% SBI Series II 8.50 BD Perpetual - Maturity - November 22, 2024	250	250	-	25.87	-	25.92
Bank of Baroda Series XV 8.15 BD Perpetual - Maturity - January 13, 2026	250	250	-	25.53	-	25.56
SBI Series II 7.73 BD Perpetual - Maturity - November 24, 2025	250	250	-	26.03	-	26.12
LIC Housing Finance Ltd. 386 7.99 NCD - Maturity - July 12, 2029	500	500	-	54.69	-	54.88
Housing Development Finance Corporation Ltd. Series Y-005 6.83 NCD - Maturity - January 08, 2031	500	500	-	49.25	-	49.13
Food Corporation of India Series IX 6.65 LOA - Maturity - October 23, 2030	500	500	-	49.69	-	49.55
REC Limited Series 189 7.92 BD - Maturity - March 31, 2030	350	350	-	36.16	-	36.27
REC Limited Series 198B 7.79 BD - Maturity - May 21, 2030	150	150	-	16.45	-	16.49
National Bank of Agriculture and Rural Development Series PMAY G PDI 6.39 LOA - Maturity - November 19, 2030	250	250	-	24.61	-	24.53
National Bank of Agriculture and Rural Development Series PMAY G PD2 6.42 LOA - Maturity - November 25, 2030	200	200	-	19.71	-	19.65
Shriram Transport Finance company Limited Series PPMLY 02 BR BCD - Maturity - April 27, 2023	250	250	-	27.20	-	25.19
Housing Development Finance Corporation Limited Series X-006 7.25 NCD - Maturity - June 17, 2030	500	500	-	52.87	-	52.88
National Highways Authority of India Series VIII 7.54 BD - Maturity - January 27, 2030	500	500	-	51.82	-	51.93
Muthoot Fincorp Limited Series VIII BR NCD - Maturity - March 22, 2023	250	250	-	27.28	-	25.09
LIC Housing Finance Limited 7.05 LOA 21DC30 FVRS10LAC-INE115A08369-250 - Maturity - December 21, 2030	250	-	-	25.45	-	-
LIC Housing Finance Limited SR 2 7.70 LOA 19MR31 FVRS10LAC-INE115A08377 - Maturity - March 19, 2031	250	-	-	26.08	-	-
Housing Development Finance Corporation Ltd SR AA 01 7.05 LOA 01DC31 FVRS10LAC-INE001A07TG4 - Maturity - December 01, 2031	500	-	-	51.13	-	-



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
Food Corporation of India SR X 7.09 BD 13AG31 FVRS10LAC-INE861G08084 - Maturity - August 13, 2031	250	-	-	26.32	-	-
Food Corporation of India SR X 7.09 BD 13AG31 FVRS10LAC-INE861G08084 - Maturity - August 13, 2031	250	-	-	26.32	-	-
Tata Capital Financial Services Limited SR H 7.10 NCD 29SP31 FVRS10LAC -INE306N07MN1 - Maturity - September 29, 2031	500	-	-	51.43	-	-
Food Corporation of India SR X 7.09 BD 13AG31 FVRS10LAC-INE861G08084 - Maturity - August 13, 2031	250	-	-	25.90	-	-
Housing Development Finance Corporation Ltd SR AA 01 7.05 LOA 01DC31 FVRS10LAC-INE001A07TG4 - Maturity - December 01, 2031	500	-	-	50.37	-	-
Food Corporation of India SR X 7.09 BD 13AG31 FVRS10LAC-INE861G08084 - Maturity - August 13, 2031	250	-	-	25.86	-	-
Housing Development Finance Corporation Ltd SR AA 01 7.05 LOA 01DC31 FVRS10LAC-INE001A07TG4 - Maturity - December 01, 2031	250	-	-	25.10	-	-
Power Finance Corporation Ltd. SR 197 7.41 BD 15MY30 FVRS10LAC-INE134E08KMO-150 - Maturity - May 15, 2030	150	-	-	15.33	-	-
Rec Limited Series 198B 7.79 BD 21MY30 FVRS10LAC -INE020B08CW3-100 - Maturity - May 21, 2030	100	-	-	11.06	-	-
Rec Limited SR 203A 6.80 BD 20DC30 FVRS10LAC-INE020B08DE9-200 - Maturity - December 20, 2030	200	-	-	19.92	-	-
FOOD CORPORATION OF INDIA SR X 7.09 BD 13AG31 FVRS10LAC-INE861G08084 - Maturity - August 13, 2031	250	-	-	25.81	-	-
Investment in debentures/bonds			51.05	1,119.49	54.55	610.49
Investment in mutual funds						
{includes funds which are listed but not quoted}						
Unquoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Debt fund						
Units of the face value of Rs. 10 each						
ICICI Prudential Mutual Fund						
FMP - Series 82 - 1199 Days Plan L Direct Plan Cumulative	-	70,000,000	-	-	88.48	-
FMP - Series 82 - 1135 Days Plan U Direct Plan Cumulative	-	50,000,000	-	-	62.67	-
FMP Series 83 - 1105 Days Plan F Direct Plan Cumulative	-	50,000,000	-	-	62.94	-
Blended Plan B - Direct Plan - Growth Option (Merged with Banking and PSU Debt Fund Direct Plan Growth)	32,595,446	32,595,446	87.75	-	83.50	-
Short Term Fund - Direct Plan - Growth Option	-	45,067,080	-	-	219.11	-
Corporate Bond Fund - Direct Plan - Growth	15,805,811	61,271,259	38.86	-	144.03	-
Credit Risk Fund - Direct Plan Growth	38,904,433	19,905,885	105.63	-	50.32	-
Aditya Birla Sunlife Mutual Fund						
Fixed Term Plan - Series PB (1190 days) - Direct Growth	-	90,000,000	-	-	113.64	-
Fixed Term Plan - Series PZ (1120 days) - Direct Growth	-	35,000,000	-	-	43.65	-
Fixed Term Plan - Series QB (1113 days) - Direct Growth	-	50,000,000	-	-	62.89	-
Fixed Term Plan - Series RC (1295 days) - Direct Growth	50,000,000	50,000,000	65.31	-	-	62.80
Short Term Fund - Growth Direct Plan	-	19,685,918	-	-	75.70	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Fixed Horizon Fund - XXXVII-Series 10 - Direct Growth Plan	-	25,000,000	-	-	31.69	-
Fixed Horizon Fund - XXXVII-Series 12 - Direct Growth Plan	-	40,000,000	-	-	50.54	-
Short-term - Direct Growth Plan Growth Option	-	36,347,075	-	-	156.48	-
Credit Risk Fund-Direct Growth Plan Growth Option	59,725,194	-	178.20	-	-	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
FMP-Sr.33-Plan D (1273 Days) - Direct Sub Plan Growth	20,000,000	20,000,000	26.08	-	-	24.99

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
SBI Mutual Fund						
Savings Fund - Direct - Growth	70,345,757	43,898,670	250.16	-	150.12	-
Conservative Hybrid Fund Direct Plan Growth	4,382,290	-	25.06	-	-	-
IDFC Mutual Fund						
Fixed Term Plan Series 140 Direct Plan - Growth (1145 Days)	-	50,000,000	-	-	62.92	-
Fixed Term Plan Series 144 Direct Plan - Growth (1141Days)	-	50,000,000	-	-	62.64	-
Banking & PSU Debt Fund - Direct Plan - Growth	28,629,997	28,629,997	58.40	-	55.94	-
Credit Risk Fund- Direct Plan - Growth	-	40,448,820	-	-	54.84	-
Kotak Mutual Fund						
FMP Series 219 Direct - Growth	-	75,000,000	-	-	94.30	-
FMP Series 221 Direct - Growth	-	48,000,000	-	-	59.96	-
FMP Series 228 Direct - Growth	-	50,000,000	-	-	63.28	-
Credit Risk Fund - Direct Plan - Growth	58,219,209	10,839,356	156.70	-	27.28	-
HDFC Mutual Fund						
FMP 1143 D March 2018(1) - Direct - Growth - Series - 39	-	75,000,000	-	-	94.21	-
FMP 1147 D March 2018(1) - Direct - Growth - Series - 39	-	50,000,000	-	-	62.67	-
Low Duration Fund - Direct Plan - Growth Option	11,141,341	55,666,963	55.47	-	264.84	-
Banking & PSU Debt Fund - Direct Growth Option	-	29,139,567	-	-	53.18	-
Credit Risk Debt Fund - Direct - Growth	100,633,738	38,776,839	207.54	-	74.35	-
Axis Mutual Fund						
Short Term - Direct Plan - Growth	20,355,074	40,842,187	54.31	-	103.75	-
Units of the face value of Rs. 100 each						
ICICI Prudential Mutual Fund						
Savings Fund - Direct Plan - Growth Option	5,155,314	7,647,092	225.66	-	320.94	-
Money Market Fund Direct Plan Growth	4,890,393	-	150.08	-	-	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund - Growth - Direct Plan	4,363,469	4,363,469	252.37	-	240.89	-
Banking & PSU - Direct Plan - Growth	-	1,730,722	-	-	50.14	-
Money Manager Fund - Growth - Direct Plan	5,717,703	4,101,753	170.91	-	117.79	-
Units of the face value of Rs. 1,000 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Low Duration Fund - Direct Growth Plan Growth Option	172,138	516,415	54.55	-	155.97	-
Money Market Fund Direct Plan Growth	746,566	465,847	250.14	-	150.04	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Term Fund - Direct Plan Growth	626,087	626,087	198.19	-	189.58	-
Ultra Short Term Fund - Direct Plan Growth (Formerly Medium Term Bond Fund - Direct Plan Growth)	815,166	815,166	188.17	-	181.16	-
Corporate Bond Fund - Direct Plan Growth	139,843	502,311	38.25	-	131.35	-
Kotak Mutual Fund						
Corporate Bond Fund Direct Growth	148,253	148,253	46.45	-	44.25	-
Low Duration Fund Direct Growth	380,566	947,500	110.43	-	262.80	-
Money Market Fund - Direct Plan - Growth	773,516	627,223	280.07	-	218.51	-
Axis Mutual Fund						
Banking & PSU Debt Fund - Direct Growth	449,207	449,207	98.24	-	94.23	-
HDFC Mutual Fund						
Money Market Fund - Direct Plan - Growth	-	779,189	-	-	348.60	-



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Particulars	Units as at March 31, 2022	Units as at March 31, 2021	As at March 31, 2022		As at March 31, 2021	
			Current	Non Current	Current	Non Current
DSP Mutual Fund						
Low Duration Fund - Direct Plan - Growth	10,395,299	10,395,299	17.11	-	16.45	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	1,610,258	1,112,782	401.08	-	266.53	-
Edelweiss Mutual Fund						
Edelweiss Mutual Bharat Bond ETF	3,000,000	3,000,000	-	351.13	-	335.08
Edelweiss Mutual Bharat Bond ETF	8,896,795	8,896,795	-	964.55	-	911.21
Equity fund						
Units of the face value of Rs. 10 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Arbitrage Fund - Direct Growth Plan Growth Option	138,819,753	121,555,798	316.90	-	265.32	-
Aditya Birla Sunlife Mutual Fund						
Arbitrage Fund - Dividend - Direct Plan (Formerly Enhanced Arbitrage Fund - Direct Plan - Dividend)	113,338,345	46,073,214	257.89	-	100.35	-
Edelweiss Mutual Fund						
Arbitrage Fund - Direct Plan Growth	213,572,159	127,606,360	352.04	-	200.95	-
Kotak Mutual Fund						
Equity Arbitrage Fund - Direct Plan - Growth	49,065,078	66,373,737	155.38	-	200.99	-
HDFC Mutual Fund						
Arbitrage Fund - Direct Plan - Growth	-	32,520,325	-	-	50.18	-
UTI Mutual Fund						
Arbitrage Fund Direct Growth Plan Growth	69,117,262	-	205.43	-	-	-
TATA MUTUAL FUND						
Arbitrage Fund - Direct Plan - Growth	171,452,455	-	205.49	-	-	-
Axis Mutal Fund						
Arbitrage Fund - Direct Growth	94,059,220	-	152.25	-	-	-
Liquid fund						
Units of the face value of Rs. 100 each						
ICICI Prudential Mutual Fund						
Overnight Fund Direct plan Growth	8,726,308	-	100.01	-	-	-
Nippon India Mutual Fund						
Overnight Fund Direct plan Growth	8,765,763	-	100.04	-	-	-
Units of the face value of Rs. 1,000 each						
Aditya Birla Sunlife Mutual Fund						
Overnight Fund Direct plan Growth	521,932	-	60.01	-	-	-
Kotak Mutual Fund						
Overnight Fund - Direct Plan - Growth	793,871	-	90.01	-	-	-
Investment in mutual funds			5,786.62	1,315.68	6,136.94	1,334.09
Total Investments			5,870.31	2,455.05	6,225.34	1,948.59

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Aggregate book value of quoted investments	83.69	989.37	88.40	614.50
Aggregate market value of quoted investments	85.48	986.83	89.44	614.74
Aggregate carrying value of unquoted investments	5,786.62	3,668.19	6,136.94	3,741.77

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)**Category-wise investment as per Ind AS 109 classification**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in Mutual Funds	5,786.62	1,315.68	6,136.94	1,334.09
Investment in debentures	-	150.00	-	-
Quoted				
Investment in equity instruments	32.64	19.88	33.85	4.01
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	51.05	969.49	54.55	610.49

Information about the Group's exposure to credit and market risk, and fair value measurement, is included in Note 42.

Investments in associates**Details of investments in associates (carrying amount determined using equity method of accounting)**

Name of associate	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company	
			As at March 31, 2022	As at March 31, 2021
Hero FinCorp Limited	Non-Banking Financial Company	India	41.19%	41.19%
Ather Energy Private Limited	Business of designing and manufacturing smart electric vehicles and associated charging infrastructure	India	37.65%	38.08%

Summarised financial information in respect of the Company's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS.

Hero FinCorp Limited	As at March 31, 2022	As at March 31, 2021
Non-financial assets	731.89	540.01
Financial assets	33,667.16	29,456.02
Non-financial liabilities	(113.41)	(95.29)
Financial liabilities	(29,515.66)	(24,932.98)
Non-controlling interests	(2.46)	-
Hero FinCorp Limited	As at March 31, 2022	As at March 31, 2021
Non-current assets*	17,414.71	14,965.63
Current assets*	16,984.34	15,030.40
Non-current liabilities*	(15,598.90)	(14,285.54)
Current liabilities*	(14,030.17)	(10,742.73)
Non-controlling interests	(2.46)	-

*Hero FinCorp Limited being Non-Banking Financial Company, does not bifurcate between current and non current assets or liabilities. Its financial statements presents financial and non financial assets. Therefore, these figures are provided by Hero FinCorp Limited 's management.

Hero FinCorp Limited	For the year ended March 31, 2022	For the year ended March 31, 2021
Total revenue	4,738.66	4,278.08
Profit / (Loss) for the year	(191.90)	51.63
Other comprehensive income for the year	(1.69)	(0.16)
Total Comprehensive income for the year	(193.59)	51.47
Dividends received from the associate during the year	5.24	12.76



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

9. INVESTMENTS (CONTD..)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements.

	As at March 31, 2022	As at March 31, 2021
Net assets of the associate	4,767.52	4,967.76
Proportion of the Group's ownership interest in the associate	41.19%	41.19%
Group's ownership interest in the associate	1,963.74	2,046.22
Add: Goodwill on acquisition	51.64	51.64
Carrying amount of the Group's interest in the associate	2,015.38	2,097.86

Ather Energy Private Limited	As at March 31, 2022	As at March 31, 2021
Non-current assets	526.00	418.60
Current assets	292.60	318.70
Non-current liabilities	(199.40)	(160.70)
Current liabilities	(394.30)	(200.30)

Ather Energy Private Limited	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	408.50	86.40
Loss for the year	(344.10)	(233.20)
Other comprehensive income for the year	(0.50)	0.90
Total Comprehensive income for the year	(344.60)	(232.30)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements.

	As at March 31, 2022	As at March 31, 2021
Net assets of the associate	224.90	376.30
Compulsorily convertible debentures investment by the Company accounted as per Ind AS 109 (refer note 9B)	(150.00)	-
Total	74.90	376.30
Proportion of the Group's ownership interest in the associate	37.65%	38.08%
Group's ownership interest in the associate	28.20	143.31
Add: Goodwill on acquisition	166.52	166.52
Less:- Other adjustments	(7.59)	-
Carrying amount of the Group's interest in the associate	187.13	309.83

10. LOANS (FINANCIAL ASSETS)

Particulars	As at March 31, 2022	As at March 31, 2021
NON - CURRENT		
Unsecured, considered good		
Loans to employees	17.43	16.73
Total	17.43	16.73
CURRENT		
Unsecured, considered good		
Loans to employees	22.81	22.95
Total	22.81	22.95

Note :- These financial assets are carried at amortised cost, unless otherwise stated.

Note :- The Group's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 42.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

11. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
NON-CURRENT		
Unsecured, considered good		
Security deposits	42.01	35.91
Total	42.01	35.91
CURRENT		
Unsecured, considered good		
Derivatives instruments carried at fair value (forward contracts)	-	0.65
Interest accrued on deposits and others	35.79	4.13
Accrual of incentives from State Government	395.12	344.45
Security Deposits	10.47	16.82
Other recoverables	33.62	16.50
Total	475.00	382.55

Note :- These financial assets are carried at amortised cost, unless otherwise stated.

Note :- The Group's exposure to credit and currency risks, and impairment allowances related to Other financial assets is disclosed in Note 42.

12. INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	1,194.67	1,302.80
Less : Provision for taxation	836.60	924.31
Total	358.07	378.49

13. OTHER ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
NON-CURRENT		
Unsecured, considered good		
Capital advances	88.01	27.27
Prepaid expenses	9.91	6.21
Balance with government authorities		
- Excise duty and others	13.16	12.48
- VAT/ sales tax	9.26	16.72
Total	120.34	62.68
CURRENT		
Unsecured, considered good		
Prepaid expenses	71.05	47.73
Advance to suppliers	134.58	103.68
Less: Loss allowance	(59.24)	-
	75.34	103.68
Other advances	3.88	1.22
Balance with government authorities		
- VAT/Sales tax and others	84.80	72.76
- Goods and service tax (GST)	1.20	36.74
- Export incentive receivable	37.19	17.32
Total	273.46	279.45



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

14. INVENTORIES

(lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials and components	566.54	774.78
Goods in transit of raw materials and components	28.97	109.77
Work-in-progress (Two wheelers)	42.44	48.00
Finished goods		
Two Wheelers	618.79	643.21
Spare parts	76.52	63.23
Stock in trade	11.84	23.82
Stores and spares	103.77	99.42
Loose tools	23.54	27.04
Total	1,472.41	1,789.27

The mode of valuation of inventories has been stated in note no. 3.12.

15. TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade Receivables considered good - (Secured) **	37.50	54.81
Trade Receivables considered good - (Unsecured) **	2,120.99	2,219.87
Trade Receivables credit impaired	116.90	117.64
	2,275.39	2,392.32
Less: Allowance for expected credit loss	116.90	117.64
Total	2,158.49	2,274.68

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The carrying amount of trade receivables approximates their fair value. The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 42.

**includes receivables from related parties (refer note 38).

Trade receivables ageing as on March 31, 2022:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,237.84	910.99	7.13	2.07	0.10	0.36	2,158.49
Undisputed Trade Receivables - credit impaired	1.80	22.85	1.67	8.29	18.40	24.87	77.88
Disputed Trade Receivables - credit impaired	-	0.82	0.29	1.32	17.20	19.39	39.02

Trade receivables ageing as on March 31, 2021:

Particulars	Outstanding from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,539.56	733.30	1.39	0.11	0.02	0.30	2,274.68
Undisputed Trade Receivables - credit impaired	0.75	26.27	7.13	31.33	12.55	13.67	91.70
Disputed Trade Receivables - credit impaired	-	1.19	0.20	5.82	7.11	11.62	25.94

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

16. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.06	0.06
Balances with banks		
In current accounts	179.52	273.18
In deposit accounts	1.44	1.38
Total	181.02	274.62

17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In dividend current accounts (earmarked accounts)	36.37	49.09
In deposit accounts*	82.35	72.53
Total	118.72	121.62

* Includes fixed deposits aggregating Rs. 25.00 crores with Dena Bank on February 18, 2014. Subsequent thereto, it was brought to the notice of the Company that money had been fraudulently withdrawn by pledging fictitious copies of such fixed deposit receipts with concerned bank by some individuals. The Company has filed a recovery suit which is pending in the honorable Delhi High Court against the bank. In the interim, the Bank has renewed the deposits (along with interest earned thereon).

18. SHARE CAPITAL

(a) Equity Share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Equity shares capital		
250,000,000 (as at March 31, 2021 - 250,000,000) Equity shares of Rs. 2 each	50.00	50.00
Total	50.00	50.00
Issued, subscribed and fully paid up		
199,811,941 (as at March 31, 2021: 199,780,217) Equity shares of Rs. 2 each	39.96	39.96
Total	39.96	39.96

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	₹ in Crore	Nos.	₹ in Crore
Opening Balance	199,780,217	39.96	199,739,368	39.95
Issued during the year Rs. # Current year Rs. 63,448* (previous year Rs. 81,968*)- Employee Stock Option Plan (refer note 41)	31,724	#	40,849	0.01
Closing Balance	199,811,941	39.96	199,780,217	39.96

* in absolute INR



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

18. SHARE CAPITAL (CONTD..)

(ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Ms Renu Munjal *	9,309,019	4.66%	9,309,019	4.66%
Mr Suman Kant Munjal *	9,309,019	4.66%	9,309,019	4.66%
Mr Pawan Munjal *	9,309,020	4.66%	9,309,020	4.66%
M/S Bahadur Chand Investments (P) Ltd	40,033,238	20.04%	40,033,238	20.04%
Life Insurance Corporation of India	22,037,338	11.03%	14,816,832	7.42%

* Hold shares on behalf of Brijmohan Lal Om Prakash (partnership firm)

On March 31, 2022, the promoters of the Company have acquired certain shares of the Company. However, same was not reflecting in the relevant account of promoters as on March 31, 2022 and therefore not included in the shareholding pattern mentioned above. Details of shares acquired are as follows:

- Pawan Munjal Family Trust, had purchased 43,100 equity shares increasing its total shareholding to 201,100 (0.10%)
- Mr. Vidur Munjal, Promoter Group, had purchased 1,000 equity shares (0.00%) on March 31, 2022.
- Mr. Akshay Munjal, Promoter Group, had purchased 1,000 equity shares (0.00%) on March 31, 2022.
- Mr. Ujjwal Munjal, Promoter Group, had purchased 1,000 equity shares (0.00%) on March 31, 2022.

Shares held by promoters at the end of the year March 31, 2022

Promoter name	No. of shares	% of total shares	% change during the year
Pawan Munjal	43,364	0.02%	0.00%*
Pawan Munjal (As Karta of HUF)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal and Suman Kant Munjal (On Behalf of Brijmohan Lal Om Prakash, Partnership Firm)	27,927,058	13.98%	0.00%
Renu Munjal	111,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.00%
Suman Kant Munjal (As Karta of HUF)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt Ltd	40,033,238	20.04%	0.00%
Hero Investcorp Private Limited	873,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	158,000	0.08%	0.00%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%
Santosh Munjal	-	0.00%	0.00%

* Increase of 10 shares in absolute number.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

18. SHARE CAPITAL (CONTD..)

Shares held by promoters at the end of the year March 31, 2021

Promoter name	No. of shares	% of total shares	% change during the year
Pawan Munjal	43,354	0.02%	0.00%
Pawan Munjal (As Karta of HUF)	32,500	0.02%	0.00%
Pawan Munjal, Renu Munjal and Suman Kant Munjal (On Behalf of Brijmohan Lal Om Parkash, Partnership Firm)	27,927,058	13.98%	0.00%
Renu Munjal	111,482	0.06%	0.00%
Renuka Munjal	32,480	0.02%	0.00%
Suman Kant Munjal	91,250	0.05%	0.01%
Suman Kant Munjal (As Karta of HUF)	10,833	0.01%	0.00%
Bahadur Chand Investments Pvt Ltd	40,033,238	20.04%	0.04%
Hero Investcorp Private Limited	873,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	158,000	0.08%	0.08%
Rk Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%
Santosh Munjal	10	0.00%	0.00%

(iii) Shares options/ Restricted stock units/ Performance linked restricted stock units granted under the Company's employee share option plan

Option Series	Share Options Outstanding (In Nos.)		
	As at March 31, 2022	As at March 31, 2021	Expiry Date
ESOP 2016	9,717	11,349	August 21, 2023
ESOP 2017	12,687	14,910	October 31, 2024
RSU 2017	-	2,128	October 31, 2024
ESOP 2018	61,780	82,406	March 25, 2026
RSU 2018	2,232	3,906	January 31, 2026
ESOP 2019	40,362	64,480	October 22, 2026
RSU 2019	2,084	3,647	October 22, 2026
ESOP 2020	68,795	94,000	October 27, 2027
RSU 2020	1,092	1,560	October 27, 2027
RSU 2021	30,632	-	August 11, 2025
PRSU 2021	28,279	-	August 11, 2025

Also refer details of the employee stock option plan are provided in Note 41.

(b) Preference Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Preference shares capital		
4,00,000 (as at March 31, 2021 - 4,00,000) Cumulative convertible preference shares of Rs. 100 each	4.00	4.00
4,00,000 (as at March 31, 2021 - 4,00,000) Cumulative redeemable preference shares of Rs. 100 each	4.00	4.00
Total	8.00	8.00

Note:- The Company has not issued preference share capital.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

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19. OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserves	#	#
Securities premium	41.12	31.49
General reserve	2,676.34	2,676.34
Share options outstanding account	24.45	19.04
Foreign currency translation reserve	4.73	0.89
Retained earnings	13,060.05	12,648.70
Total	15,806.69	15,376.46

Nature and Description

- (i) **Capital reserves:-** The Group had transferred forfeited share application money to Capital reserve in accordance with the provision of the Companies Act, 1956. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) **Securities premium:-** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) **General reserve:-** General Reserves are free reserves of the group which are kept aside out of Group's profits to meet the future requirements as and when they arise. The Group had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (iv) **Share options outstanding account:-** Stock option outstanding account is used to record the impact of employee stock option scheme. Refer note 41 for further detail of this plan.
- (v) **Foreign currency translation reserve:-** Exchange differences arising on translation of the foreign operations.
- (vi) **Retained earnings:-** Retained earnings are the accumulated profits earned by the Group and its associates till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Particulars	As at March 31, 2022	As at March 31, 2021
A. Capital Reserves		
On shares forfeited (#in absolute INR 4,250)	#	#
Securities premium account on forfeited shares reissued (## in absolute INR 25,500)	##	##
B. Securities premium		
Opening balance	31.49	18.40
Premium on equity shares issued during the year@	9.63	13.09
Closing balance	41.12	31.49

@ Addition in securities premium represents premium on equity shares under various schemes amounting to Rs. 5.04 crores (Previous year Rs. 7.83 crores) and Rs. 4.59 crores (Previous year Rs. 5.26 crores) transferred from share option outstanding account on 31,724 equity shares (Previous year 40,849 equity shares) issued and allotted during the year under ESOP scheme. Also refer note 41.

Particulars	As at March 31, 2022	As at March 31, 2021
C. General Reserve		
General reserve at the beginning and end of the year	2,676.34	2,676.34
D. Share options outstanding account *		
Opening balance	19.04	15.44
Add: Net charge during the year	10.00	8.86
Less: Transferred to securities premium on issue of shares	(4.59)	(5.26)
Closing balance	24.45	19.04

* Also refer note 41.

Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

19. OTHER EQUITY (CONTD..)

Particulars	As at March 31, 2022	As at March 31, 2021
E. Foreign currency translation reserve		
Opening balance	0.89	4.09
Exchange differences in translating the financial statements of foreign operations	5.12	(4.30)
Income tax effect	(1.28)	1.10
Closing balance	4.73	0.89
F. Retained earnings		
Opening balance	12,648.70	11,652.06
Profit for the year	2,316.88	2,917.75
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(6.28)	(20.81)
Less: Appropriations		
Final dividend	699.26	499.35
Interim dividend	1,198.87	1,398.46
Corporate dividend tax	1.12	2.49
Closing Balance	13,060.05	12,648.70

In respect of the year ended March 31, 2022, the directors propose that a dividend of Rs. 35 per share (March 31, 2021 : Rs. 25 per share) and special dividend of Rs. nil per share (March 31, 2021: Rs. 10 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 699.34 crores (March 31, 2021 : Rs. 699.23 crores).

20. NON-CONTROLLING INTERESTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	143.19	140.60
Additions during the year	-	6.65
Dividend paid during the year	(9.15)	(20.50)
Share of profit for the year	14.01	16.44
Closing non-controlling interest	148.05	143.19

21. BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured - at amortised cost		
Term loan from banks	36.17	45.06
Secured - at amortised cost		
Term loan from banks	-	0.12
	36.17	45.18
Current		
Unsecured - at amortised cost		
Term loan from banks	20.66	11.69
Other loan from banks	296.53	285.16
Secured - at amortised cost		
Term loan from banks	0.12	-
	317.31	296.85



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

21. BORROWINGS (CONTD..)

Lender	As at March 31, 2022	As at March 31, 2021	Repayment Terms
Unsecured - Non current			
Rupee Term Loans from HDFC Bank Rate of Interest range - I-MCLR one year + 05 basis points (Previous year: I-MCLR one year + 05 basis points).	36.17	42.44	14 equal quarterly instalments beginning from September 26, 2021
Term loan from Bancolombia, Colombia (Rate of interest DTF + 5.40%) (Previous year- DTF + 5.40%)	-	2.62	Maturity due from may, 2022 to September, 2022 in various instalments
Total	36.17	45.06	
Secured - Non current			
Loan from ICICI Bank (Secured by charge on vehicles)	-	0.12	48 equal monthly instalments beginning from April 01, 2019
Total	-	0.12	
Unsecured - current			
Rate of Interest - range I-MCLR three month + 60 basis points or MCLR three month + 45 basis points or 4% over one year MCLR (Previous year: I-MCLR three month + 60 basis points or MCLR one year + 30 basis points).	72.00	63.24	Repayable on demand
Loan from Standard Chartered Bank Rate of interest - LIBOR + 2.9% (Previous year - LIBOR + 2.9%)	37.78	10.35	Repayable within a period of 90 Days
Loan from Commercial Bank of Ceylon PLC Rate of interest - LIBOR + 2.5% (Previous year - LIBOR + 2.5%)	32.08	37.06	Repayable within a period of 90 Days
Loan from Hongkong & Shanghai Banking Corporation Rate of interest - LIBOR + 2.9%	27.42	42.85	Repayable within a period of 90 Days
Short term Loan from Standard Chartered Bank Rate of Interest - 6.5% (Previous year: Nil)	26.43	-	Repayable within a period of 90 Days
Short term Loan from Hongkong & Shanghai Banking Corporation Rate of Interest - NIL (Previous year - 6.5%)	-	34.57	Repayable within a period of 90 Days
Loan from Bancolombia Rate of Interest - LIBOR + 5.0% to 5.7% (Previous year: LIBOR + 4.3%)	98.14	88.99	Repayable within a period of 180 Days
Loan from Bancolombia Rate of Interest - DTF + 5.4% (Previous year: DTF + 5.4%)	2.68	8.10	Repayable on demand
Rupee Term Loans from HDFC Bank Rate of Interest range - I-MCLR one year + 05 basis points (Previous year: I-MCLR one year + 05 basis points).	20.66	11.69	14 equal quarterly instalments beginning from September 26, 2021
Total	317.19	296.85	
Secured - current			
Loan from ICICI Bank (Secured by charge on vehicles) (Rate of interest - 8.90%) (Previous year - 8.90%)	0.12	-	48 equal monthly instalments beginning from April 01, 2019
Total	0.12	-	

The Group has not defaulted in repayment of any loan and interest thereon.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

22. PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employee benefits (Refer note (i) below)		
Compensated absences	35.00	26.87
Gratuity	0.92	0.85
Other employee benefits	8.91	8.79
Sub-total (A)	44.83	36.51
Warranties (Refer note (ii) below)	136.30	139.06
Sub-total (B)	136.30	139.06
Total (A+B)	181.13	175.57
Current		
Employee benefits (Refer note (i) below)		
Compensated absences	8.03	6.38
Gratuity	0.52	0.46
Other employee benefits	1.49	1.68
Sub-total (A)	10.04	8.52
Warranties (Refer note (ii) below)	169.11	167.30
Sub-total (B)	169.11	167.30
Total (A+B)	179.15	175.82

- (i) The provision for employee benefits includes compensated leaves, gratuity and vested long term service reward.
(ii) Movement in warranties provisions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	306.36	161.37
Additions during the year	111.50	227.15
Amount utilised during the year	(106.94)	(77.47)
Unwinding of discount and effect of changes in the discount rate	(5.51)	(4.69)
Closing balance	305.41	306.36

The provision for warranty claims represents the present value as best estimate of the future economic outflow that will be required under the Group's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. As at March 31, 2022 this particular provision had a carrying amount of Rs. 305.41 crores (March 31, 2021 - Rs. 306.36 crores). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated Rs. 30.54 crores higher or lower (March 31, 2021- Rs. 30.64 Crores higher or lower).

23. DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Property, plant and equipments and intangible assets	431.08	425.32
Financial assets carried at fair value through profit or loss	71.72	99.33
Investments in associate	111.97	130.68
Others	7.74	6.31
Sub-total (A)	622.51	661.64
Deferred tax assets		
Deferred revenue	52.34	67.46
Accrued expenses deductible on payment	56.15	40.52
VRS expenses u/s 35DDA	6.06	9.08
Right of use assets and lease liabilities	5.53	3.88
Others	124.22	87.96
Sub-total (B)	244.30	208.90
Total (A-B)	378.21	452.74



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

23. DEFERRED TAX (ASSETS)/ LIABILITIES (NET) (CONTD..)

A. Movement of Deferred tax (assets)/ liabilities

For the year ended March 31, 2022

Particulars	Opening balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities				
Property, plant and equipments and intangible assets	425.32	5.76	-	431.08
Financial assets carried at fair value through profit or loss	99.33	(27.61)	-	71.72
Investments in associate	130.68	(18.71)	-	111.97
Others	6.31	1.43	-	7.74
	661.64	(39.13)	-	622.51
Deferred tax assets				
Deferred revenue	67.46	(15.12)	-	52.34
Accrued expenses deductible on payment	40.52	15.63	-	56.15
VRS expenses u/s 35DDA	9.08	(3.02)	-	6.06
Right of use assets and lease liabilities	3.88	1.65	-	5.53
Others	87.96	38.11	(1.85)	124.22
	208.90	37.25	(1.85)	244.30
Deferred tax liabilities (net)	452.74	(76.38)	1.85	378.21

For the year ended March 31, 2021

Particulars	Opening balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities				
Property, plant and equipments and intangible assets	414.14	11.18	-	425.32
Financial assets carried at fair value through profit or loss	73.98	25.35	-	99.33
Investments in associate	128.36	2.32	-	130.68
Others	14.29	(7.98)	-	6.31
	630.77	30.87		661.64
Less: Deferred tax assets				
Deferred revenue	60.14	7.32	-	67.46
Accrued expenses deductible on payment	27.20	13.32	-	40.52
VRS expenses u/s 35DDA	12.10	(3.02)	-	9.08
Right of use assets and lease liabilities	2.32	1.56	-	3.88
Others	56.43	29.80	1.73	87.96
	158.19	48.98	1.73	208.90
Deferred tax liabilities (net)	472.58	(18.11)	(1.73)	452.74

B. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, as it is not probable that the future taxable profit will be available against which the respective subsidiaries in its jurisdiction can use the benefits therefrom:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses from HMC MM Auto Limited (will expire from March 31, 2023 to March 31, 2030) (previous year: Will expire from March 31, 2023 to March 31, 2029)	39.15	10.18	36.08	9.38
Unabsorbed depreciation losses from HMC MM Auto Limited (can be carried forward for indefinite period)	45.12	11.73	32.23	8.38
Tax losses from HMCL Colombia SAS (tax losses amounting to Rs. 78.89 crores will be carried forward indefinitely, tax losses for Rs.134.50 crores will expire in the next 12 years) (previous year : tax losses amounting to Rs. 72.66 crores will be carried forward indefinitely, tax losses for Rs.141.47 crores will expire in the next 12 years)	213.39	70.42	214.13	70.66

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

24. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables ^{###}		
Total outstanding dues of micro and small enterprises	26.19	16.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,316.90	5,247.50
Total	4,343.09	5,264.18

^{###} Include payables to related parties (refer note 38).

The Group's exposure to currency and liquidity risk related to the above trade payables is disclosed in Note 42.

Ageing of trade payables as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	23.42	2.77	-	-	-	26.19
(2) Others	2,930.68	319.38	3.80	2.30	2.55	3,258.71
(3) Others - Accruals						1,058.19

Ageing of trade payables as on March 31, 2021:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	12.85	3.83	-	-	-	16.68
(2) Others	3,324.44	149.32	1.97	0.79	2.35	3,478.87
(3) Others - Accruals						1,768.63

Disclosure in respect of the amounts payable to Micro and Small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	26.19	16.68
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued for unpaid principal at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

25. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Capital creditors	41.09	54.10
Security deposits dealers and others	63.59	64.32
Unclaimed dividend *	36.39	49.10
Derivatives instruments carried at fair value (forward contracts)	4.51	-
Total	145.58	167.52

* Does not include any amounts outstanding as at March 31, 2022 which are required to be credited to Investor Education and Protection Fund.

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 42.



Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

26. OTHER LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Statutory remittances (contributions to provident fund, employee state insurance, withholding taxes, goods and service tax etc.)	170.37	234.06
Advance from customers	113.41	64.51
Deferred revenue	207.98	268.03
Others	4.56	3.99
Total	496.32	570.59

Contract balances

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as advance from customers disclosed as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers – current	113.41	64.51
Deferred revenue	207.98	268.03

Revenue recognised from amount included in contract liabilities (advance from customers and deferred revenue) at the beginning of the year amounts to Rs. 64.51 crores and Rs. 249.26 crores respectively. (previous year Rs. 125.76 crores and Rs. 213.20 crores respectively).

27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Sale of products		
Two-wheelers	24,544.13	26,823.27
Spare parts	3,975.13	3,199.17
	28,519.26	30,022.44
(b) Income from services		
Dealers support services	86.92	43.18
Dealer program	50.52	37.37
Services - others	320.94	348.60
	458.38	429.15
(c) Other operating revenue		
Duty drawback and other incentives	43.70	22.72
Incentive from State Government	447.09	427.46
Miscellaneous income	82.85	57.42
	573.64	507.60
Total	29,551.28	30,959.19

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	29,049.12	30,507.24
Less: Trade discounts and volume rebates	(529.86)	(484.80)
Sale of products	28,519.26	30,022.44

Notes forming part of the Consolidated Financial Statements

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28. OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest income on financial assets carried at amortised cost		
Tax free bonds, debentures and other instruments classified as debt	49.52	26.57
Deposit with bank and others	139.53	73.85
(b) Dividend income		
Dividend received on investments carried at fair value through profit or loss	1.67	1.39
(c) Profit on sale of investments	109.11	169.07
(d) Gain on investments carried at fair value through profit or loss	223.82	285.77
(e) Other non-operating income		
Exchange gain on foreign currency fluctuation	30.74	0.36
Profit on sale of property, plant and equipment	0.62	0.89
Total	555.01	557.90

29. COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials and components consumed:		
Opening stock	884.54	635.73
Add: Purchase of raw materials, components and packing materials	20,585.25	22,259.78
	21,469.79	22,895.51
Less: closing stock	595.51	884.54
	20,874.28	22,010.97
Less: Cash discount	28.54	42.93
Consumption of raw materials and components	20,845.74	21,968.04

30. CHANGES IN INVENTORY OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Opening stock (Refer note 14)		
Two Wheelers	643.21	425.73
Stock in trade	23.82	-
Spare parts	63.23	45.41
Work-in-progress	48.00	51.55
	778.26	522.69
(b) Closing stock (Refer note 14)		
Two Wheelers	618.79	643.21
Stock in trade	11.84	23.82
Spare parts	76.52	63.23
Work-in-progress	42.44	48.00
	749.59	778.26
Net (increase)/decrease in inventory	28.67	(255.57)

31. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	1,743.99	1,715.27
Contribution to provident and other funds	131.75	123.65
Employee stock Compensation Cost (refer note no 41)	10.00	8.86
Staff welfare expenses	110.04	103.24
Total	1,995.78	1,951.02



Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

31. EMPLOYEE BENEFIT EXPENSES (CONTD..)

Employee Benefit Plans

The details of various employee benefits provided to employees are as under:

A. Defined benefit, Contribution and other plans

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Employer's contribution to provident fund and labour welfare fund	89.05	80.66
b) Employer's contribution to superannuation fund	17.60	17.32
c) Employer's contribution to gratuity fund *	21.97	22.00
d) Employer's contribution to employee state insurance	3.13	3.67
	131.75	123.65

* In addition to this contribution made amounting to Rs. 7.22 crores (previous year - Rs.28.16 crores) in other recognised as comprehensive expense.

B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Holding company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained and for certain group companies the liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows :-

Principal assumptions:	Funded	
	Gratuity As at March 31, 2022	Gratuity As at March 31, 2021
Discount rate	6.90%	6.70%
Future salary increase	6.50% p.a.	6.50% p.a.
Retirement age	58 years	58 years
Withdrawal rate	Upto 30 years: 3% from 31 to 44 years: 2% After 44 years: 1%	Upto 30 years: 3% from 31 to 44 years: 2% After 44 years: 1%
In service mortality	Indian Assured Lives Mortality Ult. (2006-08)	Indian Assured Lives Mortality Ult. (2006-08)

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(Amount in crores of INR)

31. EMPLOYEE BENEFIT EXPENSES (CONTD..)

Principal assumptions	Un-Funded	
	Gratuity As at March 31, 2022	Gratuity As at March 31, 2021
Discount rate	7.26%	6.76%
Future salary increase	5.50% p.a.	5.50% p.a.
Retirement age	58 years	58 years
Withdrawal rate	Upto 30 years: 3% from 31 to 44 years: 2% After 44 years: 1%	Upto 30 years: 3% from 31 to 44 years: 2% After 44 years: 1%
In service mortality	Indian Assured Lives Mortality Ult. (2012-14)	Indian Assured Lives Mortality Ult. (2012-14)

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows :-

Particulars	Gratuity - funded		Gratuity - unfunded	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:				
Current service cost	22.67	21.13	0.19	0.29
Net Interest expense/(income)	(0.97)	0.52	0.08	0.06
Components of defined benefit costs recognised in profit or loss	21.70	21.65	0.27	0.35
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	(0.37)	3.25	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(5.87)	(2.70)	(0.05)	-
Actuarial (gains)/losses arising from experience adjustments	13.51	27.59	(0.00)	0.02
Components of defined benefit costs recognised in other comprehensive income	7.27	28.14	(0.05)	0.02
Total	28.97	49.79	0.22	0.37

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of funded defined benefit obligation	395.90	356.80
Fair value of plan assets	395.90	356.80
Net liability arising from defined benefit obligation	-	-
Present Value of unfunded defined benefit obligation	1.44	1.31
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	1.44	1.31

Net liability disclosed as follows (under Provisions - Note 22) :

Particulars	Gratuity			
	As at March 31, 2022		As at March 31, 2021	
	Current	Non current	Current	Non current
Other employee benefits	0.52	0.92	0.46	0.85



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(Amount in crores of INR)

31. EMPLOYEE BENEFIT EXPENSES (CONTD..)

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	Gratuity - funded		Gratuity - unfunded	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined obligation	356.80	318.03	1.31	0.94
Current service cost	22.67	21.13	0.19	0.29
Interest cost	23.42	20.10	0.08	0.06
Remeasurement (gains)/losses:				
Actuarial (gains)/losses arising from changes in financial assumptions	(5.87)	(2.70)	(0.05)	-
Actuarial (gains)/losses arising from experience adjustments	13.51	27.59	(0.00)	0.02
Benefits paid	(14.63)	(27.35)	(0.10)	-
Closing defined benefit obligation	395.90	356.80	1.44	1.31

Movements in the fair value of the plan assets are as follows

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	356.80	252.35
Interest income	24.38	19.58
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.37	(3.25)
Contribution	28.98	115.47
Benefit paid	(14.63)	(27.35)
Closing fair value of plan assets	395.90	356.80

The Holding Company makes annual contribution to Life Insurance Contribution (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 14.03 crore (increase by Rs. 15.04 crore) [as at March 31, 2021: decrease by Rs. 13.07 crores (increase by Rs. 14.00 crores)].
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by Rs. 15.02 crores (decrease by Rs. 14.15 crores) [as at March 31, 2021: increase by Rs. 13.97 crores (decrease by Rs. 13.16 crores)].

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting year, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

31. EMPLOYEE BENEFIT EXPENSES (CONTD..)

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted Average duration of the defined benefit obligation (in years)	9.0 years	9.0 years

The Group expects to make a contribution of Rs. 24.74 crore (as at March 31, 2021: Rs. 22.67 crore) to the defined benefit plans during the next financial year.

The Expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at March 31, 2022	67.77	27.81	98.07	199.34	392.99
As at March 31, 2021	56.82	23.76	94.12	166.86	341.56

32. FINANCE COSTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest cost on financial liability at amortised cost		
- on dealers security deposits	2.70	2.50
- on borrowings	25.05	22.63
- on others	1.67	2.16
Unwinding of discount on provisions and lease liabilities	23.68	19.12
Total	53.10	46.41

33. OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores and tools consumed	80.09	82.65
Packing, forwarding and freight etc	948.29	960.60
Power and fuel	109.72	113.89
Rent (Refer note 7A)	38.22	35.37
Repairs and maintenance		
- Buildings	22.30	18.08
- Plant and machinery	114.60	107.39
- Others	10.09	9.52
Insurance charges	74.28	68.93
Rates and taxes	17.65	16.43
Royalty	3.50	9.51
Advertisement and publicity	750.45	606.00
Donations	0.26	0.25
Expenditure on corporate social responsibility (Refer below)	87.85	68.35
Payment to auditors (Refer below)	3.07	2.76
Exchange fluctuation	12.60	-
Loss on sale of property, plant and equipment	10.23	4.67
Loss allowance on trade receivables	0.74	46.32
Miscellaneous expenses	906.43	1,014.33
Total	3,190.37	3,165.05



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

33. OTHER EXPENSES (CONTD..)

Payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) As Statutory Audit		
- Audit fee (including audit fees for the auditors of other entities of Group) *	1.93	1.79
- Limited Review of unaudited financial results	0.81	0.66
- Other certifications	0.09	0.09
b) Tax audit fees	0.10	0.10
c) Out of pocket expenses	0.14	0.12
	3.07	2.76

* Paid to other auditors Rs. 0.89 crores (Previous year - Rs. 0.85 crores).

Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the Group during the year	87.22	97.06
Amount of expenditure incurred	87.85	68.35
Total of previous years shortfall *	-	31.38
Shortfall at the end of the year	-	-
Nature of CSR activities	Promoting education; promoting gender equality and empowering women; disaster management including relief, rehabilitation and reconstruction activities; ensuring environmental sustainability and ecological balance; rural development projects; eradicating hunger, poverty and malnutrition	
For Related party transactions (Refer Note 38)	23.84	12.10

* The Group had contributed Rs. 31.38 Crores in year ended March 31, 2020 towards PM Cares fund which was carried forward for set-off in the financial year ended March 31, 2021, based on communication released by Ministry of Corporate affairs.

34. INCOME TAX EXPENSE

(a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax:		
In respect of the current year	805.44	931.38
Deferred tax charge		
In respect of the current year	(76.38)	(18.11)
Total income tax expense recognised in the Statement of profit and loss	729.06	913.27

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligations	1.83	7.08
Others	(1.85)	1.73
Total income tax benefit recognised in other comprehensive income	(0.02)	8.81

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

34. INCOME TAX EXPENSE (CONTD.)

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	3,058.11	3,849.32
Income tax expense calculated at 25.168%	769.67	968.80
Effect of income exempt/ taxed on lower/ higher rate	(61.77)	(52.12)
Effect of unused tax losses of subsidiaries not recognised as deferred tax assets	3.30	11.19
Others	17.86	(14.60)
Income tax expense recognised in the Statement of profit and loss	729.06	913.27
Income Tax recognised in the Statement of profit and loss	729.06	913.27

35. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (in Rs.)	115.96	146.07
Diluted earnings per share (in Rs.)	115.93	146.04
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Profit for the year attributable to owners of the Company (Rs. in crores)	2,316.88	2,917.75
Opening Balance	199,780,217	199,739,368
Effect of share options exercised	16,722	16,417
Weighted average number of equity shares for the purposes of basic earnings per share	199,796,939	199,755,785
Effect of share options	61,672	30,379
Weighted average number of equity shares for the purposes of diluted earnings per share	199,858,611	199,786,164

36. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Contingent liabilities		
In respect of excise and other matters [#]	123.65	87.75

including proportionate share of contingent liability from associate companies.

The various matter are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Group.

Additionally, the Group is involved in other disputes, lawsuits, claims, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

Particulars	As at March 31, 2022	As at March 31, 2021
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advances paid amounting to Rs. 88.01 crores (March 31, 2021: Rs. 30.97 crores)]	535.72	400.86

c) The Income Tax Department ("the Department") conducted a Search activity ("the Search") under Section 132 of the Income Tax Act on the Company in March 2022. Subsequently, the Company has provided all support and cooperation and the necessary documents and data to the Department, as requested by the Department.

The Company is examining and reviewing the details of the matter and will take appropriate actions, including addressing regulatory actions, if and when they occur.

While the uncertainty exists regarding the outcome of the proceedings by the department, the Company after considering all available information and facts as of date, has not identified the need for any adjustments to the current or prior period financial statements.



Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

37. SEGMENT REPORTING

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Holding Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Group's business activity fall within a single operating segment, namely automotive segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from operations	Domestic	Overseas	Total
2021-22	27,617.36	1,933.92	29,551.28
2020-21	29,783.88	1,175.31	30,959.19

Disclosure as per the requirement of Ind AS 115, Revenue :

For the year ended March 31, 2022 :

Particulars	India	Outside India	Total
Sale of products	26,601.00	1,918.26	28,519.26
Income from services	458.38	-	458.38
Other operating revenue	557.98	15.66	573.64
Total	27,617.36	1,933.92	29,551.28

For the year ended March 31, 2021 :

Particulars	India	Outside India	Total
Sale of products	28,857.51	1,164.93	30,022.44
Income from services	429.15	-	429.15
Other operating revenue	497.22	10.38	507.60
Total	29,783.88	1,175.31	30,959.19

Non current segment assets	India	Outside India	Total
As at March 31, 2022	6,520.18	310.92	6,831.10
As at March 31, 2021	6,612.92	325.28	6,938.20

- Domestic segment includes sales and services to customers domiciled in India.
- Overseas segment includes sales and services rendered to customers domiciled outside India.
- Non-current segment assets includes property, plant and equipment, capital work in progress, right of use of assets, intangible assets, intangible assets under development and non-current other assets.
- There is no major individual customers whose revenue exceeds more than 10% of the Group's revenue.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

38. RELATED PARTY DISCLOSURES UNDER IND AS 24

A. Parties in respect of which the Holding Company is an associate

Brijmohan Lal Om Prakash (Partnership firm)

Bahadur Chand Investments Private Limited - Core Investment Company

B. Parties in respect of which the other Group Companies are associates

Marelli Europe S.p.A.

Marelli UM Electronics Systems Pvt. Ltd (Formerly known as Magnetti Marelli UM Electronics Systems Pvt. Ltd.)

Marelli Powertrain India Private Limited

Marelli (India) Pvt. Ltd.

Marelli (China) Co. Ltd.

Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda

Niloy Motors Limited; Bangladesh

Nitol Motors Limited; Bangladesh

Nitol Electronics Ltd.; Bangladesh

Nitol Machineries Ltd; Bangladesh

Nitol Insurance Company Ltd; Bangladesh

Woven Holdings LLC

C. Associates of the Group

Hero FinCorp Limited

Ather Energy Private Limited

D. For subsidiaries of the Holding Company - Refer Note 2.4

E. Key management personnel and their relatives of Holding company

Dr. Pawan Munjal - Chairman and Chief executive officer

Mr. Suman Kant Munjal - Director

Mr. Vikram Sitaram Kasbekar - Whole Time Director

Mr. Niranjana Kumar Gupta - Chief Financial Officer

Ms. Neerja Sharma (till January 31, 2022) - Company Secretary

Mr. Dhiraj Kapoor (w.e.f February 01, 2022) - Company Secretary

Non Executive and Independent Directors of Holding Company

Mr. Pradeep Dinodia

Mr. M. Damodaran

Mr. Paul B. Edgerley (till May 04, 2021)

Dr. Jagmohan Singh Raju

Ms. Tina Trikha

Mr. B.S. Dhanoa (appointed w.e.f. October 01, 2020)

Ms. Camille Tang (w.e.f November 19, 2021)

Mr. Rajnish Kumar (w.e.f November 25, 2021)

Ms. Vasudha Dinodia (w.e.f November 25, 2021)



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

38. RELATED PARTY DISCLOSURES UNDER IND AS 24 (CONTD..)

F. Enterprises over which key management personnel and their relatives are able to control

A.G. Industries Private Limited, A.G Industries (Bawal) Pvt Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero InvestCorp Private Limited, Hero Solar Energy Private Limited, BML Munjal University, Raman Kant Munjal Foundation, Excellence Enablers Private Limited and Raman Munjal Vidya Mandir.

Transactions with the above related parties:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A) PARTIES IN RESPECT OF WHICH THE GROUP IS AN ASSOCIATE		
Dividend paid		
Brijmohan Lal Om Prakash (Partnership firm)	265.31	265.31
Hero InvestCorp Private Limited	8.30	8.30
Bahadur Chand Investments Private Limited	380.32	380.32
Marelli Europe S.p.A.		
Purchase of goods	0.82	2.54
Payment of development fee	3.32	1.30
Royalty	4.26	9.25
Expenses reimbursed	1.63	1.35
Marelli UM Electronics Systems Pvt. Ltd (Formerly known as Magnetti Marelli UM Electronics Systems Pvt. Ltd.)		
Purchase of goods	-	8.24
Marelli (China) Co. Ltd.		
Warranty Recovery	-	0.56
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda		
Purchase of goods	22.21	40.60
Development Fee	-	0.34
Warranty Recovery	0.03	0.25
Marelli Powertrain India Private Limited		
Purchase of goods	54.73	145.22
Development Fee	0.11	-
Warranty Recovery	0.01	0.44
Sale of goods		
Niloy Motors Limited*	750.51	644.19
Purchase of goods/services		
Nitol Machineries Ltd	0.88	1.35
Nitol Insurance Company Ltd	0.49	0.37
Nitol Motors Ltd.	0.35	-
Nitol Electronics Limited	0.84	-
Others		
Nitol Motors Limited	0.43	0.35
Niloy Motors Limited	35.06	25.72
Woven Holdings LLC		
Investment in equity instruments	-	6.65

* Including taxes and duties

Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

38. RELATED PARTY DISCLOSURES UNDER IND AS 24 (CONTD..)

Balance outstanding at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
- Trade Payable		
Marelli Europe S.p.A.	5.74	7.26
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda	1.07	10.05
Marelli Powertrain India Private Limited	8.06	18.62
Niloy Motors Limited	-	2.53
Nitol Motors Ltd.	0.03	0.03
- Trade Receivable		
Marelli (China) Co. Ltd.	0.28	-
Niloy Motors Limited	32.62	-
Nitol Machineries Ltd	1.45	1.26

B) ASSOCIATES OF THE HOLDING COMPANY

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Hero FinCorp Limited		
Lease rental expenses	2.67	7.83
Dividend received	5.24	12.77
Dividend paid	0.01	0.01
Investment in equity instruments	-	194.38
Miscellaneous Expenses	12.19	13.23
Ather Energy Private Limited		
Investment	150.00	174.00

Balance outstanding at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
- Trade Payable		
Hero FinCorp Limited	-	0.04

C) KEY MANAGEMENT PERSONNEL AND THEIR RELATIVE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Managerial Remuneration/Sitting fees		
Mr. Pawan Munjal	84.35	86.93
Mr. Vikram Sitaram Kasbekar	8.08	6.54
Mr. Suman Kant Munjal	0.36	0.23
Mr. Niranjana Kumar Gupta	6.71	4.97
Ms. Neerja Sharma (till January 31, 2022)	5.10	5.31
Mr. Dhiraj Kapoor (w.e.f February 01, 2022)	0.15	-
Dividend paid	2.93	2.93



Notes forming part of the Consolidated Financial Statements

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38. RELATED PARTY DISCLOSURES UNDER IND AS 24 (CONTD..)

Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Pradeep Dinodia	1.43	1.09
Mr. M. Damodaran	1.28	1.01
Mr. Paul B. Edgerley (Till May 04, 2021)	0.05	0.68
Dr. Jagmohan Singh Raju	0.93	0.66
Mr. B. S. Dhanoa	0.87	0.24
Ms. Tina Trikha	0.95	0.56
Ms. Camille Tang (w.e.f November 19, 2021)	0.25	-
Mr. Rajnish Kumar (w.e.f November 25, 2021)	0.18	-
Ms. Vasudha Dinodia (w.e.f November 25, 2021)	0.18	-

Balance outstanding at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
-Payables (including commission)	30.49	41.35

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Managerial remuneration*		
Short-term benefits	97.82	98.94
Post-employment benefits	4.55	3.92
Share-based payments	2.02	0.89

* Does not include provisions for incremental gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Group as a whole.

D) ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES ARE ABLE TO EXERCISE CONTROL

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of raw materials and components etc.	2,959.95	2,610.84
Purchase of property, plant and equipments	26.81	18.79
Payment towards services etc.	6.35	3.55
Expenditure towards Corporate Social Responsibility (CSR)	23.84	12.10

Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

38. RELATED PARTY DISCLOSURES UNDER IND AS 24 (CONTD..)

Balance outstanding as at the year end

Particulars	As at March 31, 2022	As at March 31, 2021
- Payables	449.69	400.03
- Receivables	-	0.19

Significant related party transactions included in the above are as under :-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of raw materials and components etc.		
A. G. Industries Private Limited	811.47	788.25
Rockman Industries Limited	2,022.02	1,669.14
A. G. Industries (Bawal) Pvt Limited	126.46	151.10
Purchase of Assets		
Rockman Industries Limited	18.54	11.92
A. G. Industries Private Limited	6.11	6.87
Hero Solar Energy Private Limited	2.16	-
Payment for service etc.		
BML Munjal University	1.64	2.33
Hero Solar Energy Private Limited	1.96	0.20
A. G. Industries Private Limited	-	0.85
Cosmic Kitchen Pvt Limited	2.74	-
Excellence Enablers Private Limited	-	0.09
Raman Munjal Vidya Mandir	-	0.08
CSR		
Raman Kant Munjal Foundation	3.84	2.10
BML Munjal University	20.00	10.00

Significant closing balances of related parties are as under :-

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
A. G. Industries Private Limited	114.95	56.88
Rockman Industries Limited	319.02	337.83
A. G. Industries (Bawal) Pvt Limited	14.49	5.16

G. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.

39. RESEARCH AND DEVELOPMENT EXPENSES:

Expenses charged to revenue account

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw material consumption	22.09	12.23
Consumables	5.78	2.48
Employee Benefits	227.68	216.09
Depreciation and amortisation	102.14	96.97
Others*	78.58	74.87
Total	436.27	402.64

* Includes intangible asset under development amounting to Rs. Nil (previous year Rs. 0.23 crores) expensed off during the year.



Notes forming part of the Consolidated Financial Statements

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39. RESEARCH AND DEVELOPMENT EXPENSES (CONTD.)

Capital expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Building	0.20	0.06
Equipments	8.66	10.25
Furniture and fixtures	0.57	1.52
Software	13.50	9.62
Vehicles	1.98	2.31
Data processing equipments	7.24	1.64
Intangible assets	31.76	18.52
	63.91	43.92
Capital work in progress and intangible assets under development	124.83	102.56
Total	188.74	146.48

40. COVID-19

The situation of Covid-19 pandemic is continuously evolving. The impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Group and take necessary measures to address the situation.

41. SHARE-BASED PAYMENTS

Employee Stock Option Plan

The Employee Stock Options Scheme titled "Employee Incentive Scheme 2014 - Options and Restricted Stock Unit" hereafter referred to as "Employee Incentive Scheme 2014" or "the Scheme" was approved by the shareholders of the Holding Company through postal ballot on September 22, 2014. The Scheme covered 49,90,000 options/ restricted units for 49,90,000 equity shares. The Scheme allows the issue of options/restricted stock units (RSU)/ performance linked restricted stock units (PRSU) to employees of the Company which are convertible to one equity share of the Company. As per the Scheme, the Nomination and Remuneration Committee grants the options/RSU/PRSU to the employees deemed eligible. The options and RSU / PRSU granted vest over a period of 4 and 3 years respectively from the date of the grant in proportions specified in the respective ESOP Plans. Options/RSU/PRSU may be exercised by the employees after vesting period upto 7 years from the date of grant. The fair value as on the date of the grant of the options/RSU/PRSU, representing Stock compensation charge, is expensed over the vesting period.

Details of the Stock Option/ RSU/PRSU issued under the Scheme

Plan	Number of Options/ RSU/PRSU	Grant date	Expiry date	Exercise Price Rs.	Weighted Average Fair value of the Options at grant date Rs.
ESOP 2014	23,110	October 22, 2014	October 21, 2021	2,159	1,228
ESOP 2016	41,290	August 22, 2016	August 21, 2023	2,469	1,324
RSU 2016	11,194	August 22, 2016	August 21, 2023	2	3,290
ESOP 2017	29,800	October 31, 2017	October 31, 2024	2,818	1,615
RSU 2017	15,769	October 31, 2017	October 31, 2024	2	3,663
ESOP 2018	125,000	March 25, 2019	March 25, 2026	2,033	1,138
RSU 2018	17,760	January 31, 2019	January 31, 2026	2	2,672
ESOP 2019	98,750	October 22, 2019	October 22, 2026	1,745	1,067
RSU 2019	5,210	October 22, 2019	October 22, 2026	2	2,308
ESOP 2020	101,375	October 27, 2020	October 27, 2027	2,085	1,200
RSU 2020	1,560	October 27, 2020	October 27, 2027	2	2,686
RSU 2021	39,210	August 11, 2021	August 11, 2025	2	2,699
PRSU 2021	34,895	August 11, 2021	August 11, 2025	2	2,439

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

41. SHARE-BASED PAYMENTS (CONTD..)

Fair value of share options/ RSU granted during the year

The fair value of options/RSU granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options/RSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

Fair value of PRSU granted during the year

The fair value of PRSU granted is estimated using the Monte Carlo simulation model for performance based conditions, after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life PRSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

Inputs in to the pricing model

Particulars	Option Plan			
	RSU 2021	PRSU 2021	ESOP 2020	RSU 2020
Weighted Average Fair value of option/RSU/ PRSU	2,699	2,439	1,200	2,686
Spot share price	2,999	2,797	3,210	3,210
Exercise price	2	2	2,085	2
Expected average volatility	36.11%	33.30%	26.42%	26.61%
Option life	4 years	4 years	7 Years	7 Years
Dividend yield	4.22%	3.16%	3.91%	3.91%
Average risk-free interest rate	6.27%	5.16%	5.88%	5.88%

Movements in share options during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Outstanding at the beginning of the year	267,145	2,044	245,061	2,031
Granted during the year	-	-	101,375	2,085
Forfeited during the year	47,913	2,011	41,679	2,026
Exercised during the year	25,891	1,952	37,612	2,085
Outstanding at the end of year	193,341	2,065	267,145	2,044
Exercisable at the end of year	78,682	2,194	50,538	2,267

Movements in RSU/PRSU during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Outstanding at the beginning of the year	11,241	2.00	12,918	2.00
Granted during the year	74,105	2.00	1,560	2.00
Forfeited during the year	15,195	2.00	-	-
Exercised during the year	5,833	2.00	3,237	2.00
Outstanding at the end of year	64,318	2.00	11,241	2.00
Exercisable at the end of year	2,232	2.00	3,802	2.00



Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

41. SHARE-BASED PAYMENTS (CONTD..)

Share options exercised during the year

Option Plan	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of options exercised	Weighted Average Share price at exercise date Rs.	No. of options exercised	Weighted Average Share price at exercise date Rs.
ESOP 2014	-	-	864	3,224
ESOP 2016	336	2,870	7,941	3,101
ESOP 2017	265	2,898	2,628	3,164
RSU 2017	2,128	2,786	-	-
ESOP 2018	10,726	2,852	13,344	3,014
RSU 2018	1,674	2,786	1,674	2,361
ESOP 2019	9,458	2,718	12,835	3,202
RSU 2019	1,563	2,668	1,563	3,238
ESOP 2020	5,106	2,698	-	-
RSU 2020	468	2,668	-	-

Share options/RSU / PRSU outstanding at end of the year

Options/ RSU / PRSU Plans	Options outstanding as at March 31, 2022	Options outstanding as at March 31, 2021	Remaining contractual life (in Years) as on March 31, 2022	Remaining contractual life (in Years) as on March 31, 2021	Exercise Price Rs.
ESOP 2014	-	-	-	0.56	2,159
ESOP 2016	9,717	11,349	1.39	2.39	2,469
RSU 2016	-	-	1.39	2.39	2
ESOP 2017	12,687	14,910	2.59	3.59	2,818
RSU 2017	-	2,128	2.59	3.59	2
ESOP 2018	61,780	82,406	3.98	4.98	2,033
RSU 2018	2,232	3,906	3.84	4.84	2
ESOP 2019	40,362	64,480	4.56	5.56	1,745
RSU 2019	2,084	3,647	4.56	5.56	2
ESOP 2020	68,795	94,000	5.58	6.58	2,085
RSU 2020	1,092	1,560	5.58	6.58	2
RSU 2021	30,632	-	3.37	-	2
PRSU 2021	28,279	-	3.37	-	2
	257,660	278,386			

During the year ended March 31, 2022, the Group recorded an employee stock compensation expense of Rs. 10.00 crores (previous year Rs. 8.86 crore) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2022 is Rs. 24.45 crore (previous year Rs. 19.04 crore).

Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

42. FINANCIAL INSTRUMENTS

42.1 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Management reviews the capital structure of the Group on a regular basis. As part of this review, the Management considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarises the capital of the Group:

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (Borrowings including current maturity)	353.48	342.03
Share capital	39.96	39.96
Equity reserves	15,806.69	15,376.46
Total Equity	15,846.65	15,416.42
Gearing Ratio	2.23%	2.22%

Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	1,485.56	1,338.10
Current		
Investments	5,819.26	6,170.78
Financial assets at amortised cost		
Non-current		
Investments	969.49	610.49
Loans	17.43	16.73
Others	42.01	35.91
Current		
Investments	51.05	54.55
Trade receivables	2,158.49	2,274.68
Cash and bank balances	299.74	396.24
Loans	22.81	22.95
Other financial assets	475.00	382.55
Total	11,340.84	11,302.99
Financial liabilities at amortised cost		
Non-Current		
Borrowings	36.17	45.18
Lease Liability	215.51	212.42
Other financial liabilities	155.04	146.04
Current		
Borrowings	317.31	296.85
Lease Liability	36.18	29.57
Trade payables	4,343.09	5,264.18
Other financial liabilities	145.58	167.52
Total	5,248.88	6,161.76



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

42. FINANCIAL INSTRUMENTS (CONTD.)

42.2 Fair value measurements

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

There are certain Group's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

Particulars	Fair value as at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,315.68	-
Investments in debentures	-	-	150.00
Investments in equity instruments	19.88	-	-
Current			
Investments in mutual funds	5,695.23	91.39	-
Investments in equity instruments	32.64	-	-
Particulars	Fair value as at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	1,334.09	-
Investments in equity instruments	4.01	-	-
Current			
Investments in mutual funds	5,120.10	1,016.84	-
Investments in equity instruments	33.85	-	-

Notes forming part of the Consolidated Financial Statements

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(Amount in crores of INR)

42. FINANCIAL INSTRUMENTS (CONTD..)**42.2 Fair value measurements (Contd..)****Fair value of the Group's financial assets that are not measured at fair value (but fair value disclosures are required)**

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial instruments approximate their fair values:

Particulars	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost				
Non-current				
Investments in bonds	969.49	966.95	610.49	610.73
Current				
Investments in bonds	51.05	52.84	54.55	55.59

Particulars	Fair value hierarchy	
	March 31, 2022 Level 2	March 31, 2021 Level 2
Financial assets at amortised cost		
Non-current		
Investments in bonds	966.95	610.73
Current		
Investments in bonds	52.84	55.59

The fair value of the financial assets and financial liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between the market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions - Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.
- The fair value of bonds is based on direct market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current lease liabilities, current borrowings and other current financial liabilities: Fair value approximate their carrying amounts largely due to short-term maturities of these instruments.
- The Company's non current lease liabilities, non current borrowings and non current financial assets are measured at amortised cost, which approximates the fair value as on the reporting date.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022 and March 31, 2021.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

42. FINANCIAL INSTRUMENTS (CONTD..)

42.3 Financial risk management objectives and Policies

Financial risk management objectives

The Group's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments, diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Group's policies on foreign exchange risk and the investment. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity which impact returns on investments. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk including export receivables and import payables. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Foreign currency exposure as at March 31, 2022	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	4.01	-	1.03
Trade Payables	0.55	0.45	0.47
Capital Creditors	-	0.01	-
Borrowings	2.73	-	-

Foreign currency exposure as at March 31, 2022	Amount in SGD	Amount in COP	Amount in Chinese Yuan (RMB)
Trade Payables	0.00	0.59	0.07

Foreign currency exposure as at March 31, 2021	Amount in USD	Amount in EURO	Amount in JPY	Amount in SGD
Trade Receivables	3.10	-	-	-
Trade Payables	1.59	0.12	15.67	0.01
Capital Creditors	0.00	0.23	-	-
Forward cover-Bought	1.20	-	-	-
Borrowings	1.23	-	-	-

Foreign currency exposure as at March 31, 2021	Amount in BDT	Amount in COP	Amount in Chinese Yuan (RMB)
Trade Receivables	2.02	1.08	-
Trade Payables	4.49	0.85	0.17
Borrowings	40.00	4.99	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

42. FINANCIAL INSTRUMENTS (CONTD..)

42.3 Financial risk management objectives and Policies (Contd..)

Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. (+)(-) 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	(Rs. In Crores)			
	As at March 31, 2022		As at March 31, 2021	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	15.18	(15.18)	11.31	(11.31)
JPY	0.03	(0.03)	-	-
BDT	-	-	0.09	(0.09)
COP	-	-	1.08	(1.08)
Payable				
USD	(2.08)	2.08	(5.81)	5.81
JPY	(0.01)	0.01	(0.06)	0.06
EUR	(1.88)	1.88	(0.52)	0.52
SGD	(0.01)	0.01	(0.01)	0.01
RMB	(0.04)	0.04	(0.10)	0.10
BDT	-	-	(0.19)	0.19
COP	(0.60)	0.60	(0.85)	0.85
Capital Creditors				
USD	(0.01)	0.01	(0.00)	0.00
EUR	(0.03)	0.03	(1.04)	1.04
Forward cover-Bought	-	-	4.38	(4.38)
Borrowings				
USD	(1.03)	1.03	(0.05)	0.05
BDT	-	-	(1.73)	1.73
COP	-	-	(4.99)	4.99
Impact on profit or loss as at the end of the reporting period	9.51	(9.51)	1.51	(1.51)
Impact on total equity as at the end of the reporting period	7.11	(7.11)	1.13	(1.13)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/ in future years.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Group result in material concentrations of credit risks.

The Group write off the receivable in case of certainty of the irrecoverability.



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(Amount in crores of INR)

42. FINANCIAL INSTRUMENTS (CONTD..)

42.3 Financial risk management objectives and Policies (Contd..)

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the Note no. 15 above.

The Group has used a practical expedient and analysed the recoverable amount of receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience.

Movement in the expected credit loss allowance of trade receivables

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at beginning of the year	117.64	71.32
Add: Provided during the year	22.98	58.97
Less: Reversals of provision	23.53	12.26
Less: Amounts written back	0.19	0.39
Balance at the end of the year	116.90	117.64

Other price risks including interest rate risk

The Group has deployed its surplus funds into various financial instruments including units of mutual funds, bonds/debentures, etc. The Group is exposed to price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

Price sensitivity analysis

The sensitivity analyses has been determined based on the exposure to price risks at the end of the reporting period. If prices had been 1% higher/lower:

The profit for the year ended March 31, 2022 would increase/decrease by Rs. 71.55 crores (for the year ended March 31, 2021: increase/decrease by Rs. 75.09 crores).

Liquidity risk and interest rate risk on financial liabilities

Liquidity risk represents the inability of the Group to meet its financial obligations within stipulated time. To mitigate this risk, the Group maintains sufficient liquidity by way of readily convertible instruments and working capital limits from banks.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on the financial liabilities arising out of current and non current borrowings with floating interest rates. These borrowings expose the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at March 31, 2022	As at March 31, 2021
Borrowings	353.48	342.03

The profit for the year ended March 31, 2022 would increase/decrease by Rs. 3.48 crores (for the year ended March 31, 2021: increase/decrease by Rs. 2.77 crores) for a 1% increase/decrease in interest rate on average financial liabilities during the respective year.

The Group has lease liabilities which have been accounted with incremental borrowing rate and are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

42. FINANCIAL INSTRUMENTS (CONTD..)

42.3 Financial risk management objectives and Policies (Contd..)

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date on an undiscounted basis:

Particulars	As at March 31, 2022			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Borrowing	317.31	36.17	-	353.48
(ii) Trade payables	4,343.09	-	-	4,343.09
(iii) Other financial liabilities	145.58	83.37	90.95	319.90
(iv) Lease liabilities	46.65	183.13	113.01	342.79

Particulars	As at March 31, 2021			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Borrowing	296.85	45.18	-	342.03
(ii) Trade payables	5,264.18	-	-	5,264.18
(iii) Other financial liabilities	167.52	80.37	87.67	335.56
(iv) Lease liabilities	42.89	164.37	133.53	340.79

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

43. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act 2013:

Name of the Entity	Net Assets i.e. total asset less total liabilities		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (Rs. in crores)	As % of Consolidated Profit or (Loss)	Amount (Rs. in crores)	As % of other comprehensive income	Amount (Rs. in crores)	As % of total comprehensive income	Amount (Rs. in crores)
Parent	95.45%	15,782.92	98.42%	2,473.02	100.93%	(5.44)	98.41%	2,467.58
Subsidiaries								
Indian								
HMCL MM Auto Limited	0.14%	23.95	-0.45%	(11.26)	-0.93%	0.05	-0.45%	(11.21)
Foreign								
HMCL Netherlands BV	2.07%	342.22	0.35%	8.79	-	-	0.35%	8.79
HMCL Colombia SAS	0.34%	56.65	-0.07%	(1.80)	-	-	-0.07%	(1.80)
HMCL Niloy Bangladesh Limited	1.64%	271.26	1.53%	38.33	-	-	1.53%	38.33
HMCL Americas Inc.	0.14%	23.65	0.00%	(0.06)	-	-	0.00%	(0.06)
HMCL TechCenter Germany Gmbh	0.21%	34.92	0.23%	5.77	-	-	0.23%	5.77
Total	100.00%	16,535.57	100.00%	2,512.79	100.00%	(5.39)	100.00%	2,507.40
Adjustments arising out of consolidation		(2,743.38)		15.30		5.68		20.98
Non controlling interest		(148.05)		(12.17)		(1.84)		(14.01)
Associates*								
Indian								
Hero FinCorp Limited	12.72%	2,015.38	-3.30%	(76.54)	28.70%	(0.70)	-3.34%	(77.24)
Ather Energy Private Limited	1.18%	187.13	-5.29%	(122.51)	7.72%	(0.19)	-5.30%	(122.70)
Total		15,846.65		2,316.88		(2.44)		2,314.44

* Investments accounted as per equity method.



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44. CHANGE IN CLASSIFICATION

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Group has modified the classification of :

	As per earlier reported	Revised classification	Difference
Assets			
Non current assets			
Financial assets			
Loans	52.64	16.73	(35.91)
Others	-	35.91	35.91
Current assets			
Financial assets			
Loans	39.77	22.95	(16.82)
Others	365.73	382.55	16.82
Current liabilities			
Financial liabilities			
Borrowings	285.16	296.85	11.69
Other Financial liabilities	179.21	167.52	(11.69)

45. ADDITIONAL INFORMATION

- (i) No proceeding has been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) None of the entities within the Group and its associates have been declared as wilful defaulter by any bank or financial Institution or other lender.
- (iii) The group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (v) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vi) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company or associate companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company or its associate companies incorporated in India or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Amount in crores of INR)

45. ADDITIONAL INFORMATION (CONTD..)

(vii) There are no funds which have been received by the Holding Company or its subsidiary company or associate companies incorporated in India from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company or associate companies incorporated in India shall:

- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(viii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration
No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Vikram Advani
Partner
Membership No.: 091765
UDIN: 22091765AIIIFQL4657

Niranjan Kumar Gupta
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary

Place: Gurugram
Date: May 03, 2022

Place: Gurugram
Date: May 03, 2022



Form AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 containing salient features of financial statements of Subsidiaries and Associates

PART "A": SUBSIDIARIES

Particulars																							
Name of the Subsidiary ⁵	HMC MM Auto Limited			HMCL Americas Inc			HMCL Netherlands BV		HMCL Colombia SAS ²		HMCL Niloy Bangladesh Limited ²		HMCL Tech Center Germany GmbH										
Reporting period/Year	Year ended March 31, 2022			Year ended March 31, 2022			Year ended March 31, 2022		Year ended March 31, 2022		Year ended March 31, 2022		Year ended March 31, 2022										
Reporting Currency	INR			INR		USD		INR		USD		INR		COP ³		INR		BDT ³		INR		EURO	
Exchange Rate on the last date of Financial Year	1.00			75.79		1.00		75.79		1.00		0.02		1.00		0.88		1.00		83.87		1.00	
Country of Registration	India			USA			Netherlands		Colombia		Bangladesh		Germany										
Reporting amounts in	INR Crore			INR Crore		USD MN		INR Crore		USD MN		INR Crore		COP ³ Thousand MN		INR Crore		BDT ³ MN		INR Crore		EURO MN	
Share Capital	80.00			26.53		3.50		342.63		45.21		126.28		62.76		86.44		981.30		21.18		2.53	
Reserves & Surplus	(56.06)			(2.88)		(0.38)		(0.41)		(0.05)		(69.62)		(34.60)		184.82		2,098.08		13.74		1.64	
Total Assets	211.13			23.65		3.12		342.58		45.20		355.55		176.71		610.44		6,929.75		53.20		6.34	
Total Liabilities ¹	211.13			23.65		3.12		342.58		45.20		355.55		176.71		610.44		6,929.75		53.20		6.34	
Investment	-			-		-		337.21		44.49		-		-		32.64		370.63		-		-	
Turnover ⁴	228.40			0.01		0.00		10.23		1.35		391.86		194.76		664.98		7,548.91		110.54		13.18	
Profit/(Loss) Before Taxation	(11.21)			(0.06)		(0.01)		8.9		1.17		(1.87)		(0.93)		44.16		501.26		7.62		0.91	
Provision for Taxation	-			-		-		-		-		-		-		(5.47)		(62.07)		(2.03)		(0.24)	
Profit/(Loss) after Taxation	(11.21)			(0.06)		(0.01)		8.9		1.17		(1.87)		(0.93)		38.69		439.19		5.59		0.67	
Proposed Dividend	-			-		-		-		-		-		-		-		-		-		-	
%age holding	60%			100%		100%		100%		68%		68%		55%		55%		55%		100%		100%	

Note

- Total liabilities are inclusive of share capital and reserves and surplus.
- HMCL Colombia SAS and HMCL Niloy Bangladesh Ltd are subsidiaries of HMCL Netherlands BV.
- COP- Colombian Peso; BDT - Bangladesh Taka.
- Turnover includes other income and other operating revenue.
- There are no subsidiaries which have been liquidated or sold during the year.

Form AOC-1

PART "B": ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

S. no.	Name of Associates**	Hero FinCorp Limited	Ather Energy Private Limited
1.	Latest audited Balance Sheet Date	Year ended March 31, 2022	Year ended March 31, 2022
2.	Shares of Associate held by the company on the year end No.	5,24,31,893	1,80,794
	Amount of Investment in Associates (Rs. in crores)	1,469.04	504.58
	Extend of Holding %	41.19%	37.65%
3.	Description of how there is significant influence	Associates	Associates
4.	Reason why the associate is not consolidated	-	-
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in crores)	1,963.74	84.67
6.	Profit / (Loss) for the year		
	i. Considered in Consolidation	(82.48)	(122.70)
	ii. Not Considered in Consolidation*	(111.11)	(221.90)

* Represent portion of Profit attributable to other shareholders.

** There are no associate or joint venture which have been liquidated or sold during the year.

For and on behalf of the Board of Directors of

Hero MotoCorp Limited

Pawan Munjal
Chairman & CEO
DIN: 00004223

M. Damodaran
Chairman Audit Committee
DIN: 02106990

Niranjan Kumar Gupta
Chief Financial Officer

Pradeep Dinodia
Non-Executive Director
DIN: 00027995

Dhiraj Kapoor
Company Secretary

Place: Gurugram
Date: May 03, 2022

Corporate Information

Company Secretary & Compliance Officer

Mr. Dhiraj Kapoor

Statutory Auditors

BSR & Co. LLP
Chartered Accountants,
(FR No. 101248W/W-100022)
Building No. 10, 12th Floor,
Tower - C, DLF Cyber City, Phase-II
Gurugram - 122 002, India
Tel: 0124-719 1000
Fax: 0124-235 8613

Head of Internal Audit

Mr. Sohrab Prakash

Internal Audit Partners

Pricewaterhouse Coopers Private Limited

Building No. 8, 8th Floor,
Tower B, DLF Cyber City,
Gurugram - 122 002,
Haryana, India
Tel: 0124-4620000, 3060000
Fax: 0124-4620620
Web: www.pwc.com/in

Deloitte Haskins & Sells

Building No. 10, 7th Floor,
Tower B, DLF Cyber City Complex, DLF City
Phase - II,
Gurugram - 122 022,
Haryana, India
Tel: 0124-6792000
Fax: 0124-6792012
Web: www.deloitte.com/in

Ernst & Young LLP

Golf View Corporate Tower B, Sector 42,
Sector Road, Gurugram - 122 002,
Haryana, India
Tel: 0124-6714000
Web: www.ey.com

Grant Thornton Bharat LLP

21st Floor, DLF Square
Jacaranda Marg, DLF Phase II,
Gurugram - 122 002
Haryana, India Tel: 0124-4628000
Web: contact@in.gt.com

Sahni Natarajan and Bahl

303 Mansarovar, 90 Nehru Place
New Delhi - 110019
Tel: 011-26433003/04, 47347000
Fax: 011-26485081
Web: www.snbindia.com

Principal Bankers

Banks of America N.A.
Citibank N.A.
HDFC Bank
The Hong Kong and Shanghai Banking
ICICI Bank
Kotak Mahindra Bank
Standard Chartered Bank
MUFG Bank
State Bank of India

Registered and Corporate Office

The Grand Plaza,
Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase-II,
New Delhi - 110 070, India
Tel: 011-4604 4220
Fax: 011-4604 4399

Registrar and Share Transfer Agent

KFin Technologies Ltd.
Selenium, Tower B,
Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, India
Toll Free No: 1800-3094-001
Email: einward.ris@kfintech.com
Web: www.kfintech.com

Plant Locations

Gurugram Plant

37 km Stone,
Delhi-Jaipur Highway, Sector 33,
Gurugram - 122 001
Haryana, India
Tel: 0124-289 4200, 237 2123
Fax: 0124-237 3141/42

Dharuhera Plant

69 km Stone, Delhi-Jaipur Highway,
Dharuhera, Distt. Rewari - 123 110
Haryana, India
Tel: 01274-264 000
Fax: 01274-267 018

Haridwar Plant

Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar - 249 403, Uttarakhand, India
Tel: 01334-238 500, 239 514-16
Fax: 01334-239 512/13

Neemrana Plant

SP 101-103, 108 & 109,
RIICO Industrial Area,
Phase - II, Delhi-Jaipur Highway,
Neemrana, District Alwar,
Rajasthan - 301 705, India
Tel: 01494-2673000

Global Parts Centre

SP 104-107,
RIICO Industrial Area,
Phase-II, Delhi - Jaipur Highway,
Neemrana, District Alwar,
Rajasthan - 301 705, India

Halol Plant

Plot No. 102,
Halol (Exp.) Industrial Estate,
Vadodara Godhra Highway Taluka - Kalol,
Tehsil-Halol, Distt. Panchmahal,
Gujarat - 389 350, India
Tel: 02675-229114

Chittoor Plant

Sy. No. 1, Industrial Park,
Madanapalem (Village), Sathyavedu
(Mandal), Chittoor,
Andhra Pradesh - 517 588, India

R&D Centre

Centre of Innovation & Technology SPL-1,
RIICO Industrial Area, Kukas,
Phase-II, NH-11C, Jaipur,
Rajasthan - 302 028, India
Tel: 0142-643000

Colombia Plant

HMCL Colombia S.A.S
KM 24, via Cali - Santender De Quilichao
Zona Franca Permanente Conjunto
Industrial Parque Sur, Villa Rica, Cauca
Lote 6A, Colombia
Tel: +572 3120662

Bangladesh Plant

HMCL Niloy Bangladesh Ltd.
Padmabilla, Shakharihati,
Kotwali, Jessore, Bangladesh
Tel: +8809601505541

Hero Tech Center Germany GmbH

Kronstaudener Weg 1, D-83071
Stephanskirchen, Germany



Hero MotoCorp Limited
(CIN:L35911DL1984PLC017354)

The Grand Plaza,
Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase - II,
New Delhi - 110 070, India
Tel: 011-4604 4220
Fax: 011-4604 4399

www.heromotocorp.com



HERO MOTOCORP LIMITED

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

CIN: L35911DL1984PLC017354, **Phone:** 011- 4604 4220, **Fax:** 011-46044399

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

NOTICE

NOTICE is hereby given that the **39th Annual General Meeting ('AGM')** of the Members of **Hero MotoCorp Limited** will be held on **Tuesday, August 9, 2022 at 11:30 A.M through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")** to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022 together with the reports of the Directors' and Auditors' thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2022.
2. To confirm payment of interim dividend of ₹ 60/- per equity share and to declare a final dividend of ₹35/-per equity share for the financial year 2021-22.
3. To appoint a Director in place of Mr. Vikram Sitaram Kasbekar (DIN: 00985182) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W / W-100018), be and are hereby appointed as Statutory Auditors of the Company for a term of 5 consecutive years commencing from the conclusion of 39th Annual General Meeting until the conclusion of 44th Annual General Meeting of the Company, at such remuneration plus reimbursement of out-of-pocket and other incidental

expenses in connection with the audit, as recommended by the Audit Committee and approved by the Board of Directors."

SPECIAL BUSINESS

5. Ratification of remuneration of Cost Auditors for financial year 2022-23.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, remuneration payable to M/s R.J Goel & Co., Cost Accountants (Firm Registration No. 000026), appointed by the Board of Directors as Cost Auditors to conduct audit of the cost records of the Company for the financial year 2022-23, amounting to Rs. 3,00,000/- (Rupees three lakh only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby confirmed, ratified and approved."

6. Re- appointment of Mr. Vikram Sitaram Kasbekar (DIN: 00985182) as a Whole-time Director of the Company.

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

"RESOLVED THAT pursuant to Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in terms of Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Vikram Sitaram Kasbekar (DIN: 00985182) as a Whole-time Director, designated as Executive Director – Operations

(Plants), for a term of two (2) years from the expiry of his present term of office, viz. with effect from August 8, 2022 till August 7, 2024 on the existing remuneration, terms and conditions and as detailed in the Explanatory Statement annexed hereto, with authority to the Board of Directors and / or the Nomination and Remuneration Committee of the Board to alter, vary, enhance or widen the scope of remuneration or the terms and conditions of the said re-appointment from time to time including such periodical increase in his remuneration as may be permissible within the overall remuneration limit under Section 197, read with Schedule V of the Act and rules made thereunder, as amended from time to time, without being required to seek further consent or approval of the shareholders of the Company.

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to him in a financial year shall be subject to the overall ceiling laid down under Section 197, read with Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT his office as Director shall be liable to retire by rotation and there shall be no break in his office, in case, he is re-appointed on determination of his office on retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the NRC be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions.”

By order of the Board
For Hero MotoCorp Ltd.

(Dhiraj Kapoor)

Company Secretary & Compliance Officer
Membership No.: F5454

Place: New Delhi
Date: June 27, 2022

Registered Office:

The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj Phase –II, New Delhi- 110070
CIN: L35911DL1984PLC017354
Phone: 011 - 4604 4220
Fax: 011 - 46044399
Email: secretarialho@heromotocorp.com
Website: www.heromotocorp.com

NOTES:

1. In view of the COVID-19 pandemic, Ministry of Corporate Affairs (MCA) with reference to Circular Nos. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022 and all other relevant circulars issued from time to time (hereinafter collectively referred to as "Circulars") allowed companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020. Hence, in compliance with these Circulars, the annual general meeting of the Company (hereinafter referred as "AGM") will be conducted through Video Conferencing (VC)/Other Audio Visual Mode (OAVM). The deemed venue for the 39th AGM shall be the Registered Office of the Company.
 2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to special business to be transacted at the AGM is annexed hereto.
 3. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard - 2 in respect of the Director seeking appointment/re-appointment at the 39th AGM are annexed hereto as **Annexure - A** to the Notice which forms part of the Explanatory Statement. The Company has received relevant disclosure/consent from the Director seeking appointment/re-appointment.
 4. On account of threat posed by COVID-19 and in terms of the aforesaid MCA Circulars and SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the Annual Report and the Notice of AGM are being sent only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a) Shareholders holding shares in physical form, are requested to register/update their email addresses by submitting physical copy of Form ISR-1 to the RTA along with relevant documents at below mentioned address:

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Unit: Hero MotoCorp Limited
Selenium Tower B, Plot Nos. 31 & 32, Financial District
Nanakramguda, Serilingampally Mandal,
Hyderabad - 500032
- ISR Forms can be downloaded from the web link: <https://ris.kfintech.com/clientservices/isc/default.aspx> through Download Forms section.
- b) Shareholders holding shares in dematerialized form, are requested to register/update their email addresses with the Depository Participants with whom the demat account is maintained.
5. The Notice of the 39th AGM and the Annual Report for the year 2021-22 including therein the Audited Financial Statements for the year 2021-22, will be available on the website of the Company at www.heromotocorp.com and the website of stock exchanges at BSE Limited www.bseindia.com and National Stock Exchanges of India Ltd www.nseindia.com The Notice of 39th AGM and the Annual Report will also be available on the website of NSDL at www.evoting.nsdl.com
 6. The Annual Report along with Notice of AGM is being sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on June 24, 2022.
 7. Since the AGM will be held through VC, the facility to appoint proxy to attend and cast vote for the members is not available for the AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Therefore, the route map, proxy form and attendance slip are not annexed to this Notice.
- 8. AGM through Video Conference (VC):**
- a) National Securities Depositories Limited ("NSDL") will be providing facility for convening 39th AGM through VC/OAVM Facility, voting through remote e-voting and e-voting during the 39th AGM.
 - b) Since this AGM is being held through VC therefore physical attendance of Members has been dispensed with.
 - c) Corporate/Institutional Members are required to send a scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or during the AGM. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to contact@cssanjaygrover.in with a copy marked to evoting@nsdl.co.in. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.

- d) Members may join the AGM through VC/OAVM facility, by following the procedure as mentioned below, which shall be kept open for the Members from 11:00 a.m. IST i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility 30 minutes after the scheduled time to start the AGM.
 - e) The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis (FCFS). No restrictions on account of FCFS entry into AGM will apply in respect of large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc.
 - f) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- e) The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 39th AGM shall be the same persons mentioned for remote e-voting and reproduced hereunder for convenience:

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in.

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

- a) The procedure for e-voting during the AGM is same as the instructions mentioned below for remote e-voting.
- b) Only those members/shareholders/representatives, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

9. Instructions for attending the AGM through VC:

- a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may follow the steps mentioned in point no. 15 below for access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b) Members are encouraged to join the meeting through laptops for better experience.
- c) Members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

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

Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by Tuesday, August 2, 2022 through email on secretarialho@heromotocorp.com. Such questions shall be taken up or replied by the Company suitably.

Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/Folio no, No. of shares, PAN, mobile number at secretarialho@heromotocorp.com on or before Tuesday, August 2, 2022. Those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

12. Inspection

All documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Tuesday, August 9, 2022. Members seeking to inspect such documents can send an email to secretarialho@heromotocorp.com

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

13. Dividend:

- a) Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Friday, July 29, 2022 to Tuesday, August 9, 2022 (both days inclusive) for the purpose of 39th AGM of the Company and for determining the entitlement of the shareholders for final dividend for the financial year 2021-22, as may be approved by the Members at the meeting.
- b) Final Dividend for the financial year 2021-22, as recommended by the Board, if approved, at the AGM will be paid to the Members by Thursday, September 8, 2022 i.e. within 30 days from the date of approval to those Members/beneficial owners whose names appear in the Register of Members/depository records as at close of business hours on Thursday, July 28, 2022.
- c) Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants with whom they maintain their demat accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars or bank mandates. Members holding shares in demat form are, therefore, requested to intimate any change in their addresses and/or bank mandate immediately to their Depository Participants.
- d) Members holding shares in physical form are requested to register their Electronic Clearing Service(ECS) mandate by submitting the ISR-1 FORM along with the (i) Physical copy of the signed request letter which shall contain shareholder's name, folio number, bank details (viz. Bank account number, Bank and Branch Name, address, IFSC, MICR details) (ii) a

self-attested copy of the PAN card and (iii) cancelled cheque leaf to the Company's RTA.

- e) For the shareholders who have not updated their bank account details, the Company will send the dividend warrants at address registered in the Company's record.
- f) Shareholders may note that the Income Tax Act, 1961 (Act), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 1, 2020, shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making payment of the final dividend, if approved at AGM. In order to enable the Company to determine the appropriate TDS rate, as applicable, shareholders are requested to submit their documents in accordance with the provisions of the Act. The Company will also send an email to all the shareholders at their registered email IDs in this regard. Members are requested to write to the RTA at einward.ris@kfintech.com for any queries/questions in this regard.

14. Cut-off Date

The Company has fixed Tuesday, August 2, 2022 as the **Cut-off Date** for remote e-voting. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. Tuesday, August 2, 2022 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

15. Remote e-voting

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than venue of the AGM) through NSDL, for all Members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of 39th AGM of the Company.

The remote e-voting period begins on **Friday, August 5, 2022 at 9:00 a.m.** (IST) and ends on **Monday, August 8, 2022 at 5:00 p.m.** (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the Cut-off Date i.e. Tuesday, August 2, 2022 may cast their votes electronically. The remote e-voting module shall be disabled after 05:00 p.m. (IST) on **Monday, August 8, 2022.**

The facility for electronic voting system, shall also be made available at the 39th AGM. The Members attending the AGM, who have not cast their votes through remote e-voting and are otherwise not barred from doing so, shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

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

INSTRUCTIONS FOR E-VOTING:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

- Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

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

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

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

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

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

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarialho@heromotocorp.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step **1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holds shares as of the cut-off date i.e. August 2, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date i.e. August 2, 2022, may follow steps mentioned in the Notice of AGM under "Access to NSDL e-Voting system".
16. The Company has designated Mr. Dhiraj Kapoor, Company Secretary and Compliance Officer, to address the grievances connected with the voting by electronic means/ joining the AGM through VC. The Members can reach Company official at +91-11-46044220 or secretarialho@heromotocorp.com.
17. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date, being Tuesday, August 2, 2022.
18. The Board of Directors has appointed Mr. Devesh Kumar Vasisht, Partner, failing him Ms. Priyanka, Partner, M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi (Firm Registration No. P2001DE052900), as Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.
19. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall within two working days or not later than 3 (three) days, whichever is earlier, of conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of voting forthwith.
20. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions. The results shall be declared within two working days or not later than 3 (three) days, whichever is earlier, of conclusion of the Annual General Meeting of the Company. The results along with Scrutiniser's Report shall be placed on the website of the Company (www.heromotocorp.com), website of NSDL (evoting@nsdl.co.in) and be filed with the Stock Exchanges. It shall also be displayed on the Notice Board at the Registered Office of the Company.
21. Members are requested to note that under Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government of India. Further, all shares in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, are also required to be transferred to designated Demat Account of the IEPF Authority. The Members who have so far not yet claimed their dividend for the previous years are advised to submit their claim to the RTA.

The Company during the financial year 2021-22 had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the financial year 2013-14 (Final) and 2014-15 (Interim) along with relevant shares to the IEPF within the stipulated time period.

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

Further, all the shareholders who have not claimed/ encashed their dividends in the last seven consecutive years from FY 2014-15 (Final) are requested to claim the same. The concerned members are requested to verify

the details of their unclaimed amounts, if any, from the website of the Company and write to the Company's Registrar before the same becomes due for transfer to the IEPF.

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

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

The SEBI vide its Circular: SEBI/ HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655) dated November 3, 2021 and subsequent clarifications released in this regard, has mandated the following:

- a. furnishing of PAN, email address, mobile number, bank account details, signature updation and registration of nomination by holders of physical securities,
- b. any service request of the shareholder shall be entertained only upon registration of the PAN, Bank details and the nomination,

The relevant forms for the aforementioned submissions are provided in the following link: <https://www.heromotocorp.com/en-in/investor-downloads.html>. The shareholders are advised to provide the duly filled-in and signed documents along with the related proofs to the RTA.

Freezing of Folios without PAN, KYC details and Nomination:

- a. Wherein any one of the aforesaid document/ details are not available on or after April 01, 2023, folio shall be frozen and shareholder will not be eligible to lodge grievance or avail service request from the RTA and shall not be eligible for receipt of dividend in physical mode;
 - b. On or after December 31, 2025, the frozen folio(s) shall be referred by the RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.
23. This is to bring to the information of the members that the Securities and Exchange Board of India (SEBI) has issued a circular no. SEBI/HO/MIRSD/MIRSD RTAMB/P/ CIR/2022/76 on May 30, 2022, regarding Standard Operating Procedures (SOP) for dispute resolution under

the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/ Investor(s). The abovementioned circular (which includes the SOP), is available at the website of the Company at www.heromotocorp.com for easy reference of the shareholder.

24. Investor Education and Protection Fund (IEPF) Authority as a part of Azadi Ka Amrit Mahotsav (AKAM) has launched a special window facility for senior citizens of age 75 years and above. The Company supports the aforesaid initiative and is facilitating all such claimants in filing IEPF-5 as well as their e-verification report on priority in MCA 21. All such senior citizen claimants may write to secretarialho@heromotocorp.com for the required assistance.
25. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form. Therefore, **shareholders are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard.** Further, the SEBI vide its Circular no. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue shares in dematerialized format only while processing service request such as issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

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

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Members of the Company at the 34th Annual General Meeting ('AGM') held on July 14, 2017 approved the appointment of M/s BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W100022) ("BSR"), as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of the said AGM until the conclusion of 39th AGM of the Company. The tenure of BSR will end on conclusion of this AGM.

The Board of Directors on the recommendation of the Audit Committee has proposed the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W / W-100018), as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of 39th AGM till the conclusion of the 44th AGM, for the approval of the Members. The fee for audit services for financial year 2022-23 will be Rs. 1.75 crore plus applicable taxes and out-of-pocket and other incidental expenses in connection with the audit. In addition to the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by banks, statutory authorities, etc. and other permissible non-audit services as required from time to time, for which they will be remunerated separately on such terms as may be recommended by the Audit Committee and approved by the Board of Directors. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company. There is no material change in the audit fee payable to M/s. Deloitte Haskins & Sells LLP from that paid to BSR.

The Audit Committee and the Board has considered factors like vast audit experience of the firm in various segments, market standing of the firm, qualifications and experience of the partners of the firm, engagement team's experience, clientele served, sound technical knowledge, etc. and found credentials of M/s. Deloitte Haskins & Sells LLP suitable to handle the statutory audit of the Company.

M/s. Deloitte Haskins & Sells LLP, has around 4,000 professionals and staff. It has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. They have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013 and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the Companies Act or the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Deloitte Haskins & Sells LLP, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

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

The Board recommends the Resolution as set out in Item No. 4 to be approved by the shareholders by way of Ordinary Resolution.

ITEM NO. 5

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

Based on the recommendation of Audit Committee, the Board at its meeting held on Tuesday, May 3, 2022 has approved the appointment of M/s. R.J Goel & Co., Cost Accountants (Firm Registration No. 000026), as Cost Auditors for the financial year 2022-23 at a remuneration of Rs. 3,00,000/ (Rupees three lakh only) plus applicable taxes and reimbursement of out of pocket expenses.

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

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

ITEM NO. 6

Mr. Vikram Sitaram Kasbekar's long association, commitment to constant growth of the Company and leadership qualities earned him a place on the Board of Directors in 2016. His efforts to expand capacity in India and other worldwide markets contributed greatly to the Company's market leadership. Furthermore, his guidance helped in the efficient running of the Operations & Supply Chain vertical, which met market demand through tumultuous times. Based on his outstanding contribution to the operational performance, Mr. Kasbekar was reappointed as a Whole-time Director for a three-year period beginning August 8, 2019 and ending August 7, 2022. Now, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 3, 2022 has re-appointed Mr. Kasbekar as a Whole-time Director, designated as Executive Director – Operations (Plants), for a term of two (2) years with effect from August 8, 2022 till August 7, 2024, subject to the approval of the Members. **The proposed re-appointment for next 2 years is on the existing terms and conditions.**

Mr. Kasbekar is a graduate from IIT Madras in Mechanical Engineering and has more than 4 decades of experience in the field of Operations, Supply Chain, R&D, Manufacturing and Project Engineering. He has been with Hero MotoCorp Limited for close to 21 years and has contributed significantly to the growth of the organisation. Mr. Kasbekar is instrumental in formulating and driving the Company's sustainable manufacturing strategy to meet global standards in manufacturing quality and delivery, New Model Centre, Projects, Global Parts Centre, Green Initiatives and Compliances. He has been a part of team driving strategic alliances for business growth. He is credited with building a strong R&D ecosystem in Hero and is recognized for his approach of building effective and diverse teams. He is also in various management committees for pricing, sourcing, statutory compliance & audit. In the Auto industry, he has worked in Commercial Vehicles, Auto Ancillary & Two Wheelers Sectors. Further, he is actively associated as a member of CII northern region council.

The approval of the members is sought for the re-appointment of Mr. Vikram Kasbekar on the existing terms and conditions and remuneration to be paid to him as the Whole-time Director of the Company. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Kasbekar for the office of Whole-time Director of the Company.

The broad terms and conditions of re-appointment of, including remuneration payable to Mr. Kasbekar are as follows:

- I. Fixed Pay (Inclusive of Basic Salary, Perquisites, Allowances and other Benefits): He shall be entitled to basic salary, perquisites, benefits and allowances including house rent allowance, children education allowance, reimbursement of medical expenses for self and family, leave travel allowance, personal accident insurance, facility of car etc. as per Company's policy and as may be recommended by Nomination and Remuneration Committee and approved by the Board from time to time provided that the total amount of his fixed pay shall not exceed Rs. 8,00,00,000/- (Rupees Eight Crore) per annum.
- II. Variable Pay (Performance Linked Incentive/Bonus): As may be recommended by Nomination and Remuneration Committee and approved by the Board from time to time not exceeding 75% of the fixed pay in any financial year.
- III. Retiral/Other Benefits: Retiral benefits shall include Gratuity, Leave Encashment, Company's contribution to Provident and Superannuation funds, other benefits as per norms of the Company.
- IV. Grant of stock options (Employee Stock Options/ Restricted Stock Units etc.): Criteria and grant size to be decided by Nomination & Remuneration Committee of the Board from time to time and shall be as per Company's Employee Incentive Scheme for the time being in force.
- V. Re-imburement of Expenses: He shall be entitled to reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement shall not form part of his remuneration.

The amount of variable pay, if any, shall be based on achievement of organizational performance parameters/ metrics viz. total revenue, domestic market share, global business volume, EBITDA margin and cash flows, strategic milestones including parts revenue or such other parameters/ metrics as may be determined by the Board of Directors and/ or NRC from time to time.

If in any financial year during the currency of tenure of Mr. Vikram Sitaram Kasbekar, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of fixed and variable pay within limits prescribed under

Section II, Part II of Schedule V to the Companies Act, 2013, as amended from time to time.

Mr. Kasbekar shall not be entitled to any sitting fee for attending meetings of the Board and/or any Committee of Board and payment of remuneration to him shall be subject to provisions of tax as applicable for the time being in India, including deduction of tax at applicable rates.

A brief about his nature of expertise in specific functional areas, other directorships and committee memberships, list of listed entities from which he has resigned in the past three years, his relationship with other directors in the Company, etc. is appended to the Notice hereto.

Mr. Kasbekar satisfies all the conditions as set out in Part-I of Schedule V and Section 196(3) of the Act for being eligible for re-appointment. He is neither disqualified from being appointed as Director in terms of provisions of the Act nor debarred from being appointed to the office of Director by virtue of any order of SEBI or any such other authority.

Except Mr. Vikram Kasbekar and his relatives no other Director, Key Managerial Personnel or their relatives are in anyway concerned or interested in the resolution.

The Board recommends the Resolution as set out in Item No. 6 to be approved by the shareholders by way of Ordinary Resolution.

By order of the Board
For Hero MotoCorp Ltd.

(Dhiraj Kapoor)

Place: New Delhi
Date: June 27, 2022

Company Secretary & Compliance Officer
Membership No.: F5454

Registered Office:

The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj Phase –II, New Delhi-110070
CIN: L35911DL1984PLC017354
Phone: 011 - 4604 4220
Fax: 011 - 46044399
Email: secretarialho@heromotocorp.com
Website: www.heromotocorp.com

Annexure A

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

Name of Director	Mr. Vikram Sitaram Kasbekar
DIN	00985182
Brief Resume	As detailed in Explanatory Statement above for Item No. 6 of the Notice.
Date of Birth (Age in years)	October 6, 1954 (67)
Qualifications	B.Tech, IIT Madras
Experience	46 years
Expertise in specific functional areas	<ul style="list-style-type: none"> - Automotive / Mobility/ Product Development - Technology/ R&D - Strategic planning and Business Model Innovation
Terms and conditions of appointment / re-appointment	As detailed in Explanatory Statement above for Item No. 6 of the Notice.
Details of remuneration and remuneration last drawn	Details mentioned in the explanatory statement and the Corporate Governance Report.
Date on which first appointed on the Board	August 8, 2016
Details of shareholding in the Company	Holding 14,479 equity shares of Rs. 2/- each
Relationship with other Directors/Key Managerial Personnel (if any)	None
Number of Board meetings attended during the year	Details mentioned in the Corporate Governance Report.
Details of Directorships/Committee chairmanship and memberships in other Companies	As detailed herein below.
Listed entities from which Mr. Kasbekar has resigned in the past three years	None

Details of Directorship/Committee Chairmanship and Membership in other companies

Name of Director	Type of Company	Directorships held	Committee Membership	Committee Chairmanship
Mr. Vikram Sitaram Kasbekar	L	Hero MotoCorp Ltd	SRC, RMC	-
	UL	HMC MM Auto Limited	-	-
	FC	HMCL Niloy Bangladesh Ltd.	-	-

List of Abbreviations used in the Table above:

L – Listed Company

UL – Unlisted Public Company

FC – Foreign Company

SRC – Stakeholders’ Relationship Committee

RMC – Risk Management Committee