

B S R & Co. LLP

Chartered Accountants

Building No.10,12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

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Independent Auditor's Report

To the Board of Directors of Hero MotoCorp Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Hero MotoCorp Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 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 annual financial results.

Emphasis of Matter

Attention is invited to note 9 of the financial results, 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.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33

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Independent Auditor's Report (Continued)

Hero MotoCorp Limited

of the Listing Regulations. 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 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements 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 annual financial results 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 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 standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results 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.

Independent Auditor's Report (Continued)

Hero MotoCorp Limited

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

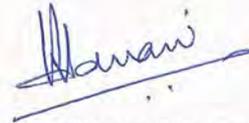
Other Matter

- a. The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Vikram Advani

Partner

Gurugram

03 May 2022

Membership No.: 091765

UDIN: 22091765AIIHXX1748



HERO MOTOCORP LIMITED

Statement of Standalone Financial Results for the quarter and year ended March 31, 2022

(Rupees in crore)

	Quarter ended			Year ended		
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021	
	Audited (refer note 5)	Un-audited	Audited (refer note 5)	Audited	Audited	
1	No. of Two wheelers sold (In Lakhs)	11.89	12.92	15.68	49.44	58.00
2	Income					
	(a) Revenue from operations	7,421.73	7,883.27	8,685.97	29,245.47	30,800.62
	(b) Other income	139.76	121.63	87.38	556.91	579.85
	Total income	7,561.49	8,004.90	8,773.35	29,802.38	31,380.47
3	Expenses					
	[a] Cost of materials consumed	4,958.60	5,545.10	6,331.65	20,708.07	21,875.33
	[b] Purchase of stock in trade	0.63	17.07	30.46	45.95	30.46
	[c] Changes in inventories of finished goods, stock-in-trade and work-in-progress	183.21	32.15	(244.84)	72.71	(143.46)
	[d] Employee benefits expense	476.33	518.00	488.44	1,935.44	1,898.72
	[e] Finance costs	6.66	6.51	6.29	25.80	21.84
	[f] Depreciation and amortisation expense	158.46	164.44	163.12	649.75	676.87
	[g] Other expenses	975.39	810.94	869.11	3,114.53	3,120.33
	Total expenses	6,759.28	7,094.21	7,644.23	26,552.25	27,480.09
4	Profit before tax (2-3)	802.21	910.69	1,129.12	3,250.13	3,900.38
5	Tax expense					
	Current tax	212.61	211.60	316.91	797.91	924.92
	Deferred tax	(37.45)	12.96	(52.76)	(20.80)	11.26
	Total Tax Expense	175.16	224.56	264.15	777.11	936.18
6	Profit after tax (4-5)	627.05	686.13	864.97	2,473.02	2,964.20
7	Other comprehensive income /(expense) [net of tax]					
	Items that will not be reclassified to profit or loss	11.14	(5.52)	3.96	(5.44)	(21.06)
	Items that will be reclassified to profit or loss	-	-	-	-	-
8	Total comprehensive income (6+7)	638.19	680.61	868.93	2,467.58	2,943.14
9	Paid-up equity share capital	39.96	39.96	39.96	39.96	39.96
	Face value of the share (In Rupees)	2.00	2.00	2.00	2.00	2.00
10	Total Reserves				15,742.96	15,158.47
11	Earning per equity share on profit after tax (face value Rs. 2/- each) [In Rupees]					
	Basic	31.38	34.34	43.30	123.78	148.39
	Diluted	31.37	34.33	43.28	123.74	148.37

Hero MotoCorp Ltd.

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Standalone Statement of Assets and Liabilities

(Rupees in crores)

Particulars		As at March 31, 2022 Audited	As at March 31, 2021 Audited
ASSETS			
1	Non-current assets		
	(a) Property, plant and equipment	5,094.39	5,293.40
	(b) Capital work-in-progress	87.32	177.86
	(c) Right of Use of Assets	413.59	404.75
	(d) Other Intangible assets	298.50	290.26
	(e) Intangible assets under development	370.88	258.73
	(f) Financial assets		
	(i) Investments	4,814.66	4,308.18
	(ii) Loans	17.43	16.73
	(iii) Others	41.60	35.50
	(g) Income tax assets (net)	340.92	368.19
	(h) Other non-current assets	119.77	54.66
	Total Non - Current Assets	11,599.06	11,208.26
2	Current assets		
	(a) Inventories	1,122.65	1,469.55
	(b) Financial assets		
	(i) Investments	5,837.66	6,191.49
	(ii) Trade receivables	2,304.27	2,426.76
	(iii) Cash and cash equivalents	98.68	169.22
	(iv) Bank balances other than (iii) above	76.44	87.93
	(v) Loans	22.81	22.95
	(vi) Others	454.80	371.52
	(c) Other current assets	197.65	213.37
	Total Current Assets	10,114.96	10,952.79
	Total Assets	21,714.02	22,161.05
EQUITY AND LIABILITIES			
1	Equity		
	(a) Equity Share capital	39.96	39.96
	(b) Other equity	15,742.96	15,158.47
	Total Equity	15,782.92	15,198.43
2	LIABILITIES		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Lease Liability	142.32	129.81
	(ii) Other Financial Liabilities	155.04	146.04
	(b) Provisions	178.07	172.46
	(c) Deferred tax liabilities (net)	383.29	404.09
	Total Non - Current Liabilities	858.72	852.40
3	Current liabilities		
	(a) Financial liabilities		
	(i) Lease Liability	25.75	19.70
	(ii) Trade payables		
	Total outstanding dues of micro and small enterprises	25.55	15.71
	Total outstanding dues of creditors other than micro and small enterprises	4,234.79	5,188.90
	(iii) Other financial liabilities	133.75	159.53
	(b) Other current liabilities	492.12	566.01
	(c) Provisions	160.42	160.37
	Total Current Liabilities	5,072.38	6,110.22
	Total Equity and Liabilities	21,714.02	22,161.05

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Standalone Statement of Cash Flows



(Rupees in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Audited	Audited
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 equipments 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 taxes paid (net of refund)	768.81	975.90
Net cash generated from operating activities	2,020.27	4,172.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment, intangible assets, capital work in progress and intangible assets under development including capital advances	(534.69)	(514.56)
Proceeds from sale of property, plant and 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 generated 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)
Dividend paid	(1,898.13)	(1,897.81)
Proceeds from issue of equity share capital (including securities 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 period	169.22	147.91
Cash and cash equivalents at the end of the period	98.68	169.22

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Notes:-

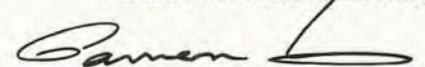
- 1 The above standalone results for the quarter and year ended March 31, 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on May 03, 2022. These results have been subjected to audit by the statutory auditors.
- 2 On May 03, 2022, the Board of Directors had considered and approved final dividend @ 1,750% i.e. Rs. 35 per equity share (face value of Rs.2 per equity share) for the financial year 2021-22. This dividend together with the interim dividend @ 3000% i.e. Rs.60 per equity share, aggregating the total dividend for the year 2021-22 to Rs.95 per equity share i.e. 4,750%
- 3 During the quarter and year ended March 31, 2022, 6,710 and 31,724 equity shares respectively of Rs. 2 each were issued and allotted under the Employee Incentive Scheme – 2014.
- 4 During the quarter and year ended, the Company has further invested in associates. Details are as follows:-

Name of the Company	Nature	Quarter ended 31-03-2022	Quarter ended 31-03-2021	Year ended 31-03-2022	Year ended 31- 03-2021
HMCL Netherlands B.V.	Subsidiary	-	14.22	-	14.22
Total (Rs. in crores)		-	14.22	-	14.22
Hero Fincorp Limited	Associate	-	194.37	-	194.37
Ather Energy Private Limited	Associate	150.00	-	150.00	174.00
Total (Rs. in crores)		150.00	194.37	150.00	368.37

- 5 The figures of the last quarter are the balancing figures between the audited figures in respect of full year and the unaudited published figures up to the third quarter ended December 31, which were subjected to review.
- 6 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.
- 7 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 results 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.
- 8 Previous period figures have been re-grouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021.
- 9 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 results.
- 10 The above results of the Company are available on the Company's website www.heromotocorp.com and also on www.bseindia.com and www.nseindia.com.

New Delhi
May 03, 2022

For and on behalf of the board



DR. PAWAN MUNJAL
Chairman & CEO
DIN : 00004223

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Independent Auditor's Report

To the Board of Directors of Hero MotoCorp Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Hero MotoCorp Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us on the consideration of reports of other auditors on separate audited financial results of the subsidiaries and associates, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the entities

Subsidiaries

- HMC MM Auto Limited
- HMCL Americas Inc.
- HMCL Netherlands B.V.;
- HMCL Colombia S.A.S;
- HMCL Niloy Bangladesh Limited; and
- Hero Tech Center Germany, GMBH

Associates

- Hero FinCorp Limited; and
- Ather Energy Private Limited

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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, along with the consideration of reports of the other auditors referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

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Independent Auditor's Report (Continued)

Hero MotoCorp Limited

Emphasis of Matter

Attention is invited to note 10 of the consolidated financial results, 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.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associates in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of the assets of each 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 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 annual financial results 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 annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the 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 Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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

Independent Auditor's Report (Continued)

Hero MotoCorp Limited

for expressing our opinion through a separate report on the complete set of financial statements 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 consolidated annual financial results 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 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 annual financial results 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 annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results/financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities/entity included in the consolidated annual financial results, 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 sub paragraph no. (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matter

- a. The consolidated annual financial results include the audited financial results/financial information of five subsidiaries, whose financial results/ financial information reflect total assets (before consolidation adjustments) of Rs. 1,382.07 crores as at 31 March 2022, total revenue (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) of Rs. 24.51 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their independent auditors. The consolidated annual financial results also include the Group's share of total net loss after tax of Rs. 199.24 crores for the year ended 31 March 2022, as considered in the consolidated annual financial results, in respect of two associates, whose financial information/financial results have been audited by their independent auditors. The independent auditor's reports on financial results/financial information of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and

Independent Auditor's Report (Continued)

Hero MotoCorp Limited

disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial results/financial statements/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 results/financial information 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 annual financial results 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.

- b. The consolidated annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Vikram Advani

Partner

Gurugram

03 May 2022

Membership No.: 091765

UDIN:22091765AIIHNJ3246



HERO MOTOCORP LIMITED

Statement of Consolidated Financial Results for the quarter and year ended March 31, 2022

(Rupees in crore)

	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Audited (refer note 6)	Un-audited	Audited (refer note 6)	Audited	Audited
1 Income					
(a) Revenue from operations	7,496.55	8,013.08	8,689.74	29,551.28	30,959.19
(b) Other income	131.44	120.22	68.27	555.01	557.90
Total income	7,627.99	8,133.30	8,758.01	30,106.29	31,517.09
2 Expenses					
(a) Cost of materials consumed	5,016.79	5,562.94	6,358.95	20,845.74	21,968.04
(b) Purchase of stock in trade	0.63	17.07	31.14	45.95	31.14
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	139.87	78.63	(316.02)	28.67	(255.57)
(d) Employee benefits expense	496.72	532.13	502.70	1,995.78	1,951.02
(e) Finance costs	12.97	12.70	12.61	53.10	46.41
(f) Depreciation and amortisation expense	168.38	174.39	173.51	689.52	715.12
(g) Other expenses	986.59	839.21	886.33	3,190.37	3,165.05
Total expenses	6,821.95	7,217.07	7,649.22	26,849.13	27,621.21
3 Profit from ordinary activities before share of Profit / (Loss) of associates and tax (1-2)	806.04	916.23	1,108.79	3,257.16	3,895.88
4 Profit / (loss) from associates					
Share in net profit / (loss) of associates	(20.31)	19.75	37.75	(199.05)	(46.56)
5 Profit before tax (3+4)	785.73	935.98	1,146.54	3,058.11	3,849.32
6 Tax expense					
Current tax	215.16	213.47	319.11	805.44	931.38
Deferred tax charge/ (credit)	(49.99)	18.27	(57.85)	(76.38)	(18.11)
Total Tax Expense	165.17	231.74	261.26	729.06	913.27
7 Profit after tax (5-6)	620.56	704.24	885.28	2,329.05	2,936.05
8 Other comprehensive income /(expense) [net of tax]					
Items that will not be reclassified to profit or loss	10.20	(5.44)	4.18	(6.28)	(20.81)
Items that will be reclassified to profit or loss	15.79	(11.39)	(3.68)	5.68	(5.06)
9 Total comprehensive income (7+8)	646.55	687.41	885.78	2,328.45	2,910.18
10 Net Profit attributable to					
a) Owners of the Company	611.34	703.74	880.94	2,316.88	2,917.75
b) Non controlling interest	9.22	0.50	4.34	12.17	18.30
11 Other comprehensive income attributable to					
a) Owners of the Company	19.66	(12.34)	1.09	(2.44)	(24.01)
b) Non controlling interest	6.33	(4.49)	(0.59)	1.84	(1.86)
12 Total comprehensive income attributable to					
a) Owners of the Company	631.00	691.40	882.03	2,314.44	2,893.74
b) Non controlling interest	15.55	(3.99)	3.75	14.01	16.44
13 Paid-up equity share capital					
Face value of the share (In Rupees)	39.96	39.96	39.96	39.96	39.96
	2.00	2.00	2.00	2.00	2.00
14 Total Reserves				15,806.69	15,376.46
15 Earning per equity share on profit after tax (face value Rs. 2/- each) [In Rupees]					
Basic	30.59	35.23	44.10	115.96	146.07
Diluted	30.59	35.21	44.08	115.93	146.04

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Hero MotoCorp Ltd.

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HeroMotoCorp.com CIN: L35911DL1984PLC017354 PAN: AAACH0812J



Consolidated Statement of Assets and Liabilities

(Rupees in crore)

		As at March 31, 2022	As at March 31, 2021
		Audited	Audited
ASSETS			
1	Non-current assets		
	(a) Property, plant and equipment	5,354.34	5,550.67
	(b) Capital work-in-progress	149.13	236.40
	(c) Right of use of assets	517.90	511.24
	(d) Other Intangible assets	321.30	318.48
	(e) Intangible assets under development	368.09	258.73
	(f) Equity accounted investment in associates	2,202.51	2,407.69
	(g) Financial assets		
	(i) Investments	2,455.05	1,948.59
	(ii) Loans	17.43	16.73
	(iii) Others	42.01	35.91
	(h) Income tax assets (net)	358.07	378.49
	(i) Other non-current assets	120.34	62.68
	Total Non - Current Assets	11,906.17	11,725.61
2	Current assets		
	(a) Inventories	1,472.41	1,789.27
	(b) Financial assets		
	(i) Investments	5,870.31	6,225.34
	(ii) Trade receivables	2,158.49	2,274.68
	(iii) Cash and cash equivalents	181.02	274.62
	(iv) Bank balances other than (iii) above	118.72	121.62
	(v) Loans	22.81	22.95
	(vi) Others	475.00	382.55
	(c) Other current assets	273.46	279.45
	Total Current Assets	10,572.22	11,370.48
	Total Assets	22,478.39	23,096.09
EQUITY AND LIABILITIES			
1	Equity		
	(a) Equity Share capital	39.96	39.96
	(b) Other equity	15,806.69	15,376.46
	Total Equity attributable to owners of the company	15,846.65	15,416.42
2	Non-controlling interests	148.05	143.19
	Total Equity	15,994.70	15,559.61
3	LIABILITIES		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	36.17	45.18
	(ii) Lease Liability	215.51	212.42
	(iii) Other Financial Liabilities	155.04	146.04
	(b) Provisions	181.13	175.57
	(c) Deferred tax liabilities (net)	378.21	452.74
	Total Non - Current Liabilities	966.06	1,031.95
4	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	317.31	296.85
	(ii) Lease Liability	36.18	29.57
	(iii) Trade payables		
	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	145.58	167.52
	(b) Other current liabilities	496.32	570.59
	(c) Provisions	179.15	175.82
	Total Current Liabilities	5,517.63	6,504.53
	Total Equity and Liabilities	22,478.39	23,096.09

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Consolidated Statement of Cash Flows

(Rupees in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax and share in profit/(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)	15.04
Other financial assets	(66.89)	1.60
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-Current	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	(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)
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 period	274.62	305.31
Cash and cash equivalents at the end of the period	181.02	274.62

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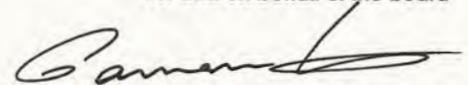
Notes:-

- 1 The above consolidated results for the quarter and year ended March 31, 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on May 03, 2022. These results have been subjected to audit by the statutory auditors.
- 2 On May 03, 2022, the Board of Directors had considered and approved final dividend @ 1,750 % i.e. Rs.35 per equity share (face value of Rs.2 per equity share) for the financial year 2021-22. This dividend together with the interim dividend @ 3,000% i.e. Rs.60 per equity share, aggregating the total dividend for the year 2021-22 to Rs.95 per equity share i.e. 4,750%.
- 3 During the quarter and year ended March 31, 2022, 6,710 and 31,724 equity shares respectively of Rs. 2 each were issued and allotted under the Employee Incentive Scheme – 2014.
- 4 Particulars of subsidiaries and associates as on March 31, 2022
 - a) Subsidiaries (held directly) - HMCL Netherlands B.V., HMC MM Auto Limited, HMCL Americas Inc., Hero Tech Center Germany GmbH
 - b) Subsidiaries (held indirectly) - HMCL Colombia S.A.S., HMCL Niloy Bangladesh Limited (subsidiaries of HMCL Netherlands B.V.)
 - c) Associates - Hero FinCorp Limited and Ather Energy Private Limited
- 5 During the quarter and year ended, the Company has further invested in associates. Details are as follows:-

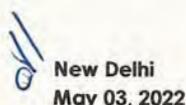
Name of Company	Nature	Quarter ended 31-03-2022	Quarter ended 31-03-2021	Year ended 31-03-2022	Year ended 31-03-2021
HMCL Netherlands B.V.	Subsidiary	-	14.22	-	14.22
Total (Rs in crores)			14.22		14.22
Hero FinCorp Limited	Associate	-	194.37	-	194.37
Ather Energy Private Limited	Associate	150.00	-	150.00	174.00
Total (Rs in crores)		150.00	222.81	150.00	396.81

- 6 The figures of the last quarter are the balancing figures between the audited figures in respect of full year and the unaudited published figures up to the third quarter ended December 31, which were subjected to review.
- 7 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.
- 8 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 results 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.
- 9 Previous period figures have been re-grouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021.
- 10 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 results.
- 11 The above consolidated financial results of the Group are available on the Company's website www.heromotocorp.com and also on www.bseindia.com and www.nseindia.com

For and on behalf of the board



DR. PAWAN MUNJAL
Chairman & CEO
DIN : 00004223



New Delhi
May 03, 2022

Hero MotoCorp Ltd.

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