July 10, 2026

Asst. Vice President, Listing Deptt.,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot C-1, Block G,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051
Scrip Code: HEROMOTOCO

The Secretary,
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 500182

Subject : Submission of Integrated Annual Report for the FY 2025-26 including Notice of the 43rd Annual General Meeting (AGM)

Dear Sir / Madam,

Pursuant to Regulations 30 & 34 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please find attached herewith the Integrated Annual Report for the financial year 2025-26 along with the Notice of 43rd AGM.

The members are being informed that the 43rd AGM will be held on Wednesday, August 5, 2026 at 11:30 A.M. through Video Conferencing / Other Audio Visual Means. The Members are requested to refer to the Notes annexed to the Notice of 43rd AGM to know the detailed procedure for e-voting along with other necessary instructions relevant to the 43rd AGM.

The information pertaining to remote e-voting at the AGM are as under:	
Cut-off date for reckoning voting rights	Wednesday, July 29, 2026
Remote e-voting period begins	Friday, July 31, 2026 at 9:00 a.m. (IST)
Remote e-voting period ends	Tuesday, August 4, 2026 at 5:00 p.m. (IST)

In compliance with circulars issued by the SEBI and the Ministry of Corporate Affairs, the Integrated Annual Report and the Notice of 43rd AGM are being sent to the members through electronic mode and are also available on the website of the Company at https://www.heromotocorp.com/en-in/company/investors/annual-report.html?key1=annual-report&key2=2025-26.

Scan the QR to view the Integrated Annual Report and Notice of 43rd AGM

Additionally, pursuant to Regulation 36 of the Listing Regulations, the Company is also sending a letter to those members whose email addresses are not registered with the

Registrar and Share Transfer Agent of the Company / the respective Depository Participant, providing them the web link, including the exact path and QR code for accessing the Company's Integrated Annual Report and Notice of 43rd AGM.

This is for your information and records.

Thanking you,

For Hero MotoCorp Limited,

Digitally signed by: PRABHAT SINGH
Date: 2026.07.10 20:53:03 +05'30'

Prabhat Singh
Company Secretary & Compliance Officer

Encl.: As above

Hero MotoCorp Limited

Registered Office: The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj, Phase –II, New Delhi - 110 070
CIN: L35911DL1984PLC017354, **Phone:** 011- 46044220, **Fax:** 011-46044399
Email: secretarialho@heromotocorp.com, **Website:** www.heromotocorp.com

NOTICE

NOTICE is hereby given that the **43rd Annual General Meeting ("AGM")** of the Members of **Hero MotoCorp Limited ("the Company")** will be held on **Wednesday, August 5, 2026 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, 2026 together with the reports of the Board of Directors' and Auditors' thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2026, together with the Report of the Auditors thereon.

2. To confirm the payment of interim dividend of ₹ 110/- per equity share for the financial year 2025-26 and to declare final dividend of ₹ 75/-per equity share for the financial year 2025-26.

3. To appoint a Director in place of Mr. Suman Kant Munjal (DIN: 00002803), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Ratification of remuneration of Cost Auditors for financial year 2026-27.**

   To consider and if thought fit, to pass 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 and as recommended by the Audit Committee, 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 2026-27, amounting to ₹ 3,30,000/- (Rupees three lakh thirty thousand 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."

5. **Re-appointment of Dr. Pawan Munjal (DIN: 00004223) as a Whole-time Director of the Company.**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Act") 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 Dr. Pawan Munjal (DIN: 00004223) as a Whole-time Director of the Company designated as 'Executive Chairman,' (or such other designation as may be decided by the Board and /or Nomination and Remuneration Committee ("NRC") from time to time) for a term of 5 (five) years, from the expiry of his present term of office, viz. with effect from October 1, 2026 till September 30, 2031.

   RESOLVED FURTHER THAT Dr. Pawan Munjal shall not be liable to retire by rotation in accordance with the Articles of Association of the Company.

   RESOLVED FURTHER THAT the Board of Directors and/ or the NRC be and is hereby authorised 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."

6. **Approval of terms and conditions and payment of remuneration of Dr. Pawan Munjal (DIN: 00004223) as the Whole-time Director of the Company.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 196(4), 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Act")

and 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), approval of the members be and is hereby accorded to the terms and conditions and payment of such remuneration to Dr. Pawan Munjal as a Whole-time Director of the Company, for a term of 5 (Five) years with effect from October 1, 2026 till September 30, 2031, as detailed in the explanatory statement annexed hereto, with authority to the Board of Directors (on the recommendations of the Nomination and Remuneration Committee ("NRC")) to alter, enhance or widen the scope of remuneration (including the remuneration, perquisites and allowances and commission) or the terms and conditions of the re-appointment including such periodical increase in his remuneration as may be permissible within the overall remuneration limits under the Act, Listing Regulations and other applicable laws, regulations, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors and/ or the NRC be and is hereby authorised 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 resolution."

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

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.: F8724

Date: May 5, 2026
Place: New Delhi

Registered Office:
The Grand Plaza, Plot no. 2, Nelson Mandela Road,
Vasant Kunj, Phase –II, New Delhi-110070
CIN: L35911DL1984PLC017354
Phone: 011 – 46044220
Fax: 011 – 46044399
Email: secretarialho@heromotocorp.com
Website: www.heromotocorp.com

NOTES:

1. The Ministry of Corporate Affairs ("MCA") with reference to General Circular No. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated September 22, 2025 (hereinafter collectively referred to as "MCA Circulars") has allowed companies, to conduct their AGM through VC/ OAVM, till further orders in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020. Further, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") had been amended to provide relaxations from compliance with certain provisions relating to annual report. Hence, in compliance with these Circulars and amendment, the AGM of the Company will be conducted through VC/ OAVM. The deemed venue for the 43rd AGM shall be the Registered Office of the Company.
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") 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 Listing Regulations and in terms of Secretarial Standard - 2 in respect of the Directors seeking appointment/ re-appointment at the 43rd AGM are annexed hereto as Annexure - A to the Notice which forms part of the Explanatory Statement. The Company has received relevant disclosures/ consent from the Directors seeking appointment/re- appointment.
4. In terms of the aforesaid MCA Circulars and Listing Regulations, the Company has sent the Integrated Annual Report for FY 2025-26 and the Notice of AGM only in electronic form to those Members whose email addresses are registered with the Company/Depository Participants. The Company shall also send a letter providing weblink, including the exact path where complete details of the Annual Report (including the Notice of AGM) are available, to those Member(s) who have not registered their email addresses with the Company/Registrar and Share Transfer Agent ("RTA")/ Depository Participants/Depositories. Those Members who have not yet registered their email address are requested to get their email address registered by following the procedure given below:

   a) Members holding shares in physical form, are requested to register/ update their email address 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 Building, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032
      Email: einward.ris@kfintech.com;
      Toll Free No. 18003094001

      ISR Forms can be downloaded from the web-link: https://ris.kfintech.com/clientservices/investors/isrs.aspx through the Download Forms section.

b) Members holding shares in dematerialised form, are requested to register/ update their email address with the Depository Participants with whom the demat account is maintained.

5. The Notice of the 43rd AGM and the Integrated Annual Report for the FY 2025-26 including therein the Audited Financial Statements for the FY 2025-26, are available on the website of the Company at www.heromotocorp.com and the website of stock exchanges i.e BSE Limited at www.bseindia.com and National Stock Exchanges of India Ltd at www.nseindia.com. The Notice of 43rd AGM and the Integrated Annual Report is also available on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com. The Company shall send the physical copy of the Notice of AGM and Annual Report for FY 2025-26 to those Members who request for the same at secretarialho@heromotocorp.com or einward.ris@kfintech.com.

6. Since the AGM will be held through VC/OAVM, the facility to appoint a proxy to attend and cast vote for the Members is not available for the AGM. Therefore, the route map, proxy form and attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.

7. AGM through Video Conference (VC):

a) NSDL will be providing facilities for convening 43rd AGM through VC/OAVM Facility, voting through remote e-voting and e-voting during the 43rd AGM.

b) Since this AGM is being held through VC/OAVM therefore physical attendance of Members has been dispensed with.

c) Only registered Members of the Company may attend and vote at the AGM through VC/OAVM facility.

d) 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 e-voting during the AGM. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address to dpv@dpvassociates.com with a copy marked to evoting@nsdl.com. Corporate/ Institutional Members (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 the "e-Voting" tab in their login.

e) 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 am 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.

f) The facility of participation at the AGM through VC/OAVM will be made available for Members on a 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.

g) 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 Act.

8. Instructions for attending the AGM through VC:

a) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned in point no. 14 below to access the NSDL e-voting system. After successful login, members would be able to see the link of "VC/OAVM link" placed under the "Join meeting" menu against the company name. Members are requested to click on the VC/OAVM link placed under the Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the 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 cameras, if any, and hence use the 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.

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 43rd 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 Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Deputy Vice President at evoting@nsdl.com.

9. Instructions for members for e-voting during the AGM session:

a) The procedure for e-voting during the AGM is the 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) In case of joint holders, the Member whose name appears as first holder in the order of names as per the Register of Members of the Company as on cut-off date i.e July 29, 2026 will be entitled to vote at the AGM.

e) 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.

10. Submission of questions or queries prior to AGM/ Registration of Speakers:

Members seeking any information with regard to the financial statements or any other matter to be placed at the AGM, are requested to write to the Company latest by Friday, July 24, 2026 through email on secretarialho@heromotocorp.com. Such questions shall be taken up during the meeting or replied to 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 Friday, July 24, 2026. 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.

11. Inspection:

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, a certificate from the Secretarial Auditor of the Company certifying that the Company's Employee Incentive Scheme 2014 has been implemented in accordance with SEBI Regulations and relevant documents referred to in the Notice or Statement and as required under applicable laws will be available electronically for inspection by the Members before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to secretarialho@heromotocorp.com

12. Dividend:

a) The Company has fixed Friday, July 24, 2026 as the "Record Date" for the purpose of determining the members eligible to receive dividend for the financial year 2025-26.

b) Pursuant to Section 91 of the Act, the Register of Members and the Share Transfer books of the Company will remain closed from Saturday, July 25, 2026 till August 5, 2026 (both days inclusive) for the purpose of 43rd AGM of the Company and for determining the entitlement of the Members for final dividend for the financial year 2025-26, as may be approved by the Members at the meeting.

c) Final Dividend for the financial year 2025-26, as recommended by the Board, if approved, at the AGM will be paid to the Members by September 4, 2026 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 on the Record date i.e Friday, July 24, 2026.

d) 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.

e) Please note that pursuant to the amendment in Listing Regulations, effective from November 19, 2025, the provisions relating to "payable-at-par" warrants or cheques have been completely discontinued. Consequently, all dividend payments will now be remitted only through electronic mode, where the bank account details of the members are available and no payable-at-par warrants or cheques or drafts shall be issued towards dividend pay-outs. Therefore, we also request you to register your Permanent Account Number, Contact Details (Postal Address, Mobile Number and E-mail), Bank Account Details, Specimen Signature, etc. with your respective Depository Participant for receiving electronic credit of dividends directly into your bank accounts, in case shares are held in dematerialised form or with the RTA for shares held in physical form. Failure to update any of the aforesaid details shall result in non-remittance of dividend.

f) Any dividend payable to such shareholders holding shares in any form having incomplete KYC or bank account details will be withheld. Dividend will be released once the KYC process/ bank account details updation is completed by the shareholder.

g) In terms of the provisions of the Income-tax Act, 2025 read with relevant Income-tax Rules, 2026 ('the Rules'), dividend declared and paid by a Company on or after April 1, 2026 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, members are requested to submit their documents in accordance with the provisions of the IT Act. The Company has also sent an email to all the Members 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.

h) The Company will issue soft copy of the TDS certificate to its members through e-mail registered with Depositories/RTA post filing of TDS return as per statutory timelines specified under the Income-Tax Act, 2025.

13. Cut-off Date:

The Company has fixed Wednesday, July 29, 2026 as the Cut-off Date for determining the eligibility to vote by electronic means (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 Wednesday, July 29, 2026 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

14. Remote e-voting:

Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than the 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 43rd AGM of the Company.

The remote e-voting period begins on Friday, July 31, 2026 at 9:00 a.m. (IST) and ends on Tuesday, August 4, 2026 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form as on the Cut-off Date i.e. Wednesday, July 29, 2026 may cast their votes electronically. The remote e-voting module shall be disabled after 05:00 p.m. (IST) on Tuesday, August 4, 2026.

The facility for electronic voting system, shall also be made available at the 43rd AGM. The Members attending the AGM, who have not cast their votes through remote e-voting, 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:

The remote e-voting period begins on Friday, July 31, 2026 at 9:00 a.m. (IST) and ends on Tuesday, August 4, 2026 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, July 29, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, July 29, 2026.

HOW DO I VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. 2. 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. 3. 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 4. 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. 5. 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** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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.com or call at 022 - 4886 7000
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 toll free no. 1800-21-09911

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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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.
4. 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.com 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 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. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to dpv@dpvassociates.com with a copy marked to evoting@nsdl.com. 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.
2. 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.
3. 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.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Deputy Vice President at evoting@ nsdl.com.

4. 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 on the cut-off date i.e. July 29, 2026, may obtain the login ID and password by sending a request at evoting@nsdl.com. 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 022 - 4886 7000. 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. July 29, 2026, may follow steps mentioned in the Notice of AGM under "Access to NSDL e-Voting system".

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 meetings for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/member may send a request to evoting@nsdl.com 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.

15. The Company has designated Mr. Prabhat Singh, Company Secretary and Compliance Officer, to address the grievances connected with the voting by electronic means. The Members can reach Company officials at +91-11-46044220 or secretarialho@heromotocorp.com.

16. 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 Wednesday, July 29, 2026.

17. The Board of Directors have appointed Mr. Devesh Kumar Vasisht, Managing Partner, M/s DPV & Associates LLP, Practicing Company Secretaries (C.P. No. 13700), failing him Mr. Parveen Kumar, Partner, M/s DPV & Associates LLP, Practicing Company Secretaries (C.P. No. 13411), as Scrutiniser to scrutinise the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

18. The Scrutiniser 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 of conclusion of the AGM, submit a Consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the results of voting forthwith.

19. 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 of conclusion of the AGM 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.com) and by filing with the Stock Exchanges. It shall also be displayed on the Notice Board at the Registered Office of the Company.

20. 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 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 2025-26 had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the financial year 2017-18 (Final Dividend) & FY 2018-19 (Interim Dividend) to the IEPF. Further, the corresponding shares on which dividends were unclaimed for seven consecutive years were transferred, pertaining to FY 2017-18 (Interim & Final Dividend) & FY 2018-19 (Interim Dividend). Please refer the Board's report to see complete details.

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 2018-19 (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 RTA before the same becomes due for transfer to the IEPF. A communication in this regard has already been sent to the respective members.

Updation of PAN & KYC details:

a. The security holders shall mandatorily update their KYC details (PAN linked with Aadhaar, Address with PIN code, Mobile Number, Bank Account Details, specimen signature and choice of nomination). Shareholders are also encouraged to register their email address with the RTA to avail the online service. This is applicable for all the security holders in physical mode as well as demat mode.

b. The security holders shall be eligible for any payment including dividend, interest or redemption only upon furnishing of all the above KYC details.

c. The security holders will be eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents/details as aforesaid.

21. The facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a member desires to opt-out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company at www.heromotocorp.com and website of the RTA at https://ris.kfintech.com/clientservices/investors/isrs.aspx. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialised form.

22. The SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated the listed companies to issue the securities in dematerialised form ONLY by way of issuing 'Letter of Confirmation' while processing the following service request:

i. Issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal/Exchange of securities certificate;

iv. Endorsement;

v. Sub-division/Splitting of securities certificate;

vi. Consolidation of securities certificates/folios;

vii. Transmission;

viii. Transposition

The SEBI vide its circular HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated January 30, 2026 has done away with the requirement of issuing 'Letter of Confirmation' (LOC) for the above mentioned service requests. The Company/RTA shall directly credit the securities into the demat account of the securities holder/claimant, within 30 days of its receipt of such request after removing objections, if any. These provisions shall be applicable with effect from April 02, 2026. Any LOC issued before April 02, 2026, may be submitted by the investors to DP for dematerialisation within the specified timeline i.e. 120 days from the date of issuance of LOC.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR4, the format for which is available on the Company's website at www.heromotocorp.com and on the website of the Company's RTA at https://ris.kfintech.com/clientservices/investors/isrs.aspx. It may be noted that any service request can be processed only after the folio is KYC compliant.

23. The SEBI vide its Master circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 (updated as on December 20, 2023) has made it mandatory for investors to first take up their grievances for redressal with the Company. In case, the Company concerned fails to redress the complaint within the 21 calendar days, the investors may escalate their complaint to the SCORES. Grievances can be lodged with SEBI electronically through SEBI Complaints Redress System - SCORES (a web based centralised grievance redressal system of SEBI at https://scores.sebi.gov.in/). If the investor is not satisfied with the outcome of SCORES, he/she/they can initiate dispute resolution through the SMART ODR Portal at https://smartodr.in/login.

24. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form. Therefore, members are encouraged in their own interest to dematerialise their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Company's Registrar in this regard.

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 the decision making process.

25. Members are being informed that SEBI with an intent to promote awareness in the securities market, has launched investor website https://investor.sebi.gov.in/. The website contains financial awareness content, tools, and calculators to help people of all ages and backgrounds to be in control of their financial decisions.

26. Members are requested to refer to the Company's 'Shareholder Referencer' available at the link below to know key updates, shareholder rights, duties, grievance redressal mechanisms, claiming shares from IEPF etc. https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf

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

Item No. 4

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ("the Act"), as amended from time to time, the Company is required to undertake the audit of its cost records for the products covered under the Companies (Cost Records and Audit) Rules, 2014, to be conducted by a Cost Accountant in practice.

Based on the recommendation of the Audit Committee, the Board at its meeting held on May 5, 2026 has approved the appointment of M/s. R.J. Goel & Co., Cost Accountants (Firm Registration No. 000026), as Cost Auditors for the financial year 2026-27 at a remuneration of ₹ 3,30,000/- (Rupees three lakh thirty thousand only) plus applicable taxes and reimbursement of out of pocket expenses. The remuneration remains unchanged from the previously approved FY 2025-26 structure. In the opinion of the Board, considering the scope of the audit, the proposed remuneration payable to the cost auditors would be reasonable and fair and commensurate with the scope of work carried out by them.

Pursuant to the provisions of the Act, the remuneration payable to Cost Auditors is required to be ratified by the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in passing of the above resolution.

The Board recommends the resolution set forth in item no. 4, for the approval of Members as an Ordinary Resolution.

Item No. 5 and 6

Dr. Pawan Munjal (DIN: 00004223) currently serves as the Whole-time Director of Hero MotoCorp Limited ("the Company"), following an appointment that commenced on October 1, 2021 and extends through September 30, 2026.

Following the recommendations of the Nomination and Remuneration Committee ("NRC") and the Audit Committee, the Board of Directors approved Dr. Munjal's re-appointment and remuneration during meeting held on May 5, 2026. Subject to the Members' approval, he will continue as the Whole-time Director with the designation of 'Executive Chairman' for a subsequent five-year term, effective from October 1, 2026 until September 30, 2031.

As the Company steers through a defining phase in global mobility—marked by the accelerating shift toward electrification and the rising consumer tilt toward premium products—the importance of steady, forward-looking leadership is paramount. Under the stewardship of Dr. Pawan Munjal, Hero MotoCorp Limited has not only safeguarded its standing as the world's largest manufacturer of motorcycles and scooters for twenty-five (25) consecutive years, but has also driven a deep, enterprise-wide transformation. This evolution spans innovation, digital capability, and global expansion, with the Company now establishing a strong and growing footprint across 52 countries, reinforcing its ambition to be a future-ready, globally respected mobility leader.

Key Milestones under Dr. Pawan Munjal's leadership (2021 – 2026)

The milestones achieved during FY 2021-26 reflect the disciplined execution of Hero MotoCorp's long-term strategic roadmap. Guided by its "House of Strategy", the Company has laid the foundation for sustainable growth through a focused approach centered on strengthening its core motorcycle franchise, accelerating premiumisation, expanding its presence in Internal Combustion Engine ("ICE") scooters, establishing leadership in electric mobility, and growing its global business. At the same time, the Company continues to invest in future-ready technologies and diversify its revenue streams through strategic investments, acquisitions and the Parts, Accessories and Merchandise ("PAM") business. These strategic pillars will continue to guide Hero MotoCorp's growth journey and value creation agenda through 2030. Key highlights are as under:

Head	Description
Financials	• Significant Improvement in Business Financials • Profit after Tax (PAT) Compounded Annual Growth Rate (CAGR) of 12.2% in FY 2021-26 • Revenue CAGR of 8.7% in FY 2021-26 • Earnings before Interest, Taxes, Depreciation, and Amortisation (EBITDA) margin expanded by 162 bps to 14.7% in FY 2026 vs. FY 2021
VIDA (Electric Mobility)	• Launched electric scooters under VIDA brand with industry first removable battery technology • Pioneered Battery-as-a-Service model in the Electric Vehicle (EV) two-wheeler industry • VIDA business gained ~7% market share in FY 2026 reaching 11%
ICE Scooters	• Launched multiple scooters in the 110-160cc range resulting in a robust portfolio • Gained 60bp market share in FY 2026 to 6% with momentum continuing in FY 2027
Premiumisation	• Launched premium only sales channel – "Premia" (130 stores in March-26) • Partnership with Harley Davidson for joint development of premium motorcycles for India and International markets • Launch of XPulse in the adventure segment capturing significant share in the niche segment
Deluxe 125 motorcycles	• Redefined the category with industry 1st innovation in Glamour X (Cruise Control) and Xtreme 125R (Dual Channel ABS)
Core Motorcycles	• Shifted the brand narrative from basic utility to "progress and aspirational" • Highest-ever market share in Splendor portfolio
Global Business	• Gained 310 bps market share in the last three years to reach 7.8% in FY 2026 • #4 player among Indian exporters of two-wheelers
Future Technologies	• Developing electric motorcycles in collaboration with Zero Motorcycles Inc. USA • Unveiled VIDA Novus – redefining the traditional means of mobility
Acquisitions	• Acquired ~34% stake in Euler motors - leading manufacturer of electric commercial vehicle (3W + 4W) • Diversify Hero MotoCorp's revenue beyond two-wheelers
Environment Social and Governance	• Ranked #1 two-wheeler company globally in the Dow Jones Sustainability Index • Recognised as ESG leader among automotive companies by NSE Sustainability Ratings & Analytics
Corporate Social Responsibility	• Most Influential Higher Education Initiative-Project Shiksha in partnership with BML Munjal University: Indian CSR Award 2024 • ET Now Champions of CSR 2025- CSR Conclave by Global Sustainability Alliance (GSA)

The Strategic Imperative of Leadership Continuity

The Board of Directors' decision to seek Dr. Pawan Munjal's re-appointment is anchored in the considered view that Hero MotoCorp Limited is at a critical inflection point in a multi-year execution cycle, where continuity of leadership is essential to translate strategic investments into sustained shareholder value. The initiatives undertaken during the 2021–2026 period—including the establishment of the VIDA electric ecosystem, the scaling of the Hero Premia retail network, the strengthening of global alliances with Harley-Davidson and Zero Motorcycles, and strategic investments in Ather Energy and Euler Motors—are now entering a phase where disciplined execution and strategic consistency will be determinative of outcomes.

In parallel, the introduction of NOVUS—articulating a forward-looking vision for sustainable, intelligent, and connected mobility—positions the Company to participate meaningfully in emerging mobility and beyond mobility segments. The Board believes that the successful realisation of these initiatives is closely linked to continuity in leadership.

Dr. Munjal is widely recognised as a transformative mobility leader who has driven the Company's evolution from a scale-led manufacturing organisation to a technology-enabled, innovation-driven enterprise. Under his leadership, Hero MotoCorp has undertaken a calibrated yet decisive shift toward future-ready capabilities, while maintaining operational resilience and market leadership. His ability to integrate legacy strengths with new-age technologies, alongside a consistent commitment to the Company's "Nation First" philosophy, has ensured alignment with India's broader economic trajectory.

This transformation has extended beyond strategy into organisational mindset—transitioning from reliance on legacy joint-venture frameworks to a model anchored in indigenous innovation. The strengthening of core Research & Development ("R&D") platforms, including the Centre for Innovation and Technology ("CIT") in Jaipur and the Hero Tech Center, Germany, reflects sustained investment in long-term capability building.

The Company's current growth trajectory - including record quarterly revenues in early 2026—demonstrates the early outcomes of these investments. As these strategic initiatives converge and scale, the Board is of the view that continued leadership under Dr. Pawan Munjal will provide the stability, execution discipline, and strategic clarity required to fully realise their value and deliver sustained long-term returns to shareholders, while reinforcing the Company's position as a globally competitive mobility leader.

Successful Transition to Professional Management

In alignment with international corporate governance standards, Dr. Munjal championed the formal separation of Board oversight and day-to-day operations. This culminated in the appointment of a professional Chief Executive Officer since 2023, while Dr. Munjal assumed the role of Executive Chairman.

Legacy of Global Dominance and Scale (1984-2026)

Dr. Pawan Munjal has presided over an era of unparalleled scale in the two-wheeler industry. Hero MotoCorp's status as the "World's No. 1" for 25 years is a milestone rarely achieved in any industrial sector. This dominance is built on a foundation of massive production capacity and a distribution network that remains the benchmark for the Indian market.

Cumulative Production and Capacity Metrics

The scale of Hero MotoCorp Limited's operations provides the Company with significant economies of scale, which have been leveraged to drive profitability even amidst inflationary pressures. Under Dr. Munjal, the Company surpassed the milestone of 110 million cumulative production and sales in 2023 and quickly accelerated to over 125 million by 2025.

Capacity and Scale	Current Status (FY 2026)	Historical Context (FY 2012)
Cumulative Sales	130 million + Customers	~42 million
Annual Production Capacity	8.63 million Capacity	~6 million Capacity
Global Market Footprint	52 countries	~4 countries
Customer Touchpoints	11,000+ worldwide	~2,600+ worldwide

This scale is managed through eight world-class manufacturing facilities, with six in India and one each in Colombia and Bangladesh. The strategic foresight of Dr. Munjal in establishing these international hubs has allowed the Company to bypass trade barriers and local market fluctuations, creating a resilient global supply chain. The "vehicle park" size—the total number of Hero vehicles on the road—is the largest in India, providing a massive captive market for the Company's high-margin parts and accessories business, which grew significantly during the 2021-2026 period.

The 2021-2026 Transformation: Navigating Disruption

The tenure of Dr. Munjal between 2021 and 2026 was defined by the need to navigate the most disruptive period in the history of the Indian automotive sector. This phase involved the implementation of BS-VI emission norms, the sudden shift toward electric mobility, and the changing aspirations of the Indian consumer toward premium products.

Rebuilding the Core Engineering Identity

A pivotal moment in Dr. Munjal's tenure was the decision to rebuild the Company's R&D from scratch. Following the termination of the legacy joint venture, he chose the "hard path" of becoming an inventor rather than remaining a manufacturing powerhouse. This involved hiring global experts, acquiring technology stakes, and establishing the CIT in Jaipur, which houses over 1000+ automotive experts and also established Hero Tech Centre Germany (TCG) near Munich. The impact of this R&D focus is evident in the patent filings, which rose to over 1340 during this period, covering areas from advanced engine technology to EV drivetrain architecture. The strategic investments in technology have enabled Hero MotoCorp to defend its dominance in the commuter segment while aggressively expanding into others. For instance, the Splendor achieved its highest market share since FY 2018 in the 100cc deluxe category during late 2025, proving that the core business remains robust under Dr. Munjal's stewardship. Simultaneously, the Company recovered lost share in the 125cc segment through the launch of Glamour X with Electronic Throttle Body ("ETB") features and Xtreme 125R with Dual channel Anti-lock Braking System ("ABS") and ETB features.

The Company has a strong focus on premium models and also co-development of Harley-Davidson X440 platform. Our premium footprint with performance bikes like the XPulse 210, Xtreme 250R, and Karizma XMR are aimed at capturing high-margin segments.

Market Impact: In Hero MotoCorp's core motorcycles portfolio, Company has shifted the brand narrative from basic utility to "progress and aspirational". These efforts have led to highest-ever market share in the Deluxe 100 motorcycles (Splendor + Passion) portfolio of more than 90% in FY 2025-26. Similarly in the Entry segment motorcycles (HF Deluxe), Company strengthened its leadership with a market share of ~59% in FY 2025-26.

The VIDA Ecosystem and Strategic Scaling

Under the leadership of Dr. Pawan Munjal, Hero MotoCorp has evolved from the world's largest manufacturer of two wheelers to a global pioneer in sustainable mobility.

In **March 2022**, Dr. Munjal introduced VIDA, Powered by Hero, a brand built on the philosophy of "Life." He moved beyond the conventional by launching a $100 million Global Sustainability Fund, signaling that Hero's commitment to EV was as much about the planet as it was about the product.

VIDA achieved its first milestone in October 2022 with a historic launch of the VIDA V1 by Dr. Munjal. The VIDA V1 was more than a scooter; it was a technology on wheels featuring class leading removable batteries and a 7-inch TFT display, setting the gold standard for new age electric mobility in India.

Recognising that real impact comes through scale, Dr. Munjal led the introduction of the VIDA VX2 in July 2025. By targeting high-volume segments, he ensured that clean mobility was no longer a luxury but a viable and accessible option for every Indian commuter.

A cornerstone of this expansion was the introduction of the BaaS (Battery as a Service) model. By separating the cost of the vehicle from the battery, VIDA significantly lowered the upfront purchase price.

Market Impact: These initiatives translated into strong market traction for VIDA, with VAHAN market share increasing to 10.3% in FY 2026 from 4.3% in FY 2025. Retail sales of VIDA nearly tripled during the year, reflecting growing consumer acceptance of the brand.

Scooters

Hero MotoCorp accelerated its scooter growth strategy by strengthening and broadening its portfolio across key customer segments. The Company adopted multi-pronged approach focused on premiumisation, portfolio diversification and addressing distinct consumer needs across commuter and sporty scooter categories. During the year, Hero MotoCorp expanded its presence through new product launches in the Destini and Xoom family and enhanced offerings, enabling the brand to cater to a wider spectrum of customers across the 110cc, 125cc and premium scooters segment.

Market Impact: Through this portfolio expansion across three distinct sub-segments and targeted marketing campaigns, Hero MotoCorp achieved a market share of 6.0% in FY 2025-26 in ICE scooters, up from 5.5% in FY 2024-25.

Premiumisation and the Global Partnership Model

A core tenet of the justification for Dr. Munjal's re-appointment is the success of his premiumisation strategy. Historically, HMCL was viewed as a commuter-focused brand. Between 2021 and 2026, Dr. Munjal shifted this perception by establishing the "Hero Premia" network and deepening the strategic partnership with Harley-Davidson.

- **The Hero-Harley Ecosystem:** The partnership with Harley-Davidson, which saw Hero MotoCorp take over the distribution and co-development of products in India, has matured into a significant growth driver. The launch of the Harley-Davidson X440 in 2023 and the X440T in late 2025 demonstrated Hero MotoCorp's ability to manufacture and market high-displacement premium motorcycles.
- **Network Expansion:** The Harley-Davidson retail network was expanded to 22 full-line dealerships by March 2026, supported by 33 H.O.G. (Harley Owners Group) chapters.
- **Hero Premia Expansion:** The exclusive "Hero Premia" stores, designed to provide a digital and premium customer experience, grew to 130 outlets by March 2026, with a target of 200 by 2027 to cover 90% of the addressable premium market.
- **Solid focus on Premium segment:** The product planning focused on creating strong products and brands within Premium segment. Xtreme and Xpulse have become very strong brands in few markets.
- **Product Synergy for Global market:** The Hunk 440, based on the Harley X440 platform, marked Hero's entry into the roadster category, leveraging global technology for a domestic brand.
- **Hero MotoSports,** the rally racing team of Hero MotoCorp, has made history as the first Indian manufacturer to reach the highest levels of global rally-raid. Their defining achievements include securing an overall 2nd podium finish at Dakar rally winning the FIM World Rally-Raid championship. Hero MotoSports also has secured multiple podium finishes across Indian championships. The MotoSports team had been working very closely with R&D and Global Product Planning teams for a seamless integration.

This transformation from a manufacturing giant into a "balanced mobility player" is a direct result of Dr. Munjal's strategy to trade up existing customers into higher segments, thereby increasing the Average Selling Price ("ASP") and overall profitability.

Engineering the Future: Partnerships & Innovation

The Zero Motorcycles Alliance: To bridge the gap between utility and high-performance, Dr. Munjal orchestrated a strategic partnership with California-based Zero Motorcycles. This collaboration is set to launch a world-class performance electric powertrain technology creating unmatched products in the premium and performance segments.

EICMA 2025: The Novus Evolution: In a bold statement of global intent, Dr. Munjal unveiled the **VIDA Novus** range at EICMA 2025 in Milan. The core mission of Novus is to **redefine mobility** by moving beyond the traditional form factors of 2W design to solve real-world urban challenges. He has positioned VIDA as a premium global brand capable of leading the European and North American urban mobility markets.

Under his stewardship, VIDA DIRT.E was created, a sub brand that explores the possibilities and challenges in niche and fast growing segments of experiential riding. Built by the world class R&D center Hero Tech Center Germany the VIDA Dirt.E K3 is a Red Dot design winning young riders electric vehicle that grows with the rider.

Global Expansion

During the 2021-2026 period, Hero MotoCorp's global business emerged as a significant engine of growth. Dr. Munjal focused resources on the top 10 international markets contributing 85% of the Global Business ("GB") volume to ensure scale and profitability.

Strategic Milestones in Global Business

The success of this focused expansion is visible in the volume growth and market share gains recorded in late FY 2026.

Global Business Metric	Achievement (FY 2026)	Strategic Driver
Volume Growth	**40.1%** YoY growth **7.8%** Hero GB MS	Expansion into Europe
International Market Share	**8%** MS in Colombia **20.1%** MS in Bangladesh	Fastest growing brand in Colombia & Market Leader in Bangladesh
Product Portfolio Mix	**20%** contribution from Xtreme/Hunk 125 Premium Segment contributing to 25% of the volume	Xpulse, Hunk and Xtreme models leading the charge
Subsidiary Profitability	Colombia Business Profitable	Operating leverage and scale achieved

The entry into Europe and the United Kingdom (UK) via the VIDA brand in late 2025 and early 2026 marks the next phase of Dr. Munjal's global ambition. By showcasing production-ready e-scooters and off-road concepts like the DIRT.E MX7 at international forums like EICMA, Hero MotoCorp is positioning itself as a serious global contender in both emerging and developed markets.

Market Impact: Through focused market prioritisation, sharper portfolio alignment, and disciplined execution, Global Business has expanded market share by 310 bps in the last three years to 7.8% in FY 2026 and positioning Hero MotoCorp as #4 player among the Indian two-wheeler exporters.

Digital Transformation

A critical pillar of the growth between 2021 and 2026 has been the digital transformation of the Company's internal operations, customer/partner interfaces and the product. Dr. Munjal championed our migration from on-premise captive inflexible infrastructure to an agile SaaS and public cloud model. He has built the vision of a "Digital Factory" program and fostered the adoption of Artificial Intelligence (AI)/ Machine Learning (ML) technologies to enhance operational efficiency, step-up quality levels and develop flexibility.

Smart Manufacturing and Supply Chain Excellence

Dr. Munjal also envisioned our fit-for purpose manufacturing strategy - focusing Neemrana on premium and export vehicles, running Haridwar for our core efficient platforms and innovating new EV capabilities in Tirupati. In our plants, he has inspired the development of industry leading AI vision capabilities like Sentinel Prime and Safety Shield where more than 15000 AI agents ensure that employee safety and product quality are continuously monitored. Under this program, we track billions of data points across our parts, sub-assemblies and battery packs to build a "digital passport" for our vehicles through our factories and resolve potential issues proactively. Leveraging Industry 4.0 capabilities in this program, the teams have developed a "factory digital cockpit" where all sustenance, control and maintenance activities can be coordinated.

Financial Resilience and Performance Summary (FY 2022 - FY 2026)

The financial performance of Hero MotoCorp under Dr. Munjal's leadership has been robust, characterised by record-breaking revenues and consistent shareholder returns despite significant investments in new technologies.

Comparative Financial Performance: The growth trajectory from the post-pandemic recovery of FY 2022 to the record-breaking FY 2026 highlights the Company's financial stability.

(₹ in crore)

Fiscal Period	Revenue	EBITDA*	Net Profit (PAT)	EPS
FY 2021-22	29,245	3,369	2,473	123.8
FY 2022-23	33,806	3,986	2,911	145.7
FY 2023-24	37,456	5,256	3,968	198.5
FY 2024-25	40,756	5,868	4,610	230.5
FY 2025-26	46,830	6,871	5,268	263.3

*Earnings before Interest, Tax, Depreciation and Amortisation; PAT: Profit after Tax; EPS: Earnings per Share

The Company's resilience is further underscored by its "AAA/ Stable" credit rating and its status as an almost debt-free organisation.

Shareholder Value and Capital Allocation

Dr. Munjal has consistently prioritised shareholder returns, with the Company maintaining a healthy dividend payout of over 70%. The declaration of an interim dividend of ₹ 110 per share in February 2026 and Final Dividend of ₹ 75 per share for FY 2025-26 reinforces the Company's commitment to returning value to its members.

Delivering Superior Shareholder Returns

Hero MotoCorp has delivered strong shareholder returns, with Total Shareholder Return ("TSR") of 39.3% in FY 2026, outperforming the Nifty Auto Index by 26%. Over the FY 2024-26 period, the Company continued to generate superior returns, delivering TSR of 15.6%, ahead of the Nifty Auto Index's 13.5%. This performance reflects growing investor confidence in the strategic direction adopted under the House of Strategy framework in 2023, with tangible progress across key growth pillars including scooterisation, electrification, premiumisation, and the global business. The successful execution of these initiatives is beginning to translate into stronger business performance and enhanced long-term value creation for shareholders.

Total Shareholder Return	Hero MotoCorp	Nifty Auto
FY 2026	39.3%	13.2%
FY 2024-26 CAGR	15.6%	13.5%

*Priced as on March 31, 2026 Source: Bloomberg

ESG Leadership and Corporate Citizenship

The re-appointment of Dr. Munjal is also a vote for the Company's leadership in Environmental, Social, and Governance (ESG) standards. Under his guidance, the Company has become the only Indian two-wheeler manufacturer listed on the Dow Jones Sustainability Index (DJSI).

Sustainability and CSR Impact

Dr. Munjal's inclusion in the 2025 TIME100 Climate list highlights his role as a global leader in advancing business climate action.

- **Carbon Neutrality:** 45% progress toward 100% Scope 1 and 2 carbon neutrality by 2030.
- **Water Positivity:** Achieved 500% water positivity, with zero waste-to-landfill across all facilities.
- **CSR Reach:** In FY 2024-25 and FY 2025-26, CSR initiatives reached over 1.3 million beneficiaries across India. Over the last decade, the Company's flagship road safety initiatives have reached over 1.6 million individuals, promoting safer riding behaviour, responsible mobility and road safety awareness. .
- **Diversity:** The Company has committed to achieving 30% gender diversity by 2030, with meaningful progress already evident- reflected in 30% representation at the Board level and 40% across senior leadership.

These initiatives are not just social obligations but are core to the brand's "Nation First" identity, which Dr. Munjal has cultivated as a key competitive differentiator.

Awards and Global Recognitions (2021-2026)

The global business community's recognition of Dr. Pawan Munjal's leadership provides an objective measure of his strategic caliber. His awards during the 2021-2026 period span corporate leadership, innovation, and social impact.

- **Institutional Investor Best CEO (2021):** Ranked first in the auto sector.
- **Business Leader of the Year at ET Awards for Corporate Excellence (2021):** Recognising his visionary guidance during the pandemic recovery.
- **AIMA JRD Tata Corporate Leadership Award (2022):** For outstanding contribution to management leadership.
- **TIME100 Climate List (2025):** One of the 100 most influential global leaders driving business climate action.
- **Punjab Ratan Award (2026):** Awarded by International Punjabi Society in recognition of his exceptional leadership, innovation and philanthropic contribution.

These recognitions reflect a leader who is not only respected within the Indian industry but is also a "Global Statesman of Mobility". His roles in the Confederation of Indian Industry (CII) and the Society of Indian Automobile Manufacturers (SIAM) have allowed him to shape the industry's roadmap, ensuring that Hero MotoCorp remains at the forefront of policy and technological shifts.

The re-appointment of Dr. Pawan Munjal for a five-year term commencing October 1, 2026 is, therefore, a strategic imperative. His continued leadership provides the stability and execution continuity required to successfully complete the ongoing transformation and to position the Company for its next phase of growth across global, electric, and premium mobility segments. The Board is of the considered view that this continuity is critical to sustaining momentum and fully realising the value of the Company's strategic investments. Members are accordingly encouraged to vote in favor of the proposed re-appointment in the long-term interests of the Company and its stakeholders.

Performance Evaluation

The Board of Directors highly commends Dr. Munjal's effective leadership, noting his exceptional ability to maintain a balanced role, seamlessly managing corporate governance responsibilities as Chair while providing executive guidance to the organisation. His engagement with the Board is consistently constructive and productive, marked by his respect for colleagues' viewpoints and active solicitation of ideas and suggestions. Furthermore, the Board recognises Dr. Pawan Munjal as the Company's best Brand Ambassador. Dr. Munjal has successfully led the Company and the Board to ensure the organisation is future-ready and already positioned on the right strategic path. Looking ahead, the Board supports Dr. Munjal's planned evolution of his role to focus more intensively on high-level strategic areas, allowing Mr. Harshavardhan Chitale, Chief Executive Officer to manage day-to-day operations. Key strategic priorities under Dr. Pawan Munjal's guidance will include fostering cultural alignment, addressing succession planning, strengthening the senior leadership team, and driving aggressive growth in the EV portfolio. His continued oversight will also ensure the new Chief Executive Officer and leadership team are fully supported during the initial transition period. The Directors affirm that Dr. Pawan Munjal's contributions are vital to the Company's continued success, demonstrating effective leadership necessary for the next phase of growth.

Significant Improvement in Business Performance since FY 2021

Since the Member's last approved the remuneration framework in FY 2022, the Company has delivered a substantial improvement in its financial performance. Profit after Tax ("PAT") growth improved from a CAGR of 3.5% during FY 2016-20 to a strong CAGR of 12.2% during FY 2021-26. PAT CAGR further accelerated to approximately 15% during FY 2024-26

The improvement in profitability has been supported by sustained market leadership, strengthening of the Company's position in growth segments such as electric mobility and scooters, expansion of its global business, and continued investments in future growth opportunities.

During this period, the Company has reported highest-ever revenue, EBITDA and PAT, reflecting a significant strengthening of the overall business fundamentals.

	FY 2016-20	FY 2021-26	FY 2024-26
Revenue CAGR	-1.6%	8.7%	11.8%
EBITDA CAGR	-2.9%	11.3%	14.3%
EBITDA margin change	-79bps	162bps	64bps
PAT CAGR	3.5%	12.2%	15.2%

Performance-Linked Remuneration Framework Ensures Alignment with Shareholder Value Creation

The remuneration structure of Dr. Pawan Munjal is designed to align executive compensation with the Company's performance and long-term shareholder value creation. A significant portion of the remuneration comprises commission, which is linked to the performance of the Company.

During FY 2021-26, the Chairman's fixed remuneration increased at a CAGR of approximately 3%, while total remuneration increased at a CAGR of 7.1%, primarily driven by performance-linked commission component. Commission over FY 2021-26 increased by 11.6% CAGR in-line with PAT CAGR of 12.2% over the same period. This reflects the Company's emphasis on linking remuneration outcomes to business performance.

	FY 2016-20	FY 2021-26
Fixed Remuneration CAGR	32.8%	3.0%
Variable Remuneration CAGR	0.8%	11.6%
Total Remuneration CAGR	10.2%	7.1%
PAT CAGR	3.5%	12.2%

Voluntary Reduction of 15% in fixed remuneration effective October 1, 2026

Dr. Pawan Munjal voluntarily took a 20% reduction in fixed salary from January 1, 2024, and a 20% reduction in his FY 2023-24 commission. These adjustments are reflected in the lower fixed pay for FY 2024-25 and the reduced commission for FY 2023-24 while he was eligible for a higher commission as per the approval of the Members.

For the period FY 2025-26, NRC recommended a 10% increase in the fixed remuneration of Dr. Munjal, taking into consideration his expanded leadership responsibilities and his pivotal role in strengthening the Company's long-term leadership capabilities.

During the year, Dr. Munjal personally spearheaded a comprehensive leadership enhancement initiative, resulting in the appointment of several key senior executives, including the Chief Executive Officer, Chief Business Officer – Emerging Mobility Business Unit ("EMBU"), Chief Human Resources Officer, Chief Technology Officer and Head of Corporate Communications. These appointments have brought to the Company a diverse pool of talent with extensive experience across leading global and Indian organisations and are expected to play a critical role in shaping Hero MotoCorp's next phase of growth and transformation.

The NRC also noted Dr. Munjal's leadership in driving the Company's strategic growth initiatives during the year with strong market share gains in the VIDA business, Global Business and ICE scooters. The NRC appreciated these achievements as important milestones in advancing the Company's growth strategy and enhancing its long-term competitive position.

In recognition of Dr. Munjal's expanded leadership responsibilities and his pivotal role in spearheading the Company's strategic growth and talent enhancement initiatives, the Board on the recommendation of the NRC and the Audit Committee approved his reappointment and remuneration for another term of five years w.e.f. October 1, 2026. However, in an extraordinary gesture of corporate statesmanship, Dr. Munjal volunteered to implement a further 15% reduction in his current fixed remuneration, effective October 1, 2026.

(₹ in crore)

Component	2021-22	2022-23	2023-24	2024-25	2025-26
Fixed Salary	58.85	62.70	69.56	51.90	56.81
Commission	25.50	36.85	39.85	57.51	65.50
TOTAL	**84.35**	**99.55**	**109.41**	**109.41**	**122.31**

Post voluntary reduction of 15% in fixed salary the fixed component would be ~₹ 46.65 crore per annum.

The Board of Directors highly appreciated this magnanimous and exemplary gesture, which further strengthens the alignment of executive incentives with the long-term interests of the Company and its shareholders. These reductions were voluntary while he would have received a higher remuneration as per the previous approval of the Members.

The Board of Directors after considering the request of Dr. Pawan Munjal approved his remuneration for the new term effective October 1, 2026. The broad terms and conditions of re-appointment of, including remuneration payable to, Dr. Pawan Munjal are as follows:

A. Remuneration

Basic Salary: ₹ 1,92,64,000 (Rupees One Crore Ninety Two Lakh Sixty Four Thousand only) per month. The increase in basic salary effective April 1, 2027 to be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

B. Perquisites and allowances

(i) Residential Accommodation/House Rent Allowance: Free furnished residential accommodation with free use of all the facilities and amenities provided by the Company. If accommodation is not provided by the Company, then he shall be entitled to House Rent Allowance equivalent to 70% of his Basic Salary along with free use of all the facilities and amenities;

(ii) Medical Reimbursement: Reimbursement of actual medical expenses incurred by Dr. Munjal and his family;

(iii) Club Fees: Actual fees of clubs to be paid by the Company;

(iv) Personal Accident Insurance: Actual premium to be paid by the Company;

(v) Insurance of House-hold goods: Annual premium, as per rules, to be paid by the Company;

(vi) Medical Insurance: For self and dependents as per rules of the Company;

(vii) Car: Facility of car(s) with driver for the business of the Company;

(viii) Telephone: Free telephone facility at residence including mobile phone and internet;

(ix) Leave: One month's leave with full salary for every 11 months of service subject to the condition that leaves accumulated but not availed will not be encashed;

(x) Contribution to provident and superannuation funds: Company's contribution to provident and superannuation funds will be as per the rules of the Company. In case, superannuation cannot be contributed, he shall be paid an amount equivalent to superannuation contribution under the head "Other Allowance"; and

(xi) Gratuity: Not exceeding half month's salary for each completed year of service as per rules of the Company.

C. **Commission**: Dr. Pawan Munjal will also be allowed remuneration by way of commission in addition to basic salary, perquisites and any other allowances, benefits or amenities subject to the condition that the amount of commission shall not exceed one percent (1%) of the net profits of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 2013 ("the Act"). The amount of commission shall be paid subject to recommendation of the NRC and approval of the Board of Directors every year and would be based on achievement of organisational performance parameters/metrics as provided herein below or such other parameters/metrics as may be determined by the Board of Directors and/or NRC from time to time:

(i) Total Revenue

(ii) Domestic Market Share

(iii) Global business volume

(iv) EBITDA margin and cash flows

(v) Strategic milestones including parts revenue

D. **Minimum remuneration**: If in any financial year during the currency of tenure of Dr. Munjal as the Whole-Time Director of the Company or any other designation as may be decided by the Board or the NRC from time to time, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of basic salary, perquisites, allowances within limits prescribed under Section II, Part II of Schedule V to the Act, as amended from time to time.

E. **Reimbursement of business expenses:** Reimbursement of entertainment, traveling, hotel and other expenses for the business of the Company in accordance with applicable rules.

Maximum remuneration: Subject to the provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the maximum remuneration payable to Dr. Pawan Munjal shall not exceed the limits prescribed under regulation 17(6)(e) in financial year i.e. 2.5% of the net profits of the Company.

Dr. Munjal shall not be entitled to any sitting fee for attending meetings of the Board and/or any Committee of Board. In terms of the Articles of Association of the Company, Dr. Munjal shall not be liable to retire by rotation.

A brief about his nature of expertise in specific functional areas, other directorships and committee memberships, his shareholding and relationship with other directors in the Company is appended to the Notice hereto.

Dr. Pawan Munjal 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.

The approval of the members is sought for the re-appointment, terms and conditions of the said re-appointment and remuneration to be paid to Dr. Pawan Munjal as the Whole-time Director of the Company. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Dr. Pawan Munjal for the office of Whole-time Director of the Company.

The approval of the Members for re-appointment of Dr. Munjal is being sought by way of a Special Resolution (under item 5) in terms of Section 196 read with Schedule V to the Act, as he is more than 70 years of age. The approval of the Members for the terms and conditions and remuneration (under item 6) would require an ordinary resolution, as the remuneration proposed to be paid is within the limits specified under the Act and Listing Regulations.

Except Dr. Pawan Munjal and his relatives including Mr. Suman Kant Munjal and Ms. Vasudha Dinodia, brother and daughter of Dr. Munjal, respectively, no other Director, Key Managerial Personnel or their relatives are in anyway concerned or interested in the resolutions contained under Item No. 5 and 6 of the Notice.

Accordingly, the Board recommends the resolutions, as set out in item no. 5 and 6 to this Notice to be approved by the Members, by way of special and ordinary resolution respectively.

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

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.: F8724

Date: May 5, 2026
Place: New Delhi

Registered Office:
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ANNEXURE A

Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard (SS-2) issued by The Institute of Company Secretaries of India, in respect of the Directors seeking appointment/re-appointment

Name of Director	Mr. Suman Kant Munjal	Dr. Pawan Munjal
DIN	00002803	00004223
Brief Resume	Mr. Suman Kant Munjal was appointed as an Additional Director on the Board effective July 29, 2010. He is the Executive Chairman (Whole-time Director) of Rockman Industries Ltd., a leading supplier of aluminum die casting, machined and painted assemblies to Hero MotoCorp Limited. With his leadership, wealth of experience and expertise in business management, he has been instrumental in the growth of Rockman Industries. Beyond his current role, his extensive experience and expertise have earned him positions on the Boards of various companies.	Dr. Pawan Munjal, Executive Chairman of Hero MotoCorp Limited, is a global mobility leader. Under his guidance, Hero MotoCorp remains the world's largest two-wheeler manufacturer, prioritising clean and smart innovation. His commitment to sustainability is evident through pioneering electric mobility like VIDA and achieving carbon neutrality goals. Through strategic global partnerships and significant contributions to sports, Dr. Munjal has elevated India's global presence. His leadership continues to transform the mobility ecosystem, blending cutting-edge technology with a purpose-driven global vision for a sustainable and inclusive future. Please also refer to the explanatory statement above for Item No. 5 and 6 of the Notice and the Annual Report for FY 2026.
Date of Birth (Age in years)	February 26, 1953 (73 Years)	October 28, 1954 (71 years)
Qualifications	Graduation in Commerce	• Bachelor's degree in Engineering (Mechanical Group) from Kurukshetra University • Doctor of Philosophy (Hon.) from National Institute of Technology, Kurukshetra
Experience	49 years	47 years
Expertise in specific functional areas	• Automotive/ Mobility/ Beyond Mobility • Manufacturing/Product Development • Entrepreneurship • Enterprise Risk • Sales & Marketing	• Automotive/ Mobility/ Beyond Mobility • Strategy & Business Model Transformation • Global Perspective - Markets & Partnerships • Manufacturing/Product Development • AI, Autonomous & Software-Defined Vehicles • Corporate Governance, Regulatory & Public Policy • Entrepreneurship • Sustainability & ESG • Enterprise Risk • Sales & Marketing • Brand Evolution & Positioning • Premiumisation • Customer Experience & Lifecycle Strategy
Terms and conditions of appointment / re-appointment	At the 40th AGM held on August 9, 2023, he was re-appointed as a Non-Executive Director, liable to retire by rotation. Being eligible, he has now offered himself for re-appointment.	As detailed in Explanatory Statement for Item No. 5 and 6 of this Notice.
Details of remuneration and remuneration last drawn	Details mentioned in Corporate Governance Report	
Date on which first appointed on the Board	July 29, 2010	October 1, 1986

Name of Director	Mr. Suman Kant Munjal	Dr. Pawan Munjal
Details of shareholding in the Company	Self - 91,250 As a Karta of HUF - 10,833 On behalf of Brijmohan Lal Om Parkash, Partnership Firm (BMOP): Self - 51,76,738 Jointly with Mrs. Renu Munjal and Dr. Pawan Munjal - 1,23,96,842	Self - 43,364 As a Karta of HUF - 32,500 On behalf of Brijmohan Lal Om Parkash, Partnership Firm (BMOP): Self - 51,76,740 Jointly with Mrs. Renu Munjal and Mr. Suman Kant Munjal - 1,23,96,842 On behalf of Pawan Munjal Family Trust - 2,01,100
Relationship with other Directors/Key Managerial Personnel (if any)	Brother of Dr. Pawan Munjal, Executive Chairman and Whole-time Director of the Company	Brother of Mr. Suman Kant Munjal and Father of Ms. Vasudha Dinodia, Non-Executive Directors of the Company
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 Director has resigned in the past three years	None	None
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Not Applicable

Details of Directorship/Committee Chairmanship and Membership in other companies

Name of Director	Type of Company	Directorships held	Committee Memberships	Committee Chairpersonships
Mr. Suman Kant Munjal	UL	Hero Steels Limited	SATC	SATC
		Rockman Industries Limited	AC, CSR, FC	CSR
		Rockman Autotech Limited		
	P	Bahadur Chand Investments Private Limited	AC, RMC, ALMC, GRMC	
		Hero InvestCorp Private Limited	CSR	CSR
		Rockman Advanced Composites Private Limited		
		Hero Electronix Private Limited		
		Spares Superhero Private Limited		
		Tessolve Semiconductor Private Limited	CSR	CSR
		Hero Corporate Services Private Limited		
		Survam Private Limited		
		Herox Private Limited		
	Section 8	BML Educorp Services		
Dr. Pawan Munjal	UL	Rockman Industries Limited		
		Hero FinCorp Limited	NRC, CSR, COD	COD
	P	Bahadur Chand Investments Private Limited	CSR, RMC, ALMC, NRC, ISC	
		Hero InvestCorp Private Limited	CSR	
		Pan Mining Private Limited		
		Hero Future Energies Private Limited		
	Section 8	Indian School of Business		
	Foreign	Hero Future Energies Global Limited		

UL	-	Unlisted Public Company
P	-	Private Company
Section 8	-	Non-Profit Company
Foreign	-	Foreign Company
AC	-	Audit Committee
RMC	-	Risk Management Committee
NRC	-	Nomination and Remuneration Committee
SATC	-	Share Allotment & Transfer Committee
FC	-	Finance Committee
ALMC	-	Asset-Liability Management committee
GRMC	-	Group Risk Management Committee
COD	-	Committee of Directors
CSR	-	Corporate Social Responsibility Committee
ISC	-	IT Strategy Committee

Hero

VIDA

FUTURE

OF MOBILITY



Hero MotoCorp Limited

Integrated Annual Report 2025-26



VIDA VX2 Plus

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THEME INTRODUCTION

FUTURE OF MOBILITY



VIDA VX2 Plus

The landscape of mobility is undergoing a significant shift, driven by changing consumer desires, rapid technical innovation and a growing emphasis on environmental responsibility. The traditional model of vehicle ownership is giving way to a new era of flexible, interconnected, and inclusive transport options. This evolution is not just about the vehicles themselves, but about enhancing the entire journey to make daily commute more efficient and sustainable.

Hero MotoCorp is at the forefront of this movement, cultivating a comprehensive mobility ecosystem. Our diverse portfolio addresses the needs of every rider, from those seeking mass-market accessibility to premium enthusiasts. A key highlight of our recent innovation is the Glamour X, which stands as the first 125cc motorcycle to feature cruise control technology.

Our commitment to an electric future is reflected in our VIDA brand, where we are building both high-quality vehicles and the essential charging infrastructure required for mass adoption. We have also introduced groundbreaking concepts like DIRT.E K3, India's first modular electric vehicle for young riders, and the Surge S32, which demonstrates our ability to turn visionary ideas into practical applications.

Technical innovation continues to be a fundamental pillar of our over-arching strategy. We launched Novus, a pioneering platform for future mobility dedicated to investigating novel architectures and visionary concepts tailored for changing urban transport ecosystems. Representing our philosophy that "life is movement", the Novus line reflects our ambition to seamlessly merge technology, sustainability and the human experience. Making its global debut at EICMA 2025, the platform showcased three distinct mobility concepts: NEX1, NEX2 and NEX3.

At the core of our digital transformation is our proprietary Connected Vehicle Platform—a robust, scalable ecosystem that bridges manufacturing intelligence with real-world vehicle telemetry. By managing the entire vehicle and customer journey from production to end-of-life, and utilising regular OTA (over the air) updates to keep software updated and capabilities relevant, this platform transforms our vehicles from static products into dynamic, revenue-generating service environments.

Beyond engineering, we are dedicated to creating economic opportunities by supporting the gig economy and empowering micro-entrepreneurs through accessible transport. Throughout these efforts, we maintain a steadfast commitment to sustainability, ensuring responsible waste management and lower emissions across our entire operation. We are committed to a future of mobility that is smarter, cleaner and accessible to all.

We aim to build a future of mobility that is cleaner, smarter and designed for everyone.

ABOUT THE REPORT

MAPPING OUR JOURNEY

Explore Hero MotoCorp Limited (HMCL)'s inaugural Integrated Report, which sets out how the Company creates, sustains and enhances value responsibly over short, medium and long-term. This Report presents an integrated view of our operating context, strategy, governance, performance and future outlook, reflecting our focus on purposeful growth, strategic progress and long-term value creation.



Xpulse 210

This Report has been prepared in accordance with recognised international frameworks and guidelines and is intended to provide balanced, comparable and reliable disclosures for all stakeholders. It also underscores HMCL's commitment to robust corporate governance practices and transparency in reporting.

Reporting Cycle

01 April, 2025 ▶ **31** March, 2026

Financial Reporting

The financial information presented in this Report has been prepared in accordance with the provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) and the Securities and Exchange Board of India's Listing Regulations. Any financial information included herein is derived from HMCL's audited financial statements.

Frameworks, Guidelines and Standards

- International Integrated Reporting Framework
- Business Responsibility and Sustainability Report (BRSR Core)
- National Guidelines on Responsible Business Conduct (NGRBC)
- Global Reporting Initiative Standards (GRI)
- United Nations Sustainable Development Goals (UN SDGs)
- Carbon Disclosure Project (CDP)
- S&P Global Corporate Sustainability Assessment (CSA)
- International Standard on Assurance Engagements (ISAE) 3000
- ISO 9001 - Quality Management Systems
- IATF 16949 - Automotive Quality Management Systems
- ISO 17025 - Testing and Calibration Laboratories
- ISO 45001 - Occupational Health and Safety Management Systems
- ISO 22000 - Food Safety Management Systems
- ISO 14001 - Environmental Management Systems
- ISO 50001 - Energy Management Systems
- ISO 27001 - Information Security Management Systems

Scope and Boundary

The scope of this Report covers all six HMCL's manufacturing facilities in India, namely, Dharuhera, Gurugram, Haridwar, Neemrana, Halol, and Tirupati, along with the Global Parts Center (GPC) in Neemrana, the Center for Innovation and Technology (CIT) in Jaipur, and the Corporate Office in New Delhi. Collectively, these locations account for 99% of the Company's revenue and are representative of HMCL's operational footprint.

This Report aligns with the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as articulated by the Ministry of Corporate Affairs.

Precautionary Principle

HMCL follows a precautionary approach by proactively identifying, assessing and mitigating environmental and social risks across its operations. This approach includes undertaking climate vulnerability assessments, strengthening compliance frameworks and implementing structured risk review mechanisms at both plant and corporate levels, all while focusing on safeguarding long-term business resilience.

Responsibility Statement

The integrity of the information presented in this Report is verified by the Management of Hero MotoCorp Limited to the best of their knowledge.

Assurance

The financial information in this Report has undergone independent assurance by Deloitte Haskins & Sells LLP. Bureau Veritas (India) Private Limited has independently verified some of the essential non-financial disclosures, including BRSR.

Forward-looking Statements

Certain statements in this Integrated Annual Report describing our objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Our actual results may differ materially due to factors including macro-economic conditions, demand fluctuations, consumer preferences, competitive intensity and technological changes. Our performance may also be affected by regulatory changes, supply chain disruptions, commodity price volatility, foreign exchange movements and execution of strategic initiatives. We undertake no obligation to update such statements except as required by Law.

PERFORMANCE HIGHLIGHTS

MEASURES OF OUR PROGRESS

₹ 46,830 crore
Revenue from operations

₹ 5,268 crore
Profit After Tax

₹ 8,315 crore
Cashflow from operating activities

₹ 263
Basic earnings per share

₹ 6,871 crore
EBITDA

6.47 mn
Units of motorcycles and scooters sold

31.3%
RoCE

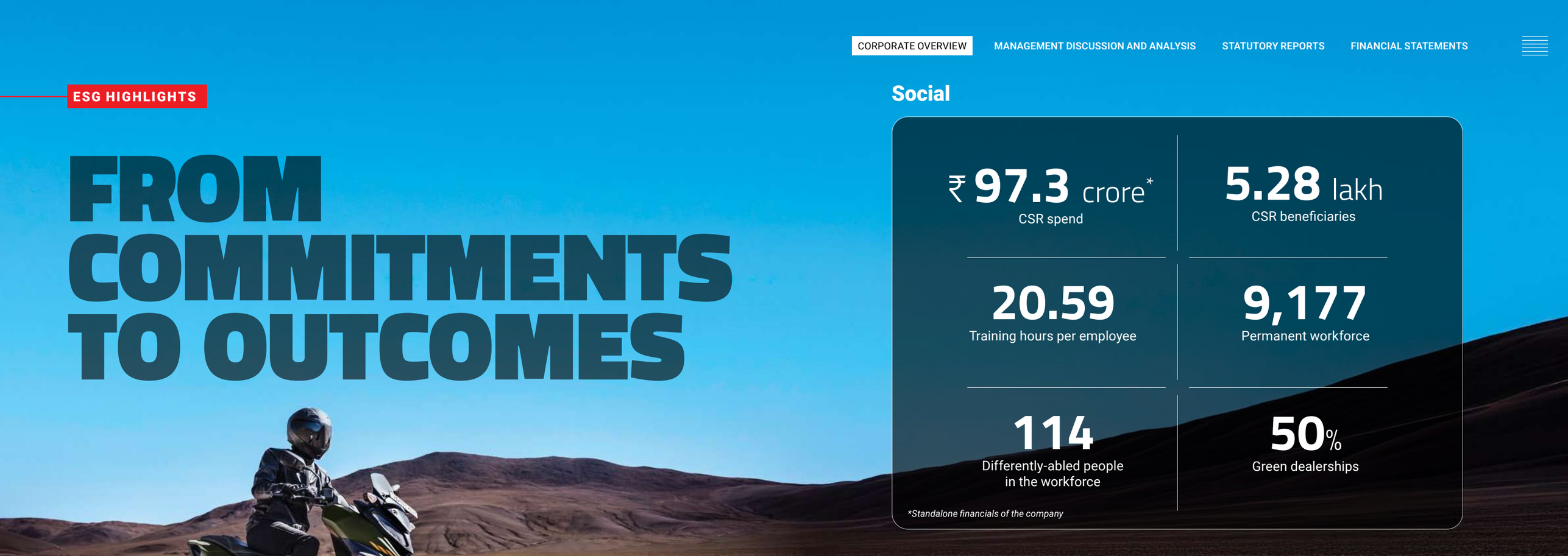
#1
Ranked in Google search trends amongst two-wheeler brands in India in FY 2025-26

Standalone financials of the Company

Hero MotoSports Team Rally at the Indian National Rally Championship

ESG HIGHLIGHTS

FROM COMMITMENTS TO OUTCOMES



Environment

42,568 tCO_2e
Carbon emissions avoided

32%
Electricity sourced from renewable energy sources

5,17,276 kL
Wastewater recycled

100%
Operations are Single-Use-Plastic free

Social

₹ 97.3 crore*
CSR spend

5.28 lakh
CSR beneficiaries

20.59
Training hours per employee

9,177
Permanent workforce

114
Differently-abled people in the workforce

50%
Green dealerships

*Standalone financials of the company

Governance

30%
Gender diversity of the Board

50%
Independent Directors (includes 2 Independent Women Directors)

Leader Category
by NSE Sustainability Ratings & Analytics Ltd.

100%
Board and Committee meeting attendance

100%
Facilities certified for information security (ISO 27001:2022)

35
GRI disclosures tracked

Hero

VIDA

FOUR DECADES OF TRUST.
25 CONSECUTIVE YEARS OF
WORLD LEADERSHIP.

Hero
WORLD'S NUMBER 1
MOTORCYCLE & SCOOTER COMPANY
FOR 25 YEARS
IN A ROW



Since 1984, our journey has been measured in millions of miles and defined by the trust of those who chose to ride with us.

For 25 consecutive years as the world's number one motorcycle and scooter company, you have shaped our legacy. Together, we now look ahead to redefining the future of mobility: one driven by innovation, sustainability, and a shared purpose.

To our customers, partners, employees, and stakeholders, thank you for four decades of belief and 25 years of world leadership.

This milestone belongs to all of us.

The journey continues.

53 Countries Global Presence	**41 years** of leadership in Manufacturing and R&D	**14,000+** Customer touch points	**500%** Water positivity	**100%** Zero waste to landfill

Hero

VIDA

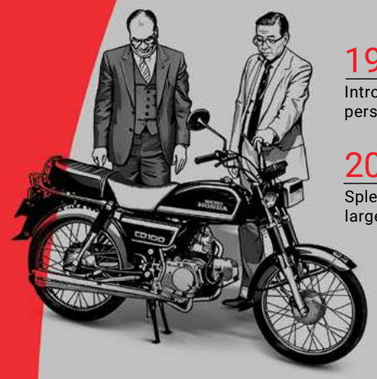
WORLD'S NO. 1

FOR 25 YEARS
IN A ROW

Hero

VIDA

A LEGACY WRITTEN MILE BY MILE.



1985
Introduction of the CD 100, revolutionising personal mobility in India.

2000
Splendor became the world's largest-selling two-wheeler.



2001
Reached a historic milestone by becoming the world's largest

2011
Global brand launch of Hero MotoCorp.

2013
Achieved 50 million# cumulative sales.



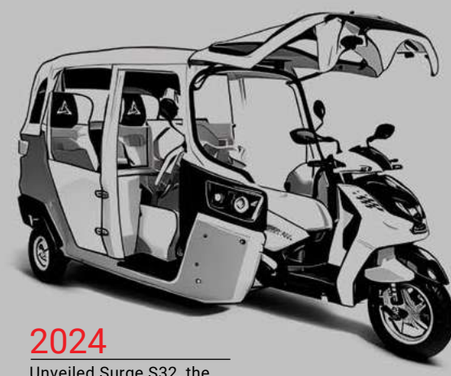
2016
Inauguration of the Centre for Innovation & Technology (CIT) in Jaipur.

2019
Establishment of the Tech Center Germany (TCG).

2021
Surpassed 100 million# cumulative sales.



2022
Launch of the VIDA V1 electric scooter.



2024
Unveiled Surge S32, the world's first class-changing vehicle.



2024
Ross Branch dominates 2024 with a historic Dakar podium and the FIM World Rally-Raid Championship crown—the first-ever for an Indian OEM.



2025
Achieved 125 million# cumulative sales.
December 31, 2025: Achieved the world's No. 1 position* for the 25th year in a row.

Hero
WORLD'S NUMBER 1
MOTORCYCLE & SCOOTER COMPANY
FOR 25 YEARS IN A ROW*



People in the picture (listed top to bottom): Founder and Chairman Emeritus, Dr. Brijmohan Lall Munjal at the first CD 100 motorcycle rollout. • Founder and Chairman Emeritus, Dr. Brijmohan Lall Munjal and Executive Chairman, Dr. Pawan Munjal at India Gate. • Executive Chairman Dr. Pawan Munjal at the Hero Motocorp 100-Millionth milestone • Executive Chairman Dr. Pawan Munjal at the launch of the VIDA V1 electric scooter. • Unveiling of the Surge S32 modular electric vehicle.

• Ross Branch on the Dakar Rally podium for Hero MotoSports. • Highest sales for any 2-Wheeler Corporate Entity in the world for Calendar Year 2025. Executive Chairman Dr. Pawan Munjal at the Hero Motocorp 125-Millionth milestone • #As per cumulative dispatch numbers. Consult & Advisory's report Assessment of Global Two-Wheelers Market (CY25). *World's largest Two-wheeler manufacturer with the highest Two-wheeler unit sales by a single corporate entity globally, for the past 25 years. Data Source: SIAM Certificate.

EXECUTIVE CHAIRMAN'S MESSAGE

A LEGACY IN MOTION

Dear Shareholders,

In FY 2025-26, Hero MotoCorp further strengthened its position as a global mobility company — guided by purpose, driven by disciplined execution, and anchored in innovation and customer trust.

For 25 consecutive years, Hero MotoCorp has remained the world's largest manufacturer of motorcycles and scooters. Sustaining leadership for a quarter century is not merely a reflection of scale. It is a testament to adaptability, resilience, and enduring customer trust in an industry continuously reshaped by technology, energy transitions, and changing consumer expectations.

Long before India became central to global conversations around manufacturing, innovation, and supply chain resilience, Hero MotoCorp was proving that Indian engineering, quality, and operational excellence could compete at the highest level. Today, as the mobility industry undergoes one of the most profound transformations in its history, India is increasingly being recognised not only as a large market, but as a strategic hub for innovation, technology, and resilient manufacturing. Hero MotoCorp is proud to be helping shape that future.

Our aspiration is clear: to build Hero MotoCorp into one of the world's most trusted, innovative, and sustainable mobility companies.

In this dynamic environment, we are not content to rely solely on our legacy. Instead, we are actively reimagining our future — strengthening our core business, accelerating innovation, and investing in next-generation mobility solutions that are cleaner, smarter, safer, and increasingly connected.

Our journey began with a singular mission — to democratise mobility for millions. Today, we are evolving into a diversified mobility and technology enterprise — investing across electric mobility, connected ecosystems, premium segments, advanced R&D, digital platforms, intelligent manufacturing, global partnerships, and sustainable operations.

At the same time, we are building a new generation of leadership across businesses, technologies, and markets — combining deep operational experience with fresh thinking, digital capability, and global perspective to lead Hero MotoCorp into its next era of growth.



Reimagining urban mobility through next-generation concepts at EICMA 2025.



"Our aspiration is clear: To build Hero MotoCorp into one of the world's most trusted, innovative, and sustainable mobility companies."

Dr. Pawan Munjal
Executive Chairman

EXECUTIVE CHAIRMAN'S MESSAGE

The transformation underway in mobility extends far beyond a shift in propulsion systems. It is redefining how people connect with energy, technology, cities, and opportunity. Electrification, digital integration, sustainability, intelligent platforms, and data-driven ecosystems are reshaping the industry at every level. We believe the companies that will lead this new era will be those capable of combining innovation with scale, technology with accessibility, and global ambition with disciplined execution.

That balance has always defined Hero.

At Hero MotoCorp, innovation is not pursued for novelty alone. It must ultimately create accessibility, reliability, sustainability, and meaningful value for customers at scale. Behind every milestone at Hero MotoCorp are journeys of million individuals — students commuting to opportunity, entrepreneurs building livelihoods, families seeking reliability, and communities advancing through access to mobility. This human connection remains at the heart of everything we do.

Through VIDA & Novus, we are building an electric mobility ecosystem designed around real-world usage, intelligent design, and connected experiences. Through our R&D centres in India and Europe, and through strategic partnerships across the mobility and technology landscape, we are strengthening capabilities designed not only for today's market, but for the next generation of mobility itself. We are also accelerating investments in artificial Intelligence & digital infrastructure and platforms, data-led decision making, intelligent manufacturing, and emerging technologies that will define the next generation of mobility experiences.

At the same time, our core business continues to demonstrate strong momentum. During FY 2025-26, our Company reported Revenue from Operations of ₹ 46,830 crore and Profit After Tax of ₹ 5,268 crore, while continuing to strengthen its presence across premium motorcycles, scooters, electric mobility, and international markets.

Our international presence now spans 52 countries across Europe, Asia, Africa, and Latin America. This expansion is not simply about entering new markets. It represents the growing confidence in Indian manufacturing, Indian engineering, and Indian innovation across the world.

Behind this progress stand the values established by our Founder and Chairman Emeritus, Dr. Brijmohan Lall Munjal — our Hero Forever. He believed that enduring institutions are built not only through ambition, but through trust, humility, consistency, and a deep sense of responsibility. Those values continue to guide our culture and decision-making as we navigate a rapidly changing world.

Hero MotoCorp was built to endure beyond business cycles, technologies, and generations — and our responsibility today is to ensure that the institution remains relevant, resilient, and respected for decades to come.

Sustainability remains deeply embedded in our long-term vision. We believe sustainability is no longer a separate agenda; it is central to long-term competitiveness, resilience, and responsible growth.

From water positivity and zero waste-to-landfill operations to greener dealerships, circularity initiatives, responsible sourcing, and cleaner technologies, we are building growth that is designed to endure.

Hero MotoCorp enters this next phase with confidence — supported by a strong legacy, global ambition, technological capability, and a willingness to continuously evolve. We will continue to maintain the right balance between innovation and empathy, between global ambition and responsibility, and between progress and planet.

I would like to express my heartfelt gratitude to all our stakeholders — customers, employees, dealers, partners, shareholders and communities — for your continued trust and support.

As we look ahead, we remain guided by a simple belief: mobility has the power to transform lives, and progress is most meaningful when it is shared. The future of mobility is being rewritten, and Hero MotoCorp will continue to help lead that future with confidence, responsibility, and purpose.

Together, we are helping shape the future of mobility — and Hero MotoCorp will continue to lead that journey with courage, responsibility, and the enduring spirit that has defined us for generations.

Warm Regards,

Dr. Pawan Munjal
Executive Chairman

> ***"Mobility has the power to transform lives, and progress is most meaningful when it is shared."***



CEO'S MESSAGE

LEADING THE FUTURE OF MOBILITY

Dear Shareholders,

As I write to you for the first time as CEO of Hero MotoCorp, I do so with a deep sense of gratitude, humility and responsibility. It is a privilege to lead an organisation that has shaped the mobility aspirations of millions and remained the industry leader for over 25 years.

Since joining Hero MotoCorp in January 2026, I have been inspired not only by the strength of our iconic brands, but also by the passion, resilience and commitment of our people. Above all, I have been moved by the enduring trust that millions of customers, partners, investors and stakeholders place in us every day.

I would like to express my deepest appreciation to Vikram Kasbekar, Executive Director for his stewardship during the leadership transition as interim CEO and for his continued partnership.

I am also deeply grateful to our Executive Chairman, Dr. Pawan Munjal, whose vision and unwavering commitment have shaped Hero MotoCorp into the industry-leading institution. His guidance continues to inspire us as we continue to build the next chapter of mobility.

FY 2025-26 has been a defining year for Hero MotoCorp as we reinforced our leadership position while accelerating our transformation into a future-ready mobility company. In a rapidly evolving mobility landscape, our focus remained clear - delivering profitable growth, strengthening our core business, investing in future technologies and building mobility solutions that are sustainable, innovative and globally relevant. Over the course of the year, we made significant progress across premiumisation, electric mobility, global expansion, digital transformation and operational excellence while continuing to stay deeply connected to the evolving aspirations of our customers and communities.

I am pleased to share that Hero MotoCorp delivered its highest ever till date annual revenue and profit during FY 2025-26. Revenue from operations grew to ₹ 46,830 crore, reflecting a strong double-digit growth over the previous year, while Profit After Tax rose to ₹ 5,268 crore. EBITDA margins improved to 14.7%, supported by a favourable product mix, premiumisation, cost optimisation and operational efficiencies. The year saw strong momentum across our core motorcycle business, led by both commuter and premium segments. The year demonstrated further dominance of the brand portfolio, led by strong performances from HF Deluxe, Splendor, Xtreme, and Glamour. At the premium end, Harley-Davidson X440T, our product developed through partnership with Harley-Davidson continued to gain traction, with the portfolio registering strong double-digit growth supported by network expansion and brand-led initiatives.

Our scooter business also grew steadily, supported by new launches and improved customer engagement and expansion in urban markets. In scooters, successful launches such as the Destini and Xoom range helped Hero MotoCorp post strong growth significantly strengthening its market position. We remain focused on strengthening our position in this segment through sharper product differentiation and enhanced riding experiences.

VIDA, our electric mobility business, delivered a landmark year with record year-on-year retail growth of 190%. We introduced the 'EVOOTER' category with the launch of the VIDA VX2 and debuted our first young riders, electric vehicle (first of its kind in India) Dirt.E K3 at EICMA 2025. We are building a comprehensive ecosystem for electric vehicles, charging infrastructure, and Battery-as-a-Service offerings to grow rapidly and gain share in electric mobility.

As we build the future of mobility, we continue to invest in R&D for connected technologies, different low emission powertrains and digital capabilities across the value chain.

> ***"As we build the future of mobility, we continue to invest in R&D for connected technologies, different low emission powertrains and digital capabilities across the value chain."***



Harshavardhan Chitale
CEO, Hero MotoCorp

Strategic investments in Euler Motors, continued partnership with Ather Energy and the expansion of our collaboration with Harley-Davidson further reinforced our ambitions across electric mobility and premium segments.

Beyond products, we are reimagining the entire mobility experience. Consumers today seek connected, convenient and personalised solutions and our investments in digital platforms, retail transformation and customer engagement are helping us meet these evolving expectations.
During the year, we further expanded our premium retail footprint from over 100 touchpoints in FY 2024-25 to 130 touchpoints thereby enhancing accessibility and customer experience across key markets in India.

Our Company also accelerated its global expansion strategy with strong momentum across South Asia, Latin America, Africa and Europe. International business recorded robust growth driven by strong demand for products such as the Hunk 125R, Hunk 160R and Hunter series. During the year, Hero MotoCorp announced its entry into key European markets including Germany, Italy, France, Spain and the UK, supported by Euro5+ compliant products, strategic distributor partnerships and an expanding premium and electric vehicle portfolio.

Sustainability remained a core pillar of our strategy.
We advanced climate action by increasing our renewable energy share to 32% and maintaining 500% water positivity.

We also achieved 100% Zero Waste to Landfill operations and enabled 95% product recyclability across the portfolio. Our Gurugram plant received the Platinum Award at the CII National 5S Excellence Competition 2026, and our Tirupati plant earned a GreenCo Gold Rating, recognising our commitment to Zero Waste to Landfill operations and plastic-free facilities. This year, we positively impacted 5.28 lakh beneficiaries through CSR initiatives.

Beyond business, we believe sports represent the relentless pursuit of excellence. Hero MotoCorp strengthened its global impact through partnerships across World Rally-Raid championship, cricket, golf, and hockey. Notably, we supported athletes through the Paralympic Committee of India and the Indian Deaf Cricket Association, reinforcing our commitment to inclusivity and empowerment.

I would like to thank our customers, dealer partners, supply chain partners and investors for their continued trust. Most importantly, I thank every member of the Hero MotoCorp family for their dedication and passion to drive our progress and define our culture.

As we move ahead, we remain focused on strengthening our core business, accelerating growth in premium and electric mobility, expanding our global footprint and building a more agile, future-ready organisation. Backed by strong fundamentals and a clear strategic roadmap, we are confident about the growth ahead.

COMPANY AT A GLANCE

FOUR DECADES OF TRANS-FORMING MOBILITY

We are Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters by volume. Building on a legacy of over four decades and 25 consecutive years of global leadership, we have played a defining role in shaping the two-wheeler industry by delivering accessible mobility solutions at scale.

Since our inception in 1984, we have sold 130 million two-wheelers across 50+ countries, driven by strong engineering capabilities, customer-centric innovation and a robust operational and distribution network.

50+
Countries with presence

130 mn
Happy customers

14,000+
Customer touchpoints

25 Years
of global leadership

Our Portfolio and Key Brands



Motorcycles
Leadership in entry segments and expanding presence in premium motorcycles



Scooters
Expanding presence across commuter and performance categories



Electric Portfolio
Building future-ready, sustainable mobility products & solutions



Harley-Davidson
Strengthening our premium portfolio through a strategic partnership while targeting aspirational and performance-led segments



Emerging Mobility & Innovation
Pioneering new formats and use-cases through breakthrough platforms and next-generation mobility concepts

Our Business Footprint

Our operations span across domestic and international markets, supported by an expansive distribution network and strong market understanding:

Domestic
Market leadership driven by deep rural penetration, an extensive network and brand trust

International
Presence across Asia, Middle East, Europe, UK, Africa and Latin America with a focus on scalable and localised growth

Premium
Expanding the portfolio with performance-led and aspirational offerings

Our Operating Ecosystem

We are supported by an integrated ecosystem that enables scale, efficiency and customer proximity:

Manufacturing
Advanced facilities delivering quality, scale and operational excellence

Distribution
Wide-reaching network across urban, semi-urban and rural markets

Customer Experience
Integrated physical and digital touchpoints enhancing engagement and service delivery

Our Core Strengths

Our sustained leadership is anchored in:

- Leadership in high-volume commuter motorcycle segments
- Growing strength in electric mobility
- Deep rural and semi-urban market penetration
- Scaling presence in premium market
- Strong legacy brands driving high customer loyalty
- Expanding global footprint across key markets
- Scaled, cost-efficient manufacturing and supply chain
- Continuous focus on innovation, people, digitalisation and sustainability

PRODUCT PORTFOLIO



VIDA VX2 Plus

REIMAGINING TOMORROW'S MOBILITY

At Hero MotoCorp, we are responding to evolving urban needs, changing user behaviours and emerging business models through incubation-led innovation, platform-based access, next-generation electric experiences and sustainable mobility solutions.

100cc motorcycles

Efficient, accessible and built for everyday mobility.

HF100



HF Deluxe



HF Deluxe Pro



Splendor+



Splendor+ XTEC



Splendor+ XTEC 2.0



Passion+

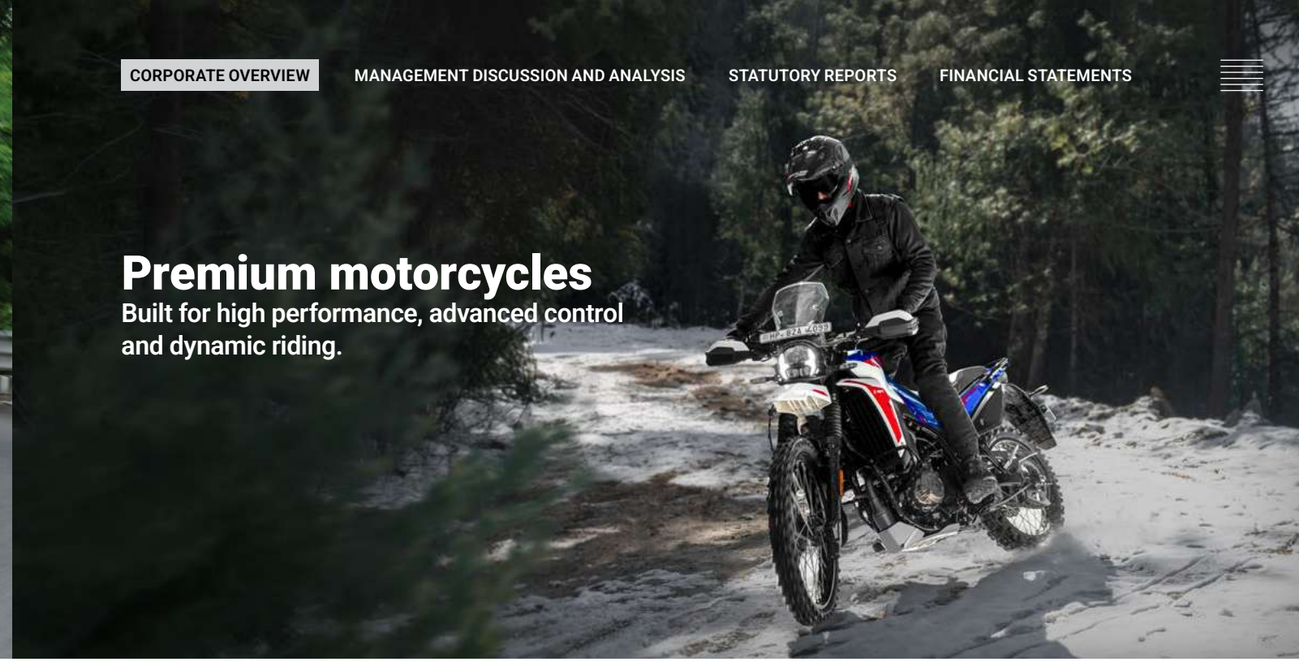


PRODUCT PORTFOLIO



125cc motorcycles

Engineered for power, agility, and riding excitement.



Premium motorcycles

Built for high performance, advanced control and dynamic riding.

Super Splendor XTEC



Glamour



Glamour X



Xtreme 125R



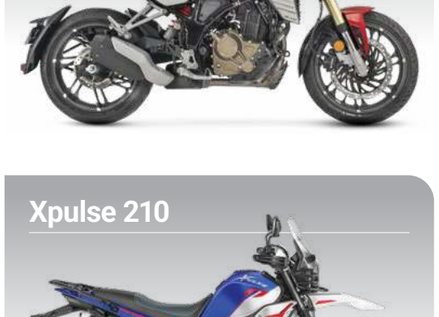
Xtreme 160R



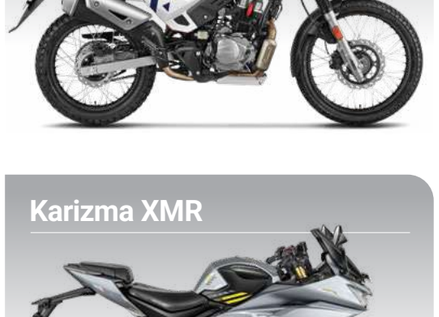
Xtreme 160R 4V



Xtreme 250R



Xpulse 200 4V



Xpulse 210



Karizma XMR



PRODUCT PORTFOLIO

Scooters

Designed for modern lifestyles with ease and convenience.



Pleasure+



Pleasure + Xtec



XOOM 110



Destini Prime



Destini 110



Destini 125



XOOM 125

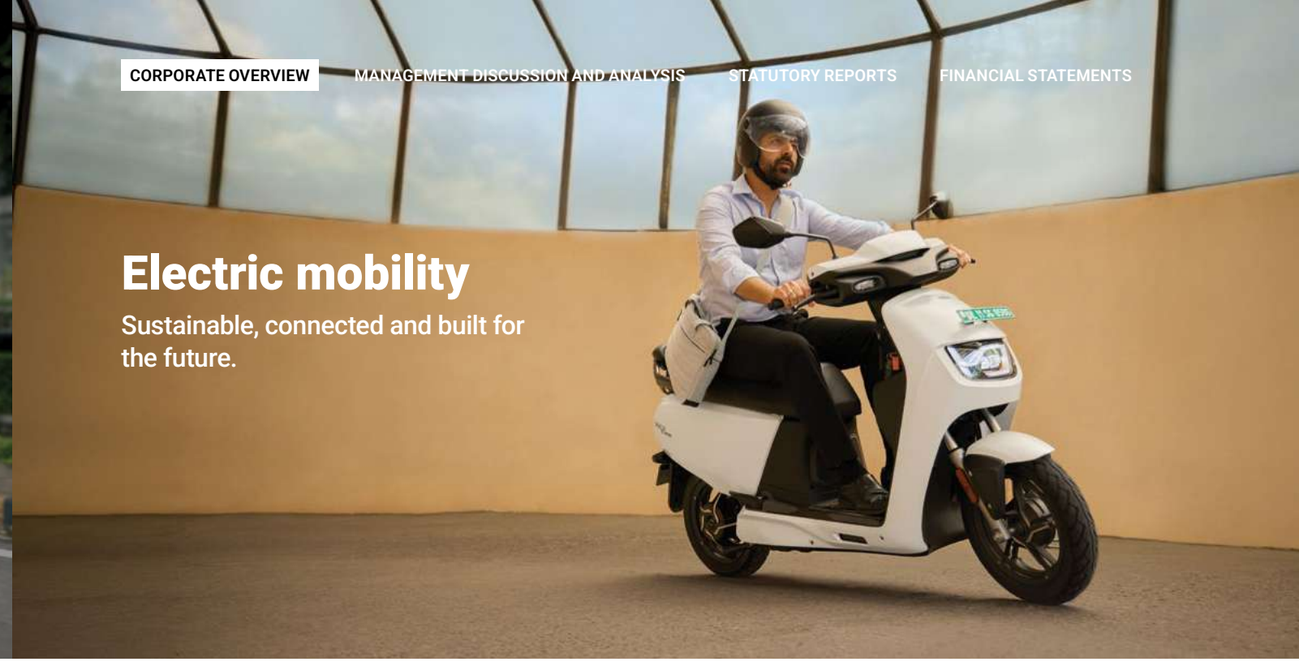


XOOM 160



Electric mobility

Sustainable, connected and built for the future.



VIDA V2 Pro



VIDA V2 Plus



VIDA VX2 Plus



VIDA VX2 Go (3.4 and 2.2)



Dirt.E K3



PRODUCT PORTFOLIO

Harley-Davidson®

Engineered for power, presence and long-distance cruising.



Harley-Davidson® Fat Boy™



Harley-Davidson® CVO™ Street Glide™



Harley-Davidson® Street Glide™



Harley-Davidson® Heritage Classic



Harley-Davidson® Nightster™



Harley-Davidson® Nightster™ Special



Harley-Davidson® Pan America™ 1250 Special



Harley-Davidson® Sportster™ S



Harley-Davidson X™440



Harley-Davidson X™440 T



Harley-Davidson® Breakout™



Harley-Davidson® Street Bob™



Harley-Davidson® CVO™ Road Glide™



Harley-Davidson® Road Glide™



PRODUCT PORTFOLIO

Surge S32: A New Class of Electric Mobility

Surge S32 is a key outcome of 'HeroHatch', our internal incubation platform, where agile innovation converges with engineering scale to address evolving mobility needs. Built on the Advanced Modular Smart Electric Platform (AMSEP), it is the world's first class-shifting vehicle, enabling seamless transition between a two-wheeler and a three-wheeler in less than three minutes. The cargo variant has received Type Approval from Automotive Research Association of India (ARAI) and is the first in India to be certified under the L2-5 category by the Ministry of Road Transport & Highways (MoRTH), marking a significant step from validation to market readiness.

At present, we are engaging with logistics leaders and last-mile delivery providers to integrate the S32 into modern fleet management systems, aiming to maximise vehicle uptime. By providing a single vehicle that serves two distinct purposes, we are lowering the entry barrier for micro-entrepreneurs, doubling their potential utility without doubling their investment.



Surge S32

Milestones and Global Recognition

The Surge S32 stands out as India's first vehicle certified under the newly introduced L2-5 category, created by the Ministry of Road Transport & Highways (MoRTH) to enable class-convertible mobility.

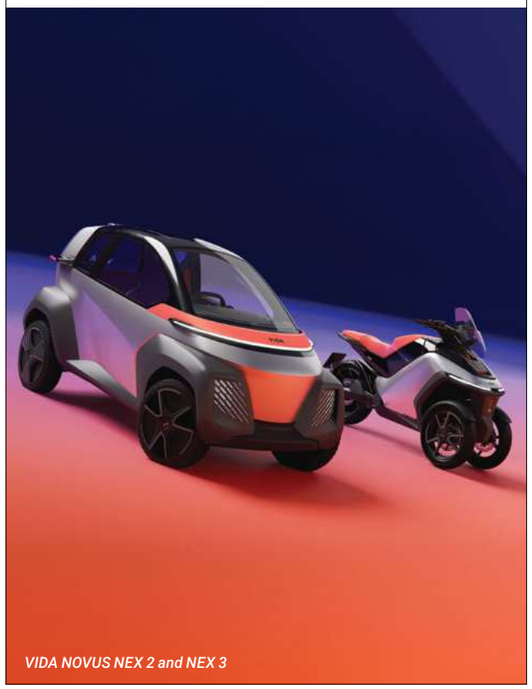
Commercialisation Rollout Priorities

In 2026, we aim to launch our B2B commercial pilot designed to validate our subscription and service models in a high-demand environment.

Evolution of Mobility With NOVUS

Our showcase at EICMA 2025 brought our vision 'Be the Future of Mobility' to life with VIDA NOVUS lineage. The VIDA NOVUS portfolio marks a transformative leap in redefining sustainable, intelligent, and connected mobility, driven by the brand's philosophy - Life is Movement.

- NEX 1: A new mobility archetype—portable, personal, and designed to move with you, not merely carry you.
- NEX 2: A compact, self-balancing electric trike that combines the thrill of a motorcycle with three-wheel stability for urban practicality.
- NEX 3: A sleek, all-weather personal EV that offers the safety and comfort of four wheels in an elegant and versatile form, for both urban and rural journeys.



VIDA NOVUS NEX 2 and NEX 3

Freedo Rentals: Advancing Shared Mobility

Freedo Rentals, incubated under the 'HeroHatch' platform, continues to address evolving urban mobility needs by offering flexible access-based solutions. As congestion intensifies and ownership costs rise, Freedo provides a practical alternative by enabling customers to access two-wheelers without long-term commitments or upfront investments.

Digital-first Mobility Solutions

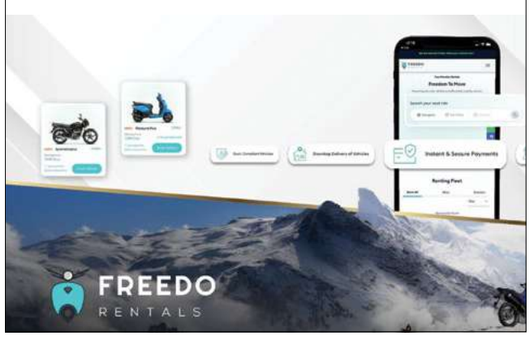
Through its flagship Rental Platform and Subscription-led offering (YOR), Freedo bridges the gap between usage and ownership, allowing customers to transition seamlessly based on their needs.

The platform is anchored in a digital-first approach, supported by proprietary technology that enhances both user experience and operational efficiency.

- Real-Time Intelligence: Our integrated IoT telematics deliver proactive, real-time data to maximise vehicle uptime and rider safety.
- Seamless Onboarding: Complemented by a frictionless digital KYC journey and our proprietary Trust Score.
- Operational Excellence: Data driven operational platform enabling Freedo with a highly optimised user experience.

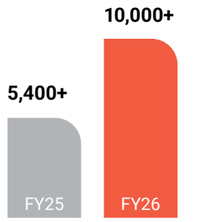
The Next Growth Frontier: Asset-light expansion as Freedo scales, the strategic focus remains on expanding its geographic reach, strengthening its technology backbone, and building a highly asset-light, platform-driven ecosystem to support long-term value creation.

In the upcoming fiscal year, Freedo is set to unlock exciting wealth-creation opportunities for budding entrepreneurs, automobile dealers and individual investors.



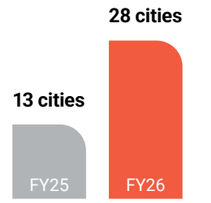
Growth Performance

Fleet Size



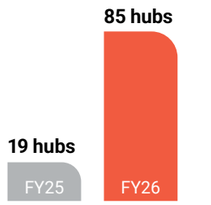
+85% Growth

City Presence



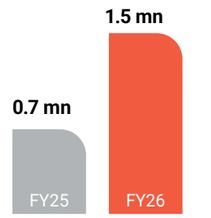
115% Growth

Touchpoints



347% Growth

App Downloads (Cumulative)



+114% Growth

2,00,000+
Bookings & extensions

100 mn+
kms covered

Creating a Measurable Impact

Freedo has also delivered a meaningful social impact by enabling gig workers with access to compliant, affordable mobility solutions thereby supporting livelihood generation of over 15,000 gig works.

Winner at the FLAME Awards 2025

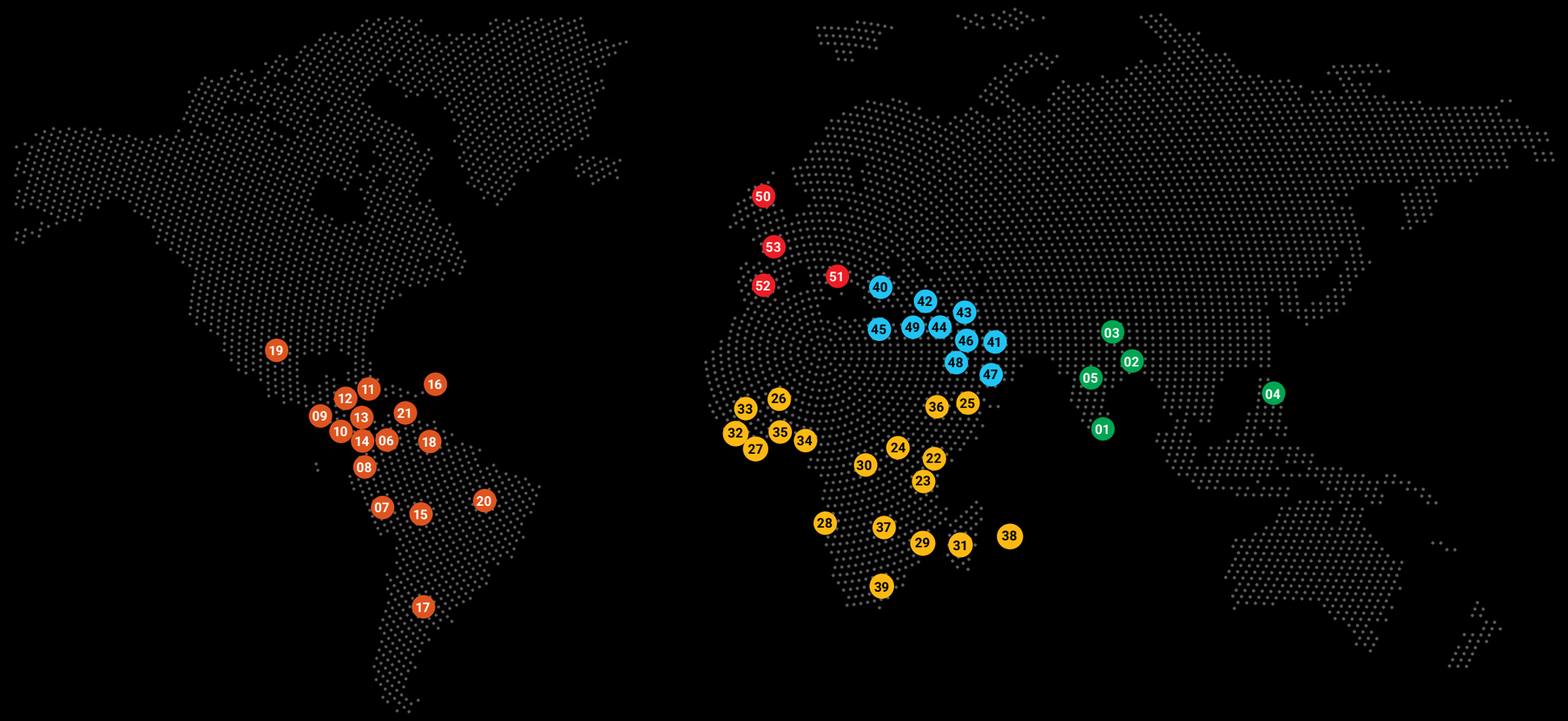
Freedo was awarded the **Best Social Development Campaign** of the Year for driving significant socio-economic impact for gig workers.

OUR PRESENCE

An integrated ecosystem brings together our manufacturing strength and market reach into a unified engine of scale. Leveraging our advanced production network, we respond to evolving customer needs across geographies with agility and precision, while our expansive distribution architecture ensures consistent last-mile connectivity.

Distribution Presence

Our global footprint spans 50+ countries across Asia, Central, UK & Latin America, Africa, the Middle East and Europe, enhancing resilience through geographic diversification. Enduring local partnerships and a wide distribution network enable us to cater to varied mobility needs while accelerating growth across key emerging markets.



Note: Map not to scale.

Asia

1. Sri Lanka
2. Bangladesh
3. Nepal
4. Philippines
5. India

Central & Latin America

6. Colombia
7. Peru
8. Ecuador
9. Guatemala
10. El Salvador
11. Honduras
12. Nicaragua
13. Costa Rica
14. Panama
15. Bolivia
16. Dominican Republic
17. Argentina
18. Guyana
19. Mexico
20. Brazil
21. Trinidad & Tobago

Africa

22. Kenya
23. Tanzania
24. Uganda
25. Ethiopia
26. Burkina Faso
27. Ivory Coast
28. Angola
29. Mozambique
30. Democratic Republic of Congo
31. Madagascar
32. Liberia
33. Guinea
34. Nigeria
35. Ghana
36. Djibouti
37. Zambia
38. Mauritius
39. South Africa

Middle East

40. Türkiye
41. Dubai (UAE)
42. Iraq
43. Kuwait
44. Saudi Arabia
45. Egypt
46. Qatar
47. Oman
48. Bahrain
49. Jordan

Europe

50. United Kingdom
51. Italy
52. Spain
53. France

AROUND THE CORNER, ACROSS THE GLOBE



OUR PRESENCE

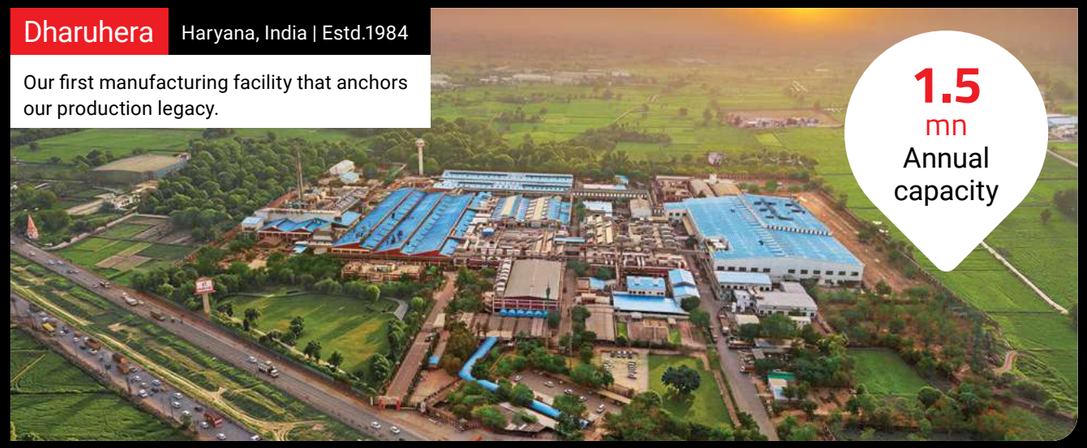
Manufacturing Presence

Our manufacturing prowess forms the backbone of our operational excellence, allowing us to meet diverse market demands with unmatched agility and precision. With six state-of-the-art facilities in India and dedicated plants in Colombia and Bangladesh, we have a strong manufacturing presence supporting an impressive annual production capacity of approximately 8.63* million units.

Manufacturing Facilities

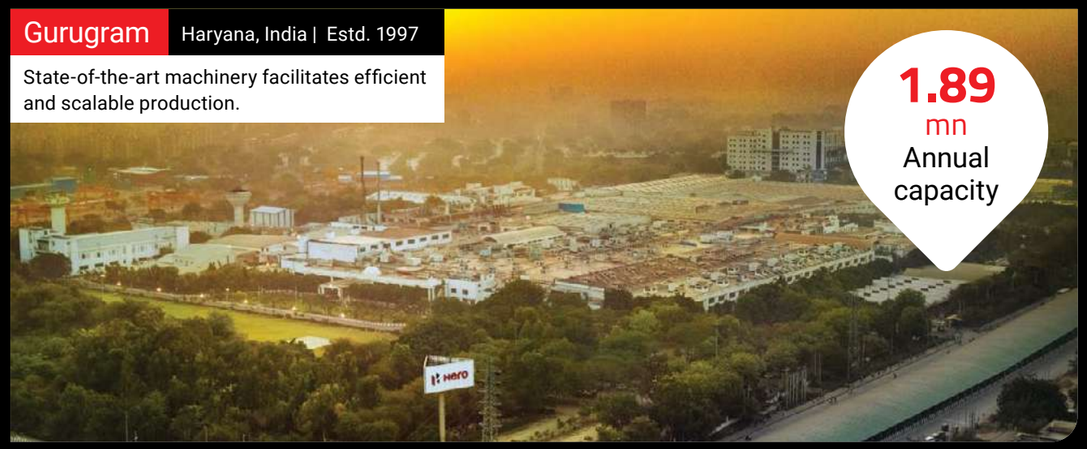
Dharuhera Haryana, India | Estd.1984

Our first manufacturing facility that anchors our production legacy.



Gurugram Haryana, India | Estd. 1997

State-of-the-art machinery facilitates efficient and scalable production.



*Production capacities have been revised based on change in model mix.

Haridwar Uttarakhand, India | Estd. 2008

Largest capacity plant, driving scale, efficiency and output leadership.



Neemrana Rajasthan, India | Estd. 2014

Labelled as the 'Garden Factory' for converging responsible sustainable practices with cutting-edge technology.



Halol Gujarat, India | Estd. 2016

Caters to the growing demand emerging from Western markets led by best-in-class automation and rigorous quality control.



OUR PRESENCE

Tirupati
Andhra Pradesh, India | Estd. 2020

Set up in conformance with green building practices marked by substantial usage of renewable power.



Overseas

Villa Rica
Colombia | Estd. 2015

Hero MotoCorp's first overseas manufacturing facility and a strategic export hub for Latin America with advanced infrastructure.



Jessore
Bangladesh | Estd. 2017

Strategic joint venture with the Niloy Group, ensuring strong local presence with India-aligned quality and efficiency standards.



Global Parts Center (GPC)



Neemrana, Rajasthan, India
Estd. 2014

Advanced automated warehouse enabling seamless parts availability and strengthening end-to-end logistics efficiency

R&D Facilities



Center for Innovation and Technology (CIT)

Jaipur, Rajasthan, India
Estd. 2016

Ensures seamless and cost-effective product development based on our platform strategy



Hero Tech Center Germany (HTCG)

Munich, Germany
Estd. 2019

Lays a keen emphasis on advancing our premiumisation agenda by leveraging ahead-of-the-curve powertrains

END-TO-END CARE FOR A SEAMLESS JOURNEY

We consistently prioritise enhancing service excellence, expanding access and deepening engagement across the lifecycle. This comprehensive approach has enabled us to nurture enduring relationships and create a differentiated ownership experience.

Upgrading the Network Experience

We are heavily investing in the modernisation of our physical network. We launched Hero Premia to provide a high-tech, luxury buying experience for our premium models and rolled out Hero 2.0 to bring contemporary designs to our core dealerships.

Hero Premia

Designed as the hub for our premium range of vehicles and Electric Vehicle (EV) portfolio, Hero Premia delivers a differentiated, digital-first retail experience aligned with evolving consumer aspirations. Bringing together Hero MotoCorp's range of premium vehicles, Harley-Davidson X models and VIDA EVs within a contemporary retail environment, the network reflects our premiumisation strategy and focus on experiential mobility. During the year, we further expanded the Hero Premia footprint across India, supported by strong consumer response across metros as well as emerging Tier 2 and Tier 3 markets.



Hero MotoCorp Premia store

50
New Hero Premia stores

115
Cities covered

130
Hero Premia stores across India

Hero 2.0

Focused on transforming the customer journey, Hero 2.0 is our flagship retail modernisation initiative built around contemporary store formats and integrated digital experiences. Designed to deliver a seamless 'phygital' engagement model, the initiative reflects our premiumisation strategy and evolving customer expectations, particularly among younger and digitally connected consumers. During the year, we upgraded 490 more dealers into Hero 2.0 stores, strengthening access to a modern, technology-enabled retail experience across India.

490
New 2.0 stores

95%
Coverage of Hero 2.0 stores in metro cities

1,400+
Hero 2.0 stores across the country



Hero Motocorp Dealership, Ahmedabad



VIDA VX2 Plus

Secondary Network

To ensure riders across diverse regions had quick and easy access to a consistent customer experience, the Company strengthened its hyper-local reach through the expansion of secondary networks, supported by dealer extension counters. These initiatives improved service reach, reduced turnaround time, enhanced convenience, bridged urban-rural access gaps, and strengthened customer satisfaction and retention.

240
New secondary network touchpoints

15
New retail format introduced

6,100+
Secondary network touchpoints

Fostering Lasting Loyalty

When we take care of our customers, our business grows. This year, our focus on delivering great service translated into 9% growth in service business revenue at our authorised workshops. More importantly, we are retaining our customers within the Hero family for longer. We witnessed a notable 18% increase in vehicles older than four years visiting our workshops.

We received 367 lakh vehicles for service at our workshops and our dealers stepped up to make this happen. Our focus on customer satisfaction resulted in 71% of our dealers achieving the elite 90+ Customer Service Index band. Our Net Promoter Score also improved, from 64 in FY 2024-25 to 69 in FY 2025-26.

Additionally, we introduced advanced automation to our service centres. Combined with technical & soft skills training programmes and facility upgrades, we are ensuring a faster, more premium, and highly consistent experience across our entire network.

367 lakh
Vehicles Serviced

9%
Growth in workshop service revenue

69
Net Promoter Score

Prioritising Customer Convenience

We strengthened our distribution and digital ecosystem to enhance accessibility, improve efficiency and deliver a more seamless customer experience.

We expanded service accessibility through innovative formats to reduce downtime and enhance customer convenience. Our mobile service van allows customers to access maintenance at their preferred location, while Quick Service Repair (QSR) enables faster turnaround for routine needs.

Simultaneously, we scaled our premium retail presence through Premia and enhanced customer journeys through an integrated digital ecosystem.

This integrated approach improved reach, enabled differentiated retail experiences and drove higher digital engagement across customer touchpoints.

Delivering a Connected Experience

Digitalisation continues to reshape how we engage with our customers. The Hero App, with various features keeps the customers engaged and enables seamless appointment booking, real-time updates and personalised updates.

At the workshop level, our Service App and Hero Expert App support precise diagnostics, technician accountability and integrated payments. Additional features such as the Cost Calculator, digital owner's manuals, HSRP/VIN reading and automated reminders make the entire experience more efficient.

Scaling Green Dealership

480
Green dealerships (including 160 added in FY 2025-26)

50%
of network operating on renewable energy and sustainable practices

Enhancing Product Experience and Care

We enriched the ownership experience through the Joyride programme (AMC), Road Side Assistance (RSA) and Vehicle care products (Chain Cleaner, Chain Lubrication, Paint Protection Treatment, etc.) ensuring durable product performance.

We organised mega service carnivals at regular intervals, servicing 18+ lakh vehicles across touchpoints.

Expert Care, Powered by People

Great service comes down to great people. To elevate our customer experience, we introduced dedicated Relationship Manager & Customer Care Manager roles, ensuring personalised premium engagement. We organised upskilling programmes such as UDAAN, PRO and iCare to equip our people with specialised soft skills. Advanced training through the IRA facility, supported by immersive technologies along with the Diagnostic Skill Development Center helps build technical expertise and maintain consistent service quality.



Digital Learning Center, Udyog Vihar

27 lakh
JoyRide enrolments in FY 2025-26

155 lakh
JoyRide enrolments since inception

43 lakh
Joyride active customers

18+ lakh
Customers served in Mega Service Carnivals

6 lakh
Roadside assistance enrolments

Hero GoodLife

Celebrating its 25th anniversary this year, Hero GoodLife has evolved into one of the world's largest automotive CRM programmes, serving over 50 million customers. During the year, we continued to strengthen engagement with our 7,000+ channel partners and 7.2 million active members through innovative rewards, exclusive benefits and personalised experiences. Customers have collectively earned more than 18,298 crore points and redeemed over 2.5 crore gifts to date. Our efforts were recognised with the 'AFAQS Marketers' Xcellence Award' for Most Innovative Customer Experience, further strengthening our legacy of 20+ prestigious awards and reinforcing customer trust and loyalty.



50 mn
Customers served

7.2 mn
Active members

2.5+ crore
Gifts redeemed

18,000+ crore
Loyalty points

Diversifying Revenue Streams: Parts, Accessories & Allied Business

During the year, we accelerated our shift towards a more resilient, multi-dimensional revenue model by strengthening our Parts, Accessories & Allied business, driven by a customer-first approach focused on availability, accessibility and service excellence. We expanded our distribution reach to the Taluka level, improving access to genuine parts in rural markets while the Asli Hero Programme continued to strengthen demand generation and customer support. Our comprehensive after-market portfolio spans engine oils, vehicle care, tyres and batteries, supported by a pull-based ordering system that enhances inventory efficiency, parts availability and turnaround times.

We also introduced PROPARTS, a second line of genuine parts for vehicles older than five years, offering a reliable, value-driven alternative to unorganised spares. Our Global Parts Center (GPC 1.0) at Neemrana continues to operate with high efficiency and with our second Global Parts Center (GPC 2.0) planned at Tirupati, we aim to further enhance logistical agility and reduce turnaround times, particularly for South-Indian markets.

₹ 6,147 crore
Revenue from Parts, Accessories & Allied Business

30,000+
SKUs managed at GPC 1.0 (Neemrana)

2 lakh+
Members under Asli Hero Programme

₹ 770 crore
Planned strategic investment in GPC 2.0 (Tirupati)


Karizma XMR

KEY EVENTS AND LAUNCHES

MILESTONES ON THE MOVE

New launches, bold ideas and expanding horizons defined the year. A growing premium portfolio, progress in electric mobility and a stronger global footprint together propelled us forward.



HF Deluxe Pro

Trusted Efficiency, Enhanced

We strengthened our trusted commuter portfolio with the HF Deluxe Pro, combining proven fuel efficiency, dependable performance and enhanced rider convenience to meet the everyday mobility needs of millions.



Glamour X

Executive Commuting, Redefined

We enhanced our executive commuter portfolio with the Glamour X, combining refined styling and improved performance to deliver a balanced blend of efficiency, comfort and modern design.



Harley-Davidson X440T

Built for Premium Touring

We expanded our premium motorcycle portfolio with the Harley-Davidson X440T, offering touring-focused comfort, refined performance and distinctive styling for riders seeking long-distance adventures.



Xoom 160

A Flagship Addition to the Premium Scooter Segment

We expanded our premium scooter portfolio with Xoom 160, a large-wheel maxi-scooter designed for performance, comfort and versatility. Powered by a 156cc liquid-cooled engine, it features 14-inch wheels, block-pattern tyres, smart key access and turn-by-turn navigation.



Destini 110

Everyday Comfort, Elevated

We strengthened our presence in the commuter scooter segment with the Destini 110, offering enhanced comfort, improved efficiency and dependable performance for a refined everyday riding experience.



Hunk 440

Expanding Global Performance

The Hunk 440 marked our entry into the European market, combining commanding performance, distinctive styling and refined engineering to make premium performance more accessible.



Hunk 250

Designed for Dynamic Mobility

The Hunk 250R reinforced our presence in Mexico's premium segment with class-leading speed, bold design and exhilarating performance.



Hunter

Moving Africa one Ride at a Time

We extended our commercial motorcycle line-up in Africa with the Hunter 150 and Hunter 150 TR, creating a category of powerful commercial motorcycles for the most demanding environments.

Key Highlights



NOVUS

01
NOVUS: Built for Mobility's Future

We introduced Novus, a future mobility innovation platform designed to explore emerging mobility architectures and concepts for evolving urban transportation ecosystems. The platform debuted globally at EICMA 2025 with three mobility concepts: NEX1, NEX2 and NEX3. Together, these concepts showcase multiple scales of urban mobility while exploring modular architectures, electrification-first platforms and connected ecosystems designed for the cities of the future.



VIDA VX2

02
VIDA: For the Next Generation of Electric Riders

We introduced the VIDA VX2 EVOOTER, a mass-market offering designed to accelerate EV adoption through affordable pricing and flexible ownership models. Unveiled at the VIDA LOCA event in July 2025, the VX2 supports everyday mobility while advancing our objective of democratising electric mobility.



EICMA 2025 in Milan

03
Amplifying Global Presence

This year, we widened our global reach by participating in leading international mobility platforms. At EICMA 2025 in Milan, we showcased our premium motorcycle portfolio and outlined our strategy for expanding into European markets. At the same time, at the Bharat Mobility Global Expo 2025 in New Delhi, we presented our evolving premium ICE (Internal Combustion Engine) line-up alongside innovations such as our first flex-fuel motorcycle, in line with our commitment to both performance engineering and alternative fuel technologies.



Product line-up at National Dealers Conclave (NDC) 2025

National Dealers Conclave (NDC)

Set against the vibrant backdrop of Goa, the National Dealers Conclave 2025, themed *'The Power of Us'*, marked a significant milestone for Hero MotoCorp, bringing together nearly the entire India dealer network to reinforce a shared vision of growth, partnership, and collective strength. Dr. Pawan Munjal celebrated the Company's landmark achievement as the first Indian two-wheeler manufacturer to surpass 125 million customers globally. Commemorating this historic milestone and 25 consecutive years of world leadership, Hero MotoCorp unveiled exclusive 125M Special Edition models alongside an expanded festive portfolio, underscoring the strong synergy between the Company and its dealer partners as they advance towards the next era of mobility.

Strengthening Partner Connect: Global Supplier Meet

During the year, we reinforced our commitment to 'Shared Excellence' through a series of focused partner engagements. The Global Supplier Meet 2025 in Gurugram brought together over 190 partners, marking 41 years of collaboration while aligning on our long-term mobility vision. We also hosted the Annual Logistics Partner Meet in Gurugram, recognising the critical role of our 250+ logistics partners in enabling operational excellence.

A key milestone was the Hero Vanguard Summit 2026 in Dubai, which convened HMCL leadership and 32 strategic suppliers for intensive deliberations. Through focused breakout sessions, we co-created an 'Innovation Charter' centred on technology, localisation, and quality. By recognising top-performing partners across Sustainability, Emerging Mobility, and Innovation, we continued to foster a culture of meritocracy, collaboration and shared growth.

AWARDS AND ACCOLADES

CELEBRATING EXCELLENCE

Global Leadership and Recognition




Viewer's Choice Motorcycle of the Year
car&bike Award 2025

Products

Xtreme 125R

- 2025 Commuter Motorcycle - ACKO Drive The One That Matters 2025
- Commuter Bike of the Year- Motor Vikatan Awards 2025
- Commuter Motorcycle of the Year - BBC TopGear India Magazine Awards 2025

VIDA EVOOTER VX2

- EV Scooter of the Year - ACKO Drive Awards 2026
- Two Wheeler EV Brand of the Year - Carbike 360 Auto Excellence Awards 2026
- Star EV Scooter of the Year - Entrepreneur India EV Awards 2025
- Electric Two Wheeler of the Year - Jagran Hitech Awards 2025
- Ranked No. 1 in the Scooter EV Segment in the J.D. Power Initial Quality Study 2026.

DIRT.E K3

- 2026 Honoree in Vehicle Tech and Advanced Mobility - CES Innovation Awards
- Red DOT Design Awards 2025


VIDA range


DIRT.E K3

AWARDS AND ACCOLADES



Glamour X 125

- Bike of the Year - Auto Excellence Awards 2026
- Entry Bike of the Year - ACKO Drive Awards 2026
- Entry Motorcycle of the Year - BBC TopGear India Awards 2026
- Bike of the Year - Zee Media Auto Summit Awards 2025

Destini 125

- Scooter of the Year - Zee Media Auto Summit Awards 2025

Xoom 160

- Best Market Launch (Bike) of the Auto Expo 2025- ACKO Drive Best of Show 2025
- Best Design Award - ACKO Drive Awards 2026

Xtreme 250R

- Entry-level Performance Motorcycle of the Year - BBC TopGear India Awards 2026

Sustainability

- The Dow Jones Sustainability World Index (DJSI World)- Improved score from 69 to 75: Ranking No.1 in the 2-wheeler industry in India
- Responsible Business of the Year - SABERA 2025
- National Water Awards (Best Industry) 2025
- Timesgroup Ecopreneur Summit 2025 - Honored for accelerating the sustainability across operations
- CII certifies Hero MotoCorp as a 100% Single-Use-Plastic free organisation



Responsible Business of the Year SABERA 2025


Two-Wheeler Manufacturer of the Year BBC TopGear India Awards 2026

Manufacturing

- Manufacturer of the Year 2025 (Two-Wheeler): BBC TopGear India Awards 2026
- Manufacturer of the Year 2025 (Two-Wheeler): Carbike 360 Auto Excellence Awards 2026
- Procurement Team of the Year 2025: Procurement Excellence Awards 2025 (14th edition) by UBS Forums Pvt. Ltd.

Culture

- Hero MotoCorp ranked amongst the Top 100 top performing companies of 2026 in the Asia-Pacific region by TIME Magazine and Statista.
- Best Organisations for Women: ET Now - Third consecutive recognition for creating a workplace for women.



ET Now Champions of CSR 2025



Investor Relations

- Investor Relations Team ranked among the Top 3 Asia Executive Teams in 2026 by Extel.

Corporate Social Responsibility (CSR)

- ET Now Champions of CSR 2025 - CSR Conclave by Global Sustainability Alliance (GSA).

Marketing Campaigns/Social Media

Harley-Davidson

- Google Most Searched Premium Bike Brand: ACKO Drive The One That Matters 2025
- 2025 Best Phygital or Social Media Innovation (Bike): Harley-Davidson: World's Best Job





Ranbir Kapoor and Anil Kapoor front the VIDA VX2 launch campaign

VIDA

- E4M Automotive Marketing Awards for Best Product Launch Campaign and Best Partnership with a Celebrity or Influencer for VIDA EVOOTER VX2 launch campaign
- The Maddies for 'Charging Simple Hai' campaign
- Quoraverse 2025 Most Impactful Campaign - Hero VIDA
- E4M Indian Content & Marketing Awards 2025 (10th edition) Best Use of Macro Influencers in Content Marketing and Moment Marketing for VIDA Loca

BOARD OF DIRECTORS

GUIDED BY VISIONARY LEADERSHIP



1. **Dr. Pawan Munjal**
   Executive Chairman

2. **Mr. Suman Kant Munjal**
   Non-Executive Director

3. **Ms. Vasudha Dinodia**
   Non-Executive Director
   SCSR | SRC

4. **Mr. Pradeep Dinodia**
   Non-Executive Director
   SRC | RMC

5. **Ms. Tina Trikha**
   Non-Executive & Independent Director
   AC | NRC | SCSR

6. **Ms. Camille Miki Tang**
   Non-Executive & Independent Director
   RMC | SCSR

7. **Prof. Jagmohan Singh Raju**
   Non-Executive & Independent Director
   AC | NRC | SCSR

8. **Air Chief Marshal Birender Singh Dhanoa (Retd.)**
   Non-Executive & Independent Director
   NRC | AC | SRC

9. **Mr. Rajnish Kumar**
   Non-Executive & Independent Director
   SRC | RMC

10. **Mr. Vikram Sitaram Kasbekar**
    Executive Director
    RMC | AC

AC	Audit Committee
NRC	Nomination and Remuneration Committee
RMC	Risk Management Committee
SRC	Stakeholders' Relationship Committee
SCSR	Sustainability and Corporate Social Responsibility Committee

Chairman | Member

BOARD OF DIRECTORS



Dr. Pawan Munjal

Executive Chairman, Hero MotoCorp

Global Statesman of Mobility | Champion of Sustainable Innovation | 2025 TIME 100 Climate: 100 Most Influential Leaders Driving Business Climate Action

Dr. Pawan Munjal is one of India's most transformative industrialists—a global leader in mobility and a pioneer of purpose-driven innovation. As Executive Chairman of Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters for 25 consecutive years, Dr. Munjal has reimagined an iconic Indian brand into a future-ready, global enterprise. His guiding philosophy—'Be the Future of Mobility'—has positioned Hero MotoCorp at the forefront of clean, smart, and inclusive transportation, touching 130 million customers across 53 countries.

Under Dr. Munjal's leadership, Hero MotoCorp became the first Indian two-wheeler brand to cross 100 million units in cumulative sales—an unprecedented milestone in the global automotive industry. The Company's manufacturing footprint spans eight advanced facilities across India, Colombia, and Bangladesh, supported by innovation hubs in Jaipur and Munich. With more than 14,000 customer touchpoints worldwide, Hero MotoCorp combines engineering excellence, cutting-edge design, and sustainability to deliver world-class products and services.

At the helm of Hero's electric mobility journey, Dr. Munjal launched VIDA, Powered by Hero, marking a bold foray into the electric vehicle segment. The VIDA electric scooter, backed by over 5,900 charging stations, has quickly become one of India's top five EV brands. In 2025, Hero MotoCorp deepened its commitment to electric innovation with the introduction of the VIDA VX2 EVOOTER and Battery-as-a-Service—reshaping the future of urban mobility. Strategic investments in start-ups like Ather Energy, Euler Motors, and the launch of the Surge S32—the world's first vehicle that transforms from two wheels to three in minutes, recognised by TIME as one of the Best Inventions of 2024—underscore Dr. Munjal's focus on next-generation mobility solutions.

Dr. Munjal has also forged transformative global alliances that strengthen Hero's premium positioning. The partnership with Harley-Davidson led to the creation of the iconic H-D X440, blending classic design with Indian engineering. Simultaneously, the collaboration with Zero Motorcycles promises to redefine premium electric mobility for a new generation of riders.

Sustainability lies at the heart of Hero MotoCorp's ethos under Dr. Munjal's leadership. The Company has achieved 100% zero waste-to-landfill, 500% water positivity, 95% product recyclability, Single-Use-Plastic free manufacturing, and 45% carbon neutrality.

Hero MotoCorp is the only Indian two-wheeler company listed on the Dow Jones Sustainability Index, ranking among the top two global auto firms. Through its CSR initiatives in education, healthcare, women's empowerment, biodiversity restoration and road safety, the Company impacted 5.28 lakh lives in FY 2025-26.

A passionate advocate for sports, Dr. Munjal has elevated India's sporting landscape globally. He has championed golf, motorsports, hockey, cricket, and para-sports, believing in their power to foster discipline, character, and national pride. Hero MotoCorp's long-standing association with prestigious golfing events—such as the Hero World Challenge with Tiger Woods, Hero Indian Open, and Hero Dubai Desert Classic—reflects his commitment to making India a respected name in global sports. His support for the International Hockey Federation and India's para-athletes demonstrates his dedication to inclusivity and sporting excellence.

Under Dr. Munjal's visionary guidance, Hero MotoSports Team Rally made history with a podium finish at Dakar 2024 and a Historic double Top-10 finish at Dakar rally 2026 and victory in the FIM World Rally-Raid Championship, Simultaneously, the company's strategic partnerships with the Paralympic Committee of India and the Mary Kom Boxing Foundation continue to empower differently-abled athletes and champion grassroots sports.

Dr. Munjal's leadership is distinguished by a fusion of technology, sustainability, social impact, and global vision. He continues to shape the future of the mobility ecosystem while inspiring a new generation of leaders. His leadership has earned him numerous accolades, including the AIMA JRD Tata Corporate Leadership Award, Best CEO—Auto Sector by Institutional Investor and Business Leader of the Year by The Economic Times. He also holds honorary doctorates and has been repeatedly recognised for his contributions to business, design, sustainability, and sports.

Dr. Munjal's journey is one of purpose-driven leadership—where enterprise meets empathy, technology serves humanity, and mobility powers a sustainable, inclusive future. Through Hero MotoCorp, he continues to ride with India, for the world, fuelling innovation, progress and prosperity.

Awards & Recognitions

- Punjab Rattan Award, 2026
- TIME100 Climate List of the 100 most influential leaders driving business climate action - 2025
- AIMA JRD Tata Corporate Leadership Award for the Year, 2021-22
- Best CEO in the auto sector by Institutional Investor, 2021
- Hall of Fame: Asia's Most Powerful People in Golf, 2021
- Hockey India, Federation Internationale de Hockey President's Award, 2021
- CNB Visioneer of the Year, 2021
- Business Leader of the Year at The Economic Times Awards for Corporate Excellence, 2021
- First Indian to be inducted into the Asia-Pacific Golf Hall of Fame, 2019
- Special Achievement Award for Outstanding contribution to Golf in Asia by the Asian Tour, 2019
- Honorary Doctorate by National Institute of Technology (NIT), Kurukshetra, 2018
- Lakshya Business Visionary Award by National Institute of Industrial Engineering (NITIE), 2018
- Lifetime Contribution Award by Indian Golf Industry Association (IGIA), 2015
- Leader in Auto (Two-wheelers) by NDTV Profit Business Leadership Awards, 2013
- Business Leader of the Year by All India Management Association, 2013
- NDTV Business Innovator of the Year Award, 2012
- Man of the Year in the Indian Automotive Industry by NDTV Profit Car & Bike Awards, 2010
- Man of the Year by CNBC TV18 Overdrive Awards, 2009
- Award for Corporate Excellence in Vocation by Rotary International District 3010, 2009

BOARD OF DIRECTORS



Mr. Suman Kant Munjal
Non-Executive Director

Mr. Munjal is the Executive Chairman (Whole-time Director) of Rockman Industries Ltd. a leading supplier of Aluminium die-casting, machined and painted assemblies to Hero MotoCorp.

With his leadership, wealth of experience and expertise in business management, he has been instrumental in the growth of Rockman Industries.

Beyond his current role, his extensive experience and expertise have earned him positions on the Boards of various companies.



Ms. Vasudha Dinodia
Non-Executive Director

Ms. Dinodia is a successful third-generation entrepreneur from the eminent Munjal Family. She is the Founder & Managing Director of the boutique chocolate Company - Choko La.

She 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 seven Premium Chocolate Boutiques and has partnered with global Duty-Free operators across multiple international airports, including Singapore, Macau, Delhi, Mumbai, Bangalore, Chennai, Kolkata, Hyderabad, Ahmedabad, Goa, Jaipur and Raipur.

Choko La plans to open its boutiques in London, Paris, New York, Dubai, Sydney and Tokyo in the coming years.

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



Mr. Pradeep Dinodia
Non-Executive Director

Mr. Dinodia is an astute finance professional with immense business acumen. He is the Chairman and Managing Partner in the Delhi-based Chartered Accountancy firm M/s. S.R. Dinodia & Co. LLP. He is a Fellow Member of the Institute of Chartered Accountants of India.

A co-author of the book, 'Transfer Pricing Demystified', Mr. Dinodia is a much sought after voice in the field of taxation, finance and corporate governance.

An alumnus of the St. Stephen's College and also a law graduate from the Delhi University. Mr. Dinodia also serves as the Chairman of SPR Auto Technologies Limited (formerly known as Shriram Pistons & Rings Limited), SPR Auto Interior Lighting Solutions Private Limited (formerly known as Antolin Lighting India Private Limited), SPR Auto Interior Solutions Chakan Private Limited (formerly known as Grupo Antolin Chakan Private Limited), SPR Auto Interior Solutions Private Limited (formerly known as Grupo Antolin India Private Limited) and Non-Executive Director at Hero FinCorp Limited and DCM Shriram Limited. He is a member of various committees of these Boards and the Chairman of some of the committees as well.



Ms. Tina Trikha
Non-Executive & Independent Director

A business strategist, investment banker, published author and executive coach, Ms. Trikha is a global corporate leader with two decades of diverse experience working with companies in India, the United States, and South-East Asia.

At various stages of her career, she has been the Head of Communications and Talent Development for SeaLink Capital Partners, an India-focused private equity firm; a financial and strategic consultant with McKinsey & Company in the USA; an investment banker with Credit Suisse in New York and Hong Kong; and Vice President of Corporate Planning and Strategy at Godrej Industries Limited. She has also earlier managed strategic planning and business development at Scholastic, a book publisher and distributor in New York.

She 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.



Ms. Camille Miki Tang
Non-Executive & Independent Director

Ms. Camille Miki Tang has deep experience spanning innovation, productisation and intellectual property across automotive, wireless power charging technology, international standardisation and licensing, investment banking, leadership education, agribusiness, luxury and consumer retail.

As Co-Founder, President and across multiple senior roles, Ms. Tang led Convenient Power, a wireless power technology startup, to 28 world first's with applications across automotive, consumer electronics, infrastructure, medical and health, mobile phones, surfacing materials and wearables. She co-founded and co-chaired the Wireless Power Consortium, the international standardisation of wireless power as the 'Qi' standard. ConvenientPower and three leading multinationals launched, as initial patent owners, the first Qi Wireless Power Patent Portfolio License.

Ms. Tang held senior roles in leadership education with Harvard Business School Asia-Pacific Research, the School's first international research center; in derivatives and investment banking with Swiss Bank Corporation, SBC Warburg, HSBC, Continental Grain in strategy, trading and investment, risk management, marketing, operations, corporate communications, government relations and security; in luxury and consumer retail with Blanc de Chine and Macy's California. Milestones include two industry-firsts in Chinese luxury retail.

Ms. Tang is co-founder of Asia-America Multi-Technology Association Greater Bay Area. She was an advisory Board member of Bunge Asia-Pacific, The 1990 Institute, Graduate Theological Union. She was a member of Hong Kong Government Central Policy Unit, Social Services Subventions and Lotteries Fund Advisory Committee and other statutory bodies. She served on healthcare and education non-profit boards.

Ms. Tang received BA, Social Sciences, with Distinction, Stanford University, and MBA, Harvard University.

BOARD OF DIRECTORS



Prof. Jagmohan Singh Raju
Non-Executive & Independent Director

Prof. Jagmohan Singh Raju is currently the Joseph J. Aresty Professor of Marketing at the Wharton School of the University of Pennsylvania.

He also 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 manages Wharton's relationship with the Indian School of Business (ISB). Before joining Wharton, he taught at the Anderson School at UCLA. He has received numerous teaching awards and research awards at Wharton and UCLA.

He 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 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.



Air Chief Marshal Birender Singh Dhanoa (Retd.)
Non-Executive & Independent Director

Air Chief Marshal Birender Singh Dhanoa (Retd) is a decorated veteran of the Indian Air Force. Beginning his career in the Fighter Stream of the Indian Air Force (IAF) in June, 1978, he served at various ranks, rising to be the 25th Chief of the IAF (January 1, 2017 to September 30, 2019).

When he was the Air Force Chief, the IAF executed air strikes over Balakot, Pakistan in February 2019.

ACM Dhanoa's (Retd.) exceptional leadership was recognised with prestigious Presidential Awards such as the Param Vishisht Seva Medal (2016), Ati Vishisht Seva Medal (2015), Yudh Seva Medal (1999), and Vayu Sena Medal (1999). During the Kargil conflict, the Fighter Squadron led by him became one of the most decorated Air Force units.

An alumnus of St. George's College, Mussoorie & Rashtriya Indian Military College (RIMC) Dehradun he joined the National Defence Academy (NDA) in June 1974. He later graduated from the Jawaharlal Nehru University in 1977. He also holds an M.Sc. in Defence Studies from Madras University.

ACM Dhanoa (Retd.) also serves as a Non-Executive Independent Director on the Board of InterGlobe Aviation Ltd & HMC MM Auto Ltd.



Mr. Rajnish Kumar
Non-Executive & Independent Director

One of the foremost names in the Indian financial sector, Mr. Kumar has had a distinguished career in banking, with nearly four decades of service with the State Bank of India (SBI), culminating with a glorious three-year term as its Chairman in October 2020.

He is credited with successfully steering SBI through challenging times and adopting key technology transformations. During his tenure, the bank developed YONO, a digital platform, establishing SBI as a global leader in technology and innovation adoption.

He has also held various positions, including Chairman of SBI's subsidiaries, including SBI Life Insurance Company Limited, SBI Foundation, SBI Capital Markets Limited, and SBI Cards & Payments Services Limited.

An M.Sc. in Physics from Meerut University and a Certified Associate of the Indian Institute of Bankers (CAIIB), Mr. Kumar serves as an Independent Director on the Boards of prestigious companies such as HSBC Asia Pacific, L&T, Ambuja Cements Ltd. & Brookprop Management Services (P) Ltd. He is Non-Executive Chairman of Mastercard (India) & Resilient Innovations (BharatPe).



Mr. Vikram Sitaram Kasbekar
Executive Director

Mr. Kasbekar has an illustrious career spanning over 50 years in the auto industry. He has worked across diverse sectors such as Commercial Vehicles, Auto Ancillary and Two-Wheelers. Over the years, he has successfully established state-of-the-art manufacturing facilities across the globe.

Having joined Hero MotoCorp in 2001, Mr. Kasbekar served in key roles such as Head of Operations & Supply Chain, Chief Technology Officer (CTO), Head of Global Product Planning and interim CEO before becoming the first employee of the Company to be elevated to the position of a Director on the Board. He is Chairman of the Risk Management Committee, and also member of the Audit Committee and Committee of Directors.

Additionally, he actively participates in management committees for new models, pricing, sourcing, ESG SteerCo, statutory compliance and audit. Through the years at Hero MotoCorp, he has played instrumental roles in shaping and implementing the Company's sustainable manufacturing strategy, meeting global standards in quality and delivery and overseeing New Model Center and Global Parts Center.

Mr. Kasbekar, a Mechanical Engineer from IIT Madras, is also on the Board of Hero MotoCorp Joint Venture (JV) companies such as HMC MM Auto Limited and HMCL Niloy Bangladesh Limited.

In addition to his role at Hero MotoCorp, Mr. Kasbekar is an active member of the Confederation of Indian Industry (CII), SIAM alternate EC Meeting, CEO - Two Wheeler Committee and serving as the Chairman of Greenco Delhi Chapter and also contributes to the Manufacturing Council of CII.

LEADERSHIP TEAM

THE MINDS BEHIND OUR MOMENTUM



VIDA VX2 Plus



Harshavardhan Chitale
Chief Executive Officer



Vikram Sitaram Kasbekar
Executive Director



Vivek Anand
Chief Financial Officer



Ram Kuppuswamy
Chief Operations Officer - Plant Operations



Sanjay Bhan
Executive Vice President - Global Business, Global Product Planning and Global Market Insights



Kausalya Nandakumar
Chief Business Officer - Emerging Mobility Business Unit



Ashutosh Varma
Chief Business Officer - India Business Unit



Pooja Yadava
General Counsel



Madhuri Mehta
Chief Human Resources Officer



Latika Taneja
Head of Corporate Communications, Corporate Affairs, and Corporate Social Responsibility (CSR)



Manish Srivastava
Chief Quality Officer



Sachin Agrawal
Chief Technology Officer*

*Appointed as Chief Technology Officer effective May 21, 2026

VALUE CREATION MODEL

HOW WE CREATE VALUE



Glamour X

INPUTS

Financial Capital

We manage our financial resources through responsible capital allocation and streamlined operations, with an aim to maximise long-term value for stakeholders.

₹ 21,578 crore* Net Worth

Manufacturing Capital

Our manufacturing and infrastructure base enables scale, efficiency and responsiveness across the value chain.

8 Manufacturing locations

2 R&D centres

8.63 mn units Production capacity

Intellectual Capital

Our knowledge-based assets, including innovation, engineering capabilities and technical know-how, support differentiated mobility solutions.

₹ 1,129 crore R&D spent (2.4% of revenue)

1,300+ Patents

Human Capital

Our people, their skills and their expertise play a vital role in achieving our organisational aspirations.

9,177 Permanent workforce

8,09,116 Training hours

Social and Relationship Capital

The trust-based relationships we have built with customers, suppliers, communities and other stakeholders support shared value creation.

14,000+ Customer touchpoints worldwide

311 Suppliers

₹ 1,511 crore Advertising and Promotion Spend

₹ 97.3 crore CSR spend

Natural Capital

Responsible utilisation and preservation of resources remain essential to our long-term sustainability journey.

32% Electricity sourced from renewable energy sources

18.28% Recycled input material used in product manufacturing

* Standalone figures



Destini 125

ANCHORED IN

Vision

Be the Future of Mobility

Mission

Create | Collaborate | Inspire

Guided by Values

Passion | Integrity | Respect | Courage | Being Responsible

Building on Our Resources

Financial | Manufacturing | Intellectual | People | Social and Relationship | Environment

With Sharp Focus on Material Topics

Environment

- Climate Change Management – Energy and Emissions
- Water and Waste Management

Social

- Health, Safety and Well-being
- Human Rights

Governance

- Regulatory Compliance
- Brand Reputation and Product Quality
- Value Chain Management

Facilitated by Strategy

- Grow the Core
- Win in Premium
- Build Electric Vehicle (EV) Leadership
- Diversify Revenue Streams
- Build a Future-fit Organisation
- Drive ESG

Monitor Diligently

Key Risks

Monitor key enterprise and functional risks and create mitigation strategies to navigate them.

External Environment

Monitor key risks emanating from the external environment and create mitigation strategies to navigate them.

Creating Value Consistently for Our Stakeholders

- Employees
- Shareholders and Investors
- Customers
- Sales and After-sales Network
- Suppliers
- Industry Associations
- Regulatory Agencies and Government Institutions
- International Organisations and Rating Agencies

OUR VALUE CHAIN

World-class R&D Facilities

Centre for Innovation and Technology (CIT), Jaipur, and Hero Tech Center, Germany campuses offer integrated facilities for new product design, prototype manufacturing, testing and validation.

Sustainable Supply Chains

Materials are sourced from partners that follow strict environmental and social norms.

Green Manufacturing

Production processes are designed to use resources efficiently and sustainably.

Strong Retail Presence and Distribution

A widespread network ensures that our products and services remain accessible across markets.

After-sales Service

We engage with customers throughout their product usage journey.

Branding and Marketing

Our brand is associated with passion, energy and confidence.

OUTPUT

58.43 lakh
Motorcycles sold

6.26 lakh
Scooters sold



28.7%
Two-wheeler ICE market share (domestic)



Engine assembly at Hero MotoCorp plant

Outcomes — SDG Mapping

Financial Capital

₹ 46,830 crore
Revenue from operations

₹ 5,268 crore
Profit after tax

₹ 263
Earnings per share

₹ 185
Dividend per share

Strong financial performance supports sustainable growth and strengthens the resilience of our business.

Manufactured Capital

42.1%
Motorcycle market share

6%
Scooter market share

10.2%
EV market share

15
New products and launches
9 domestic (including 2 EV) and 6 global

Expanded scale, market presence, and product depth strengthen our competitive position.

Intellectual Capital

168
Patents filed

Continuous investment in innovation and engineering strengthens future-ready mobility capabilities.

Outcomes — SDG Mapping

Human Capital

519
New recruits

14.6%
Gender diversity

0.31
LTIFR

Progress in talent development, inclusion, and workplace safety supports organisational resilience.

Social and Relationship Capital

91
Customer Service Index

438
New customer touchpoints opened

98%
Customer complaints resolved

69
Net Promoter Score

Stronger stakeholder relationships reinforce trust, loyalty, and long-term brand relevance.

Natural Capital

32%
Electricity sourced from renewable energy sources

5,17,276 kL
Water recycled

67.81%
Share of total water consumption recycled

53 lakh kWh
Renewable energy generated

Improved resource efficiency supports a lower environmental footprint across operations.

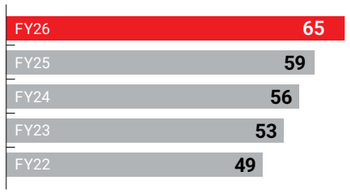
PERFORMANCE REVIEW

LEADING FROM THE FRONT

Financial

Sales Volume (lakh units)

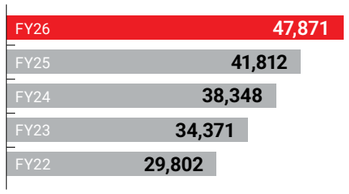
65



Sales volumes increased to 65 lakh units (9.7% YoY growth) during the year, driven by a broad-based growth across our portfolio, led particularly by strong traction in both ICE and EV Scooters and Global Business.

Total Income* (₹ crore)

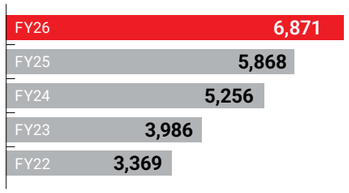
47,871



During the year, our total income reached ₹ 47,871 crore, reflecting strong volume growth (14.5% YoY) across product segments, a superior model mix and improved realisations.

EBITDA (₹ crore)

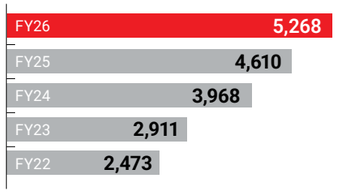
6,871



During the year, EBITDA increased to ₹ 6,871 crore, a YoY growth of 17.1%, driven by operating leverage, better product mix, and focused cost management.

Profit After Tax (PAT) (₹ crore)

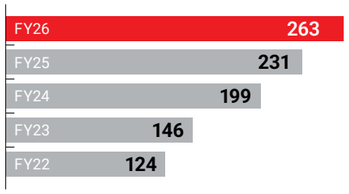
5,268



PAT stood at ₹ 5,268 crore during the year (14.3% YoY growth), supported by improved profitability, disciplined operations, and internal efficiencies.

Earnings Per Share (EPS) (₹)

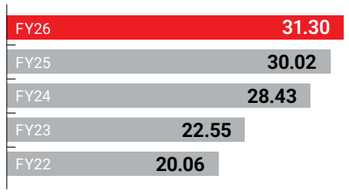
263



EPS increased to ₹ 263 (14.2% YoY growth) during the year, reflecting stronger earnings performance and continued focus on shareholder value.

Return on Capital Employed (RoCE) (%)

31.3



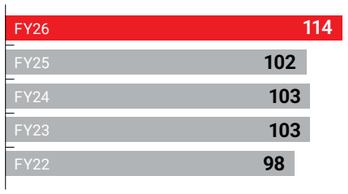
During the year, RoCE improved to 31.3%, supported by stronger profitability and efficient capital utilisation

*Total income includes revenue from operations and other income

Non-financial

Specially-abled Workforce (Headcount)

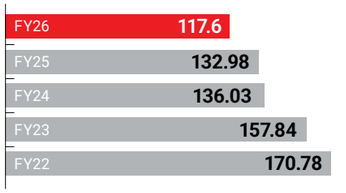
114



During the year our specially-abled workforce stood at 114 employees, reflecting continued focus on workplace accessibility and inclusive employment.

Fresh Water Intensity (Litre/Vehicle)

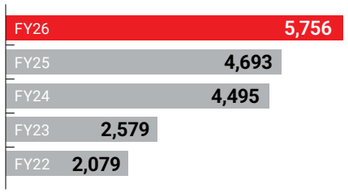
117.6



Fresh water intensity reduced to 117.6 litre/ vehicle during the year, reflecting continued focus on water conservation, process efficiency, and responsible resource management across operations.

Gender Diversity (Nos.)

5,756



Gender diversity increased to 5,756 employees during the year, reflecting continued efforts to build a more diverse, equitable, and inclusive workforce across functions and operations.



Vivek Anand
Chief Financial Officer (CFO)

Hero MotoCorp ended FY 2025-26 on a strong note, achieving record-breaking revenue and profit. This milestone also led to us maintaining our position as the world's largest two-wheeler manufacturer for the 25th consecutive year. Volumes during the year grew by 10% YoY, with broad-based growth across our core motorcycles portfolio as well as in the fast growing segments of ICE scooters, electric mobility (VIDA) and Global Business. Demand momentum accelerated significantly in the second half of the year with our wholesales growing by 20% YoY, supported by affordability gains following GST rate rationalisation.

To capitalise on the strong demand momentum in the industry, Hero MotoCorp stepped up investment in product innovation, brand building and network expansion, culminating in market share increase across our core and key focus segments. Despite the sustained momentum of investments and heightened inflationary pressures, our disciplined execution led to improved profitability, better working capital efficiency, and record cash flows.

Looking ahead, while short-term challenges in the economy due to geopolitical tensions persist, we remain optimistic about the long-term prospects of the two-wheeler industry, supported by rising mobility needs and consumer aspirations. Amidst this, Hero MotoCorp will continue to investment in innovation and growth capabilities, with a clear goal to outperform the market and create sustainable value for stakeholders.

INVESTMENT CASE

WHY WE ARE A STRONG INVESTMENT CHOICE



Karizma XMR

We continue to offer a compelling investment proposition underpinned by our 25-year market leadership, strategic investments in innovation and a robust financial foundation. FY 2025-26 marked a pivotal year of accelerated execution across our strategic pillars of scooterisation, electrification, premiumisation and aggressive global expansion, reinforcing our position as the definitive leader shaping the future of mobility. Backed by this momentum, we are uniquely positioned to capture high-growth opportunities in the sector and maximise long-term shareholder value.

The Indian Two-wheeler Industry: A Long-term Play

The Indian two-wheeler industry continues to demonstrate strong growth momentum, with FY 2025-26 marking the fourth consecutive year of expansion. Total domestic dispatches grew by 10.7% YoY, with volumes reaching 21.7 million units and surpassing the previous FY 2018-19 peak (FY 2022-26 CAGR of 12%). Growth during the year was further propelled by GST rationalisation for sub-350cc two-wheelers, which improved affordability and stimulated demand, particularly across rural and semi-urban markets.

The industry's growth continues to be underpinned by favourable structural drivers, including rising infrastructure investments, increasing urbanisation, expansion of the gig economy, rising mobility aspirations and growing EV penetration. With two-wheeler penetration in India still offering significant headroom for growth, the industry remains well-positioned for sustained expansion as the most accessible and affordable mode of personal mobility.



Pleasure+

21.7mn*
Domestic industry volumes in FY 2025-26

10.7%
YoY industry growth in FY 2025-26

*Source: Society of Indian Automobile Manufacturers (SIAM)

Leveraging our Leadership for 25 Consecutive Years

Our leadership for 25 consecutive years has been a testament to offering great value to our customers through our product strength, after-sales experience, vast distribution network, and manufacturing prowess. As we embark on our next growth chapter, we have dialled up our investments in R&D capabilities, redefining the technological, digital and connectivity values offered across segments of the two-wheeler industry. Our balance sheet strength empowers us to continue this investment momentum and shape the future of mobility.

ICE Scooters: Building on Strong Growth Momentum

In the ICE scooters segment, we are pursuing a multi-pronged growth strategy focused on premiumisation, sub-segment expansion and deep community engagement. With an extensive scooter portfolio across the 110cc, 125cc and 160cc categories, we cater to a wide range of consumers in the family, women, sporty and maxi segments. We are focused on building these strong products in the Destini and Xoom franchises into aspirational brands. FY 2025-26 marked a strong year with ICE scooter volumes growing by 27% YoY (vs. industry growth of 16%), and we are doubling down on our investments to sustain the aggressive growth momentum.

27%
YoY ICE Scooter growth in India in FY 2025-26



Destini 125

INVESTMENT CASE



VIDA V2 Pro

10.2%
Market share in FY 2025-26

VIDA: Leading the EV Transition in the Industry

Our product offering in the Electric Vehicle (EV) space showcases the capabilities of our R&D team, as the only player offering removable batteries in the industry. Through our innovative offerings, we have endeavoured to address the key adoption challenges in the EV industry by building the largest fast-charging network in the industry and providing an accessible ownership offering through Battery-as-a-Service. We ended FY 2025-26 on a strong note, gaining 6% market share YoY to reach 10.2%. Looking ahead, our strategic plans to further expand our product portfolio and capacity give us the confidence to continue this journey of rapid market share expansion in the category. Furthermore, our strategic investments in the EV space through Ather Energy and Euler Motors—where we stand as the largest shareholder—enable us to build a leading, comprehensive EV portfolio across multiple categories.

Innovation-led Growth in the Deluxe 125cc Motorcycles

We have redefined the Deluxe 125cc segment through category-first innovations in the Glamour X and Xtreme 125R, featuring cruise control and an electronic throttle body. The Xtreme 125R further builds on its technological leadership with dual-channel ABS. Through these offerings, we have strengthened our product portfolio in the mileage, style and sporty customer segments, leading to robust market share recovery throughout FY 2025-26, which we aim to continue building on.

19%
Market share in the Deluxe 125cc segment in Q4 FY 2025-26



Glamour X



Splendor+ XTEC 2.0

Continued Leadership in 100/110cc Portfolio

Hero MotoCorp fortified its leadership in the 100/110cc motorcycle segment by shifting the brand narrative from basic utility to 'progress and aspirational'. We elevated the segment proposition through models, such as Splendor+ XTEC 2.0 and HF Deluxe Pro, combining classic design with advanced technology. The segment is expected to benefit from a recovery in replacement demand and an increased customer focus on mileage following the conflict in West Asia.

90%+
Deluxe 100cc market share in FY 2025-26

Global Business: Outperforming the Industry

Global Business wholesales crossed the 400k mark in FY 2025-26, growing 40% YoY and leading market share gains across key markets in Asia, LATAM and Africa. We ended the year with a leadership position in Bangladesh, doubled our share in Colombia and made a strong re-entry in Sri Lanka. Supported by a strong product pipeline in existing and new markets, we remain confident in our ability to continue our momentum of outperforming the industry.



Xpulse 200 4V

40%
YoY growth in Global Business



X™440 T

Fast-tracking Our Premium Motorcycles Journey

Our premium journey centres on elevating the customer experience through Premia outlets and the launch of premium products under both the Hero MotoCorp and Harley-Davidson brands. We are also investing in enhancing product excellence to deliver a delightful premium experience to our customers. We plan to launch products in the fast-growing 250-350cc segment, along with the continued build-out of the Premia channel and aspire to become a meaningful player in the premium motorcycle industry.

Financial Performance: Sustainable and Profitable Growth

Hero MotoCorp remains anchored to its core objective of driving sustainable and profitable growth. Supported by a healthy EBITDA margin, zero-debt status and steady cash flows, our robust financial framework provides the strategic flexibility to invest in high-growth opportunities of the two-wheeler industry, including the Parts, Accessories and Merchandise (PAM) business. We have plans to aggressively scale our PAM business which not only creates a superior customer experience but also adds significantly to the bottom line. Our plans to expand in segments of accessories, allied products and merchandise are an additional vector in our growth journey.

Our return profile continues to lead the industry, with a Return on Capital exceeding 30%. Complementing this strong performance is a disciplined capital allocation strategy that features one of the industry's highest dividend payouts at 70%. Looking ahead, we will continue to prioritise investments in emerging two-wheeler segments with a sharp focus on expanding our market share.



Essential accessories available on Hero eShop

₹ 14,000+ crore
Cash reserves

31.3%
Return on Capital

70%
Dividend payout

SUSTAINABLE MOBILITY

ACCELERATING THE ELECTRIC TRANSITION

We continue to accelerate the shift towards sustainable mobility by bringing cleaner, aspirational solutions to more riders, while ensuring affordability and accessibility. Through VIDA, we are building a comprehensive emerging mobility ecosystem that brings together an evolving product portfolio, an expansive charging network, and a growing retail and service footprint.



VIDA line-up



VIDA EVOOTER Portfolio

The VIDA brand anchors our electric mobility strategy through a diversified portfolio designed to address varying customer needs. During the year, we launched the VIDA VX2 EVOOTER, positioned at accessible price points to drive adoption in the electric two-wheeler segment. The VIDA portfolio now includes multiple variants with differentiated riding ranges and pricing structures, allowing customers to select models suited to their commuting patterns and usage requirements.

Innovative Ownership Models for Greater Affordability

To accelerate EV adoption, we introduced the Battery-as-a-Service (BaaS) model, which separates battery ownership from vehicle purchase, reducing upfront costs for customers.

DIRT.E K3: Off-road Electric Mobility for Young Riders

DIRT.E K3 offers smooth electric performance and features a three-stage adjustable platform that adapts as riders grow, supporting progressive skill development. Safety is enhanced through young rider-scaled controls, impact-absorbing components, reinforced wiring, a magnetic lanyard-based kill switch, and app-enabled parental controls. Developed by the Hero Tech Center, Germany, and the Center for Innovation and Technology, the DIRT.E K3 has received global recognition, including the Red Dot Design Award 2025 and the CES Innovation Award Honoree 2026.



DIRT.E K3

SUSTAINABLE MOBILITY

Robust Charging Infrastructure

A reliable charging network is essential to building confidence in electric mobility. During the year, we added 130 new fast-charging points, further strengthening our charging ecosystem and improving accessibility for riders. Our network now spans over 5,900 charging points across Hero MotoCorp and partner networks, providing wider coverage and greater convenience for EV users.

5,900+
Charging points across HMCL and partner networks

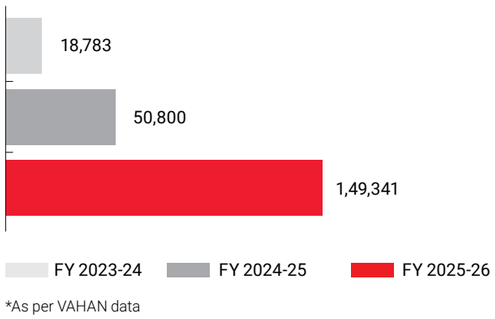
130
New fast chargers


Robust Charging Infrastructure

Electric Mobility on the Rise

Our EV business sustained strong momentum during the year, driven by an expanding product portfolio and rising customer confidence in electric mobility. Our VAHAN registrations grew significantly from 18,783 units in FY 2023-24 to 50,800 units in FY 2024-25, reaching 1,49,341 units in FY 2025-26. This represents a 190% YoY growth compared with FY 2024-25, highlighting the growing acceptance of electric mobility among customers and the strengthening market presence of Hero MotoCorp's EV portfolio.

No. of Units Sold*



*As per VAHAN data

Expansive EV Retail Ecosystem

With the rise of electric mobility, building a dependable service ecosystem has become essential. During the year, we scaled our EV retail and service network to 700+ touchpoints, enabling customers to access sales, service and support across multiple locations pan-India. Besides expanding our network, we continued to enhance dealer capabilities through technical training programmes and advanced diagnostics infrastructure to support emerging EV technologies.

700+
Touchpoints



Creating engaging customer experiences across VIDA retail touchpoints

Making Aspirations Accessible

At VIDA, we are democratising the future of mobility by making premium aspirations accessible to everyone. Our brand and marketing approach is built on cultural insights, audience understanding and compelling storytelling. By blending new-age innovation with the trust and legacy of Hero MotoCorp, we create a distinctive and aspirational brand experience for our customers.

We focus on delivering practical mobility solutions that integrate seamlessly into everyday life, enabling customers to move forward with confidence. Through digital-first storytelling, immersive brand experiences and a balanced mix of established and emerging media, we engage a broad spectrum of modern commuters.

We are redefining the narrative around electric mobility by positioning EVs as enablers of progress and positive change. Through our marketing initiatives, we continue to engage a generation that is confident in its choices and committed to driving meaningful change towards a more progressive and sustainable future.



Launch of VIDA EVOOTER VX2 with VIDA LOCA

At India's biggest electric festival, VIDA LOCA, we launched India's first EVOOTER, which combines the innovation of an EV with the reliability of a scooter. It marked the beginning of a new chapter in electric mobility, positioning VIDA as a lifestyle brand across stakeholders - from dealer partners and vendors to content creators and business leaders. We also had a high-voltage performance by Anil Kapoor and Quick Style that matches the pulse of the VX2 - bold, electric and unstoppable.



VIDA VX2 Plus

GHAR GHAR EVOOTER with Anil and Ranbir Kapoor

By pairing Anil Kapoor's timeless reliability with Ranbir Kapoor's new-age energy, we instantly hooked the audience through a witty, relatable family banter that represents the ultimate choice between tradition and technological progress. This intergenerational duo effortlessly guided consumers through our marketing funnel, starting with the introduction of the 'EVOOTER'. To eliminate consumer anxiety, our ads drove mid-funnel consideration by proving 'Charging Simple Hai' through easy removable batteries that power up right at your desk. We then triggered final conversions by showcasing our innovative Battery-as-a-Service (BaaS) model, which slashes upfront costs into an accessible, pay-as-you-go structure.



VIDA VX2 Campaign



VIDA's integration with Kaun Banega Crorepati (KBC)

Deepening Consumer Trust with KBC Integration

VIDA's integration with Kaun Banega Crorepati (KBC) was designed to weave the brand seamlessly into the show's narrative. Key activations included owning a premium, highly aspirational 25 Lakh Giveaway Destination alongside a World EV Day Grand Gifting event where host Amitabh Bachchan highlighted the importance of electric vehicles and VIDA's pioneering role. The campaign maintained continuous visibility through integrated onscreen elements like "Coming Up" windows and Aston bands during live gameplay. Prominent on-screen graphics showcased the flagship VIDA VX2 model and its competitive Battery-as-a-Service (BaaS) pricing. These integrations drove high recall. Collectively, these strategic touchpoints successfully reinforced core product messages, specifically the convenience of its removable batteries and its positioning VIDA EVOOTER VX2 as the 'Badalte India ka Scooter'.

Launching India's New Anthem

We introduced our high-energy electric mobility anthem, 'VIDA VAKA VOOM', to capture the relentless spirit of a changing India on the move. Composed by the legendary Amit Trivedi, the track beautifully broke down our brand ethos: VIDA represents life, VAKA signifies fearless electric mobility, and VOOM represents pure motion. Featuring star players from the Kolkata Knight Riders (KKR), the anthem seamlessly blended the high-octane passion of T20 cricket with our vision for a sustainable future. Beyond just catchy music, the official video served as a creative platform to showcase our flagship EVOOTER range, the next-gen DIRT.E K3, and our path-breaking mobility platform NOVUS. We brought this campaign to life inside stadiums with the 'VIDA VAKA VOOM Squad' - a futuristic cheer team sporting illuminated 'Amethyst Velocity Suits' that mimic the visual flow of electric energy. Ultimately, the anthem transformed the EV conversation from a purely green initiative into a highly engaging cultural movement.



VIDA Campaign

Cultural Integration through Cricket

Our cultural integration with the Kolkata Knight Riders (KKR) during the IPL allowed us to seamlessly blend the passion for cricket with the future of electric mobility. We anchored this partnership by launching the special VIDA VX2 Plus KKR Limited Edition, which was styled in the franchise's iconic Knight Purple and Gold over a pearl black base and featured three distinct accent marks on its bodywork celebrating KKR's three championship victories. To engage fans in real-time, we rolled out our viral '6 for 6' campaign, where we promised to install a 6kW fast charger across the country for every massive six hit by a KKR player on the field. On media, we deployed humorous lifestyle ads featuring KKR players with removable batteries and ease-of-life, while casually bantering about how Battery-as-a-Service (BaaS) model would be an interesting integration in cricket as well. We amplified on-field visibility further by gifting a personalised VX2 Plus scooter to the 'Electrifying Player of the Match' after every victory, while retail buyers had the option of purchasing a co-branded collector's helmet to maximise ownership pride. By matching this with heavy on-ground engagement, including flag-off lifestyle rides around Eden Gardens, we successfully transformed the tournament's energy into a massive driver for sustainable tech adoption.
We also created an Asia Book of Record for the longest EV journey crossing 12,000+ kms by a KKR fan on VIDA EVOOTER.



VIDA Campaign



DIRT.E Launch

Launch of DIRT.E

Positioned as Wild Beyond the Ride, the DIRT.E brand introduced India's first electric off-roader DIRT.E K3, designed exclusively for young riders. Rolled out at an aggressive introductory price of ₹ 69,990, this innovative off-road vehicle focused entirely on safety, progression and accessibility. The DIRT.E K3 was positioned in a way that enables the passion of riding from a young stage of life, nudging more youngsters to embrace the world outdoors. This was done with a highly successful media ride event followed by a series of testimonials capturing the first set of customers and their family stories.

Giving Way to a New VIDA

The same DNA, a new identity. The marketing calendar ended with the launch of a new VIDA - a new identity that borrows a piece of legacy and adds a piece of thrill. The logo was launched with an iconic Asia Record for creating the largest brand logo of 35,000+ sq.ft, illuminating the skies with Worli Sea Link and a full page print ad revealing the brand manifesto, among other things.

GLOBAL BUSINESS

ACROSS NEW ROADS AND MARKETS

As our global footprint expands, we remain resolutely focused on driving premium product innovation, empowering our dealer network, and deepening local customer relationships. By pairing continuous product development with tailored regional strategies, we continue to enhance our brand relevance across diverse markets.

XPulse 210

The 3E Framework

Elevate

Strengthen global brand stature through impactful corporate and product campaigns

Technology-led storytelling that highlights design, performance and innovation

Strategic sponsorships, cultural partnerships and influencer collaborations

Engage

Create deeper consumer interaction through experiential platforms

Ride events, performance showcases and community rides

Digital-first consumer experiences across markets

Endear

Build long-term loyalty through rider communities and after-sales engagement

Sustained brand programmes that extend beyond purchase

Strong emotional connection, trust and advocacy



Xpulse 200 ride expedition on the Death Road (La Ruta de la Muerte) in Bolivia

Global Marketing Strategy

Our approach in international markets entails analysing local industry bases, customer segments and competitive dynamics to deliver region-specific products at optimal price points. This strategy enables competitive margins for our distributors and dealers, while strengthening our presence and expanding market share across key markets. Supported by a diverse portfolio, technical training and localised service ecosystems, we continue to scale a responsive global go-to-market model across regions.



'Xoomate' – Xoom 110 launch campaign in Colombia

Strategic Pillars Supporting the Framework

Youthful & Progressive Brand Identity

Position Hero MotoCorp as a brand that represents freedom, ambition and responsible mobility for emerging global consumers.

Technology-led Storytelling

Communicate innovation through smarter features, enhanced safety, cleaner mobility and low cost of ownership.

Premium Acceleration in Key Markets

Strengthen premium brand perception in strategic markets while maintaining accessibility in core segments.

GLOBAL BUSINESS

Expanding Presence in Priority Markets

During the year, we successfully commenced operations in the United Kingdom and the European Union. Focused primarily on Italy, Spain, and France, this geographic expansion is anchored by a Euro 5+ compliant product portfolio. To meet evolving performance expectations and stringent regulatory standards, we strategically launched premium motorcycles, including the Hunk 440, alongside flagship adventure models such as the Xpulse 200 4V and Xpulse Pro.

Concurrently, we resumed operations in Sri Lanka and Ecuador. In Latin America, we achieved a significant milestone by incorporating a wholly owned subsidiary and branch office in Brazil. We are currently establishing the requisite infrastructure and supply chain networks there, with commercial operations on track to begin in FY 2026-27.

Across key global markets, our approach remains strictly segment-led and tailored to localised consumer needs:

- In Colombia, we focused on accelerating growth in the premium and adventure segments, driven by the Hunk, Xpulse and Xoom portfolios.
- In Bangladesh, we consolidated our market leadership through high-impact launches, including the new Xtreme 125R.
- In Nepal, we captured new growth vectors by entering the country's high-volume scooter segment with the Xoom 125.
- In Mexico, we advanced our premiumisation strategy with the successful introduction of the Hunk 250R.
- In Nigeria, we continued to fortify customer trust by building a robust, resilient aftermarket service and spare parts network.

6
Product upgrades introduced across global markets

~40%
Growth in export volumes



Hero MotoCorp enters mainland Europe via Italy, in partnership with Pelpi International

Building a Strong Global Dealer Network

During the year, we expanded our international dealer network with the rollout of NextGen Hero 2.0 outlets. These outlets are supported by digital platforms, including Dealer Management Systems (DMS), Lead Management Systems (LMS) and Learning Management Systems, which help improve inventory visibility, dealer training and lead response cycles. Collectively, these initiatives are resulting in improved retail efficiency and stronger customer engagement across international markets.



Launch of the Hunk 125R in Peru

HARLEY-DAVIDSON BUSINESS

REIMAGINING THE ROAD AHEAD

The year marked a new chapter for the Harley-Davidson business in India. From the launch of the all-new Harley-Davidson X440 T to curating community-led riding experiences, we continued to grow the brand's presence while bringing a new generation of riders closer to the Harley experience.



Harley-Davidson X440 T

Premium Segment Gaining Momentum

The Harley-Davidson X440 T is targeted to cater to young, aspirational riders. Through advanced features such as ride-by-wire throttle, Rain and Road modes, and switchable ABS and traction control, the H-D X440 T retains the iconic brand's distinctive design and character. It is strategically targeted at urban professionals aged 25-35, offering a balance of brand prestige, everyday usability, and long ride capability. It also reflects the strength of the Hero MotoCorp–Harley-Davidson partnership, combining iconic design and the 440 cc engine with Hero MotoCorp's scale, local supply efficiencies and rapid R&D, strengthening its position in the premium segment.

Launch Event and Media Amplification

The Harley-Davidson X440 T was launched through an integrated media event in Goa featuring an on-ground reveal with digital and social activations, alongside the unveiling of the CVO Street Glide and CVO Road Glide.

The four-day media ride delivered strong traction and widespread visibility, drawing participation from over 100 media professionals. It generated extensive, high-impact coverage and robust digital engagement, with leading automotive platforms such as TopGear, OverDrive, Autocar and Car&Bike amplifying the narrative across audiences.

The X440 T also headlined the India Bike Week, while the H-D X merchandise store launched on Amazon expanded digital retail access.



Launch of Harley-Davidson X440 T in Goa



Ahaan Pandey - Brand ambassador for Harley-Davidson



Brand partnership with Saiyaara movie

Elevating Brand Visibility through Strategic Collaborations

During the year, we leveraged strategic collaborations across entertainment and lifestyle platforms to enhance the cultural relevance of the Harley-Davidson brand in India. One of the most notable associations was the brand's partnership with the Bollywood blockbuster *Saiyaara*, which integrated the Harley-Davidson X440 into the storyline and significantly amplified brand visibility.

The collaboration drove a strong increase in brand awareness, reflected in multi-fold growth in search trends, increased traffic across leading automobile aggregator platforms, and a sharp rise in customer enquiries at Harley-Davidson dealerships nationwide. The partnership also led to actor and youth icon, Ahaan Panday being onboarded as Brand Ambassador, reinforcing the brand's aspirational appeal among younger audiences.

Collaborations across music, lifestyle and fitness platforms further enriched the brand's engagement ecosystem, with partnerships including Outback Echoes, Rolling Loud, Kasauli Rhythm & Blues and Cult Fitness.

HARLEY-DAVIDSON BUSINESS

Building a Culture of Connected Riding







Destination X rides

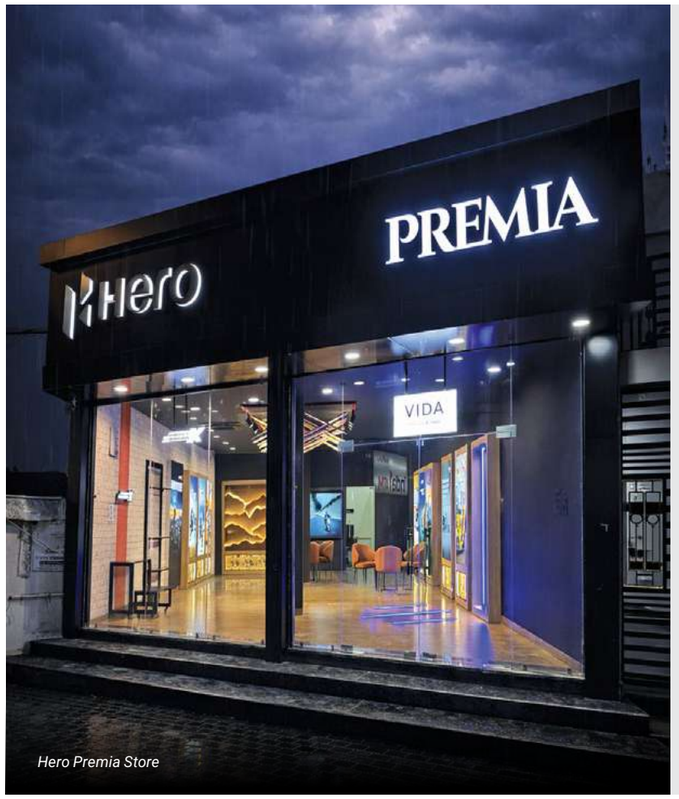
Community engagement remains central to the Harley-Davidson ownership experience, with Destination X rides spanning iconic terrains such as Jaisalmer, Umling La, Tawang and Dhanushkodi. Complementing these, dealership-led Route X rides offered curated journeys that strengthened rider connections and confidence. The year also marked the launch of Rider X, Harley-Davidson's first structured training programme for X440 owners, led by Sunny Chauhan, a Level 3 Certified Trainer from the California Superbike School. Focused on skill development and confident riding, the programme debuted in Gurugram before expanding to multiple cities following a strong rider response.

A special riding expedition also took Harley-Davidson Pan America owners to Mustang in Nepal, further strengthening the experiential riding culture within the Harley-Davidson community.

These initiatives marked a shift towards experiential riding programmes that bring riders closer to the brand while strengthening long-term community bonds through Destination X, Route X and Rider X. We also strengthened long-term loyalty by integrating H-D X440 owners into the broader Harley-Davidson community through local rider chapters, curated experiences and participation in the Harley Owners Group (H.O.G.), fostering deeper engagement and stronger brand affinity.

Destination X rides across India's iconic terrains

Jaisalmer | Umling La | Tawang | Dhanushkodi



Hero Premia Store



Hero Premia Experience

Hero Premia enhances the Harley-Davidson ownership experience through dedicated premium showrooms. The format offers an elevated, consultative buying journey aligned with premium customer expectations, while strengthening brand engagement across the ownership lifecycle and creating a distinct retail identity for Harley-Davidson within Hero MotoCorp's network.



Harley-Davidson X440 T

Recognition

The Harley-Davidson X440 T received the 'Best Update of The Year 2025' award at the Faster Awards, recognising the motorcycle's strong market reception and rider-focused enhancements.

HERO MOTOSPORTS TEAM RALLY

FY 2025-26 was a landmark season for Hero MotoSports. From national championships to global rally raids, we secured podiums, victories and championship titles. This season proved the strength of our riders and machines, further fortifying our position in global rally racing.

Hero MotoSports Team Rally at the South African Safari Rally event

WINNING IN THE TOUGHEST TERRAINS

Season at a Glance

The Hero MotoSports team delivered massive milestones across international and domestic competitions.

International Racing

Event	Key Highlight
Dakar Rally 2026	Double Top-10 finish; a first for Hero MotoCorp Runner-up – 2025 FIM Rally-Raid World Cup (Rally2)
Nacho Cornejo	6th overall (55 points)
Ross Branch	9th overall (17 points)
Tobias Ebster	Runner-up, Rally2 (79 points)
Arun T	Top-10 finish in debut international race
FIM World Rally-Raid Championship (W2RC)	3rd place in Manufacturer Rankings



HERO MOTOSPORTS TEAM RALLY

Global Rally Highlights

- At the South African Safari Rally (Round 3 of the FIM World Rally-Raid Championship – W2RC), Nacho Cornejo secured 6th overall, Tobias Ebster finished 9th and 2nd in Rally2—delivering our first stage win—and Ross Branch placed 11th, highlighted by a Stage 1 victory and multiple podiums.
- Rally Raid Portugal (Round 4, W2RC; 2,400+ km) tested endurance, with Nacho Cornejo finishing 11th overall and holding 7th in the standings. Tobias Ebster showed strong pace before setbacks, while Ross Branch exited early after a Stage 2 crash.
- A standout moment came at Cierzo Rally 2025 (Spain), where Tobias Ebster secured an overall win, while Arun T impressed with a 9th-place finish on debut.
- In Chile, Nacho Cornejo capitalised on home conditions to take victory at the Atacama Race, building momentum ahead of the final W2RC rounds.
- The Rallye Du Maroc (final round, 2025 W2RC) saw Nacho Cornejo finish 6th overall with four Top-10 stage results and his first stage win with us. Tobias Ebster placed 11th (4th in Rally2), while Ross Branch's run was impacted by a Stage 3 mechanical issue.
- We opened the 2026 season at the Dakar Rally with a historic double Top-10 finish—Nacho Cornejo (7th) and Ross Branch (8th). Despite multiple challenges, both riders held firm, with the Hero 450 Rally completing the event without any technical issues.

Global Platforms and Fan Interactions

During the season, we participated in several international motorcycle exhibitions. At the Feria 2 Ruedas Expo in Medellín, Colombia, one of the largest motorcycle shows in the Americas, we showcased our rally machines alongside Hero LATAM. The event featured our first factory rider, Joaquim Rodrigues (JRod), who secured Hero MotoCorp's first Dakar stage win in 2022. A key highlight was the Xtracks VIP programme, where participants received rally riding tips and techniques from professional riders.

Additionally, we participated in the Expo 2 Ruedas in Bogotá, Colombia, where factory rider Nacho Cornejo interacted with visitors while presenting the team's rally machines. At EICMA 2025 in Milan, Italy, we displayed our championship-winning race machines, the Hero 450 Rally and the race-spec Hero MotoSports XPulse 210 Rally, presenting our rally-raid engineering and racing DNA to global motorsport enthusiasts.

National Racing

Developing Rally Talent in India

Beyond our global campaigns, we heavily backed Indian riders on home soil, resulting in a trophy-packed season across Supercross and rally formats.

Indian National Supercross Championship (INSC) 2025–26

Arun T

3rd
R1

5th
R2

2nd
Experts Group B, R3

2nd
Experts Group B – Overall

3rd
Overall

3rd
Indian Experts

Kathiroli

1st
Novice Group B, R3

1st
R4

2nd
Experts Group B, R4

3rd
Indian Novice

Indian National Rally Championship (INRC) 2025-26

Arun T

2nd
R1, R4

3rd
Group B up to 260cc – Overall

Karan Kumar

2nd
Group B up to 260cc – Overall

Somyya Chaudhary

2nd
R1

3rd
R2

1st
R4 | Chikkamagaluru

2nd
Women's Class – Overall

Indian National Rally Sprint Championship (INRSC) 2025-26 - Grand Finale

Arun T

2nd
Group A Open, up to 550cc

Karan Kumar

2nd
Group B & Group D

Kathiroli

1st
Group B & Group D, 165cc-260cc

Somyya Chaudhary

1st
Women's Class, up to 260cc

Rally-bred Machines

Our rally bikes are built to survive the harshest environments.

On the global stage, the Hero 450 Rally continues to power our rally-raid campaigns. Designed to endure extreme terrain and long-distance endurance racing, the motorcycle has proven its capability in events such as Dakar and the W2RC rounds.

In India, we dominate domestic tracks with the Hero MotoSports XPulse 210 Rally. Developed entirely in-house, this is our primary machine for domestic championships.



Hero MotoSports Team Rally at the Rallye Du Maroc event

PRODUCT STEWARDSHIP AND INNOVATION

DRIVEN BY R&D

Product stewardship is embedded across the entire vehicle lifecycle, from concept and design to customer use and end-of-life. During the year, we strengthened this approach by advancing 'First Time Right' engineering, enhancing lifecycle robustness and translating virtualisation-led development into precise technical specifications. This enables faster market responsiveness, improved product quality, and stronger alignment with sustainability and regulatory expectations.

Our product strategy reflects a clear shift towards premiumisation, connected experiences, and urban mobility solutions. We have expanded our premium motorcycle portfolio, integrated advanced connected technologies, and introduced new EV formats tailored to emerging needs. Sustainability remains embedded through modular engineering, high recyclability standards and continued decarbonisation of our ICE portfolio through E20 readiness and Euro5+ compliance.



VIDA VX2 Plus

160+
Patents filed

15
New models launched
India (ICE - 7, EV - 2)
Global - 6

Customer-centric Product Design

We place customers at the centre across the product lifecycle. From ideation to launch and post-launch, we embed customer feedback and market intelligence into a structured framework focused on design, features and technology. Product design is guided by early-stage concept testing and prototype evaluations to validate styling and ergonomics, while pricing studies and competitor benchmarking identify what customers value and are willing to pay for. As the product evolves, multiple feedback checkpoints provide deeper insights, and by combining qualitative and quantitative inputs, we ensure every strategic decision is driven by customer demand.



The first spark of imagination translating into a sketch



Xtreme 125R

Our Balanced Mobility Portfolio

We adopted a multi-pathway strategy, balancing our leadership in Internal Combustion Engines (ICE) with accelerated expansion into electric and emerging mobility. While advancing our ICE portfolio through premiumisation and global regulatory compliance, we scaled the VIDA platform by improving accessibility and maturing our ecosystem, including the launch of **Battery-as-a-Service (BaaS)**. Additionally, our investments in alternative fuels and collaborative innovation strengthened our agility within a rapidly shifting mobility landscape.



VIDA charging stations

From Innovation to Market Impact

Our R&D capabilities successfully translated cutting-edge concepts into market-ready solutions through customer-centric design, rigorous cost optimisation, and engineering excellence. During the year, we scaled our ICE & Electric portfolio by introducing more accessible models and launching differentiated products across diverse segments. By integrating advanced technologies—such as **ride-by-wire, traction control, and customisable ride modes**—we effectively democratised high-end innovation while upholding our core benchmarks of performance, safety and reliability.

PRODUCT STEWARDSHIP AND INNOVATION


Glamour X

Ride-by-Wire Enabled Features - Glamour X

- **Cruise Control**
  Maintains a constant pre-set speed, improving comfort and reducing fatigue on long rides.
- **Ride Modes**
  ECU-enabled modes adjust power delivery - 'Eco' for smoother, fuel-efficient performance and 'Power' for sharper response and acceleration.
- **Engine Speed Limiter**
  Electronically limits RPM or top speed, supporting safety, regulatory compliance and use for fleet or novice riders.

Quality, Safety and Compliance

We maintain rigorous quality and safety standards through advanced simulation and real-world validation across diverse conditions. Our Total Quality Management framework ensured supplier reliability and minimised field issues. Our products demonstrated compliance with evolving regulatory requirements, including Euro5+ norms, E20 compatibility, and AIS-156 battery safety standards.

X440 T (in collaboration with Harley-Davidson): Advanced Control & Rider Safety

The new T variant elevates rider experience through advanced control systems and enhanced safety features:

- **Ride-by-wire technology** for smoother, more precise throttle response.
- **Switchable traction control** to enhance grip and stability across conditions.
- **Switchable rear ABS** for improved braking control.
- **Dual Ride Modes ('Road' & 'Rain')** enabling adaptive performance based on riding conditions.

A refined blend of modern technology and rider-centric safety, built for confident everyday riding.


X440 T



Extending Product Value

We have deepened our commitment to product stewardship by prioritising durability, efficiency, and safety throughout the lifecycle. Through the **Wheels of Trust** programme, we have built a robust pre-owned ecosystem that extends vehicle longevity and minimises resource consumption. Furthermore, our Over-the-Air (OTA)-enabled VIDA platform ensures continuous performance optimisation, while Ride Safe India fosters a culture of responsible riding and community well-being.

Engineered for a Sustainable Future

Sustainability is a core engineering discipline. By integrating recyclability, lifecycle assessments, and material optimisation at the design stage, we reduced environmental impact and improved resource efficiency from inception. Our '**Hero Tech Stack**' advanced through the development of **Flex-Fuel Vehicles** and the expansion of the **VIDA EV platform**, successfully cutting emissions across our ICE and electric portfolios while maintaining performance and affordability.

95%+
Recyclability across product portfolio

80%
Sales volume covered under Life Cycle Assessment

Advancing Circular End-of-Life Systems

We strengthened our end-of-life ecosystem through Extended Producer Responsibility (EPR) readiness in line with evolving regulations. Our approach includes formal scrappage frameworks, material recovery systems and emerging circular solutions such as second-life applications for EV batteries, enabling improved resource recovery and responsible lifecycle management.


VIDA's removable batteries

Driving Innovation through R&D and Collaboration

- **DISHA 2035 - Technology Leadership:** A 10-year roadmap to drive innovation, sustainability, and smart mobility, enabled through both organic and inorganic levers.
- **Academia Connect:** Strategic research partnerships with IIT Madras and IIT Bombay, supported by a 360° collaboration model to accelerate research absorption.
- **MoU with IIT Madras:** Focused on upskilling/ reskilling, joint research, CSR initiatives, and key domains including, Data Science & AI, quantum computing, etc.
- **First Time Right Approach:** Proactive risk mitigation through DFMEA and digitisation via a Test vs Simulation Correlation roadmap.
- **Future-ready Safety Technologies:** Showcased radar- and vision-based ARAS at EICMA and CES, with a focus on scalable and affordable safety solutions.
- **Democratising Safety Features:** Panic Brake Alert in Glamour and Xoom; segment-first Dual Channel ABS in Xtreme 125R; and advanced visibility features in Xtreme 250R and Xpulse 210.

OPERATIONAL REVIEW

DRIVING GREATER SCALE AND EFFICIENCY

During the year, we strengthened our manufacturing ecosystem by expanding capacity and deepening digital integration. Despite global market uncertainties, we maintained strong production volumes through agile sourcing and optimal resource management. We have a highly resilient, efficient foundation equipped for sustained long-term growth.



Tirupati plant

38 mn
Cumulative production at Haridwar plant

3x
Increase in annual export volume from Halol plant

40%
Increase in battery capacity in Tirupati Plant

Manufacturing Performance

On the manufacturing front, we expanded capacities across plants and drove greater flexibility. Each facility contributed to better output and throughput while also advancing EV readiness: Dharuhera recorded high-volume production, Haridwar delivered consistent operational intensity while Tirupati emerged as a key growth driver through capacity expansion aligned with rising EV demand.

Key Achievements

Dharuhera Plant	Gurugram Plant	Neemrana Plant	Halol Plant	Tirupati Plant
CII Excellent Energy Efficient Unit Award; 3 Par Excellence awards at the National Convention on Quality Concepts	**Par Excellence at the Chapter Convention on Quality Concepts**	**CII Excellent Energy Efficient Unit Award; Platinum Award for Safety Kaizen and Diamond Award for Ergonomics**	**TPM Consistency Award; Platinum and Gold recognitions at the CII National Technology Competition**	**Two Gold awards and the Rising Star Industry award at the 11th Chapter Convention of Quality Concepts**



Advancing our growth journey in France

Global Operations & Aftermarket

We accelerated our global expansion through new market entries and a premiumised portfolio, leveraging manufacturing excellence to drive superior export performance.

Our aftermarket business focused on deepening customer engagement through wider access to genuine parts, enhanced service delivery and growth in the premium segment, including Harley-Davidson parts.

Quality & Process Excellence

We elevated our manufacturing standards this year by transitioning to predictive, technology-driven quality systems. By deploying Optical Character Recognition (OCR) enabled VIN validation system, digital quality gates, and automated error-proofing, we significantly reduced process variability and enhanced end-to-end traceability. These digital interventions guarantee consistent, high-performance products across all markets, while targeted export innovations ensure our products maintain their durability during global transit.

Zero
Unsold warranty claims achieved

35+
Digitised Poka-Yoke systems implemented

Zero-rust
Export solution introduced

IMS
(Integrated Management System) recertification achieved

OPERATIONAL REVIEW

Digitisation in Operations

Digitalisation enabled greater visibility, control and efficiency across our manufacturing processes. We advanced our digital ecosystem through integrated platforms, real-time monitoring systems, and AI-enabled applications, strengthening decision-making, improving process accuracy, and enabling seamless coordination across manufacturing, quality, and supply chain functions to create a connected, data-driven operational environment.

Digital Enablement

SMART Factory Initiative	**Pulse Hub Dashboard for real-time visibility**	**Traceability 2.0 for process control**	**AI-enabled Project Safety Shield**
Vision AI systems and automated validation	**Garden Nexus 2.0 excellence platform**	**Advanced E-Catalogue at GPC**	

Cost Optimisation and Productivity

This year, we focused on building a leaner, more resilient manufacturing ecosystem to drive long-term profitability. Through targeted automation, process simplification, and supply chain optimisation, we maximised our efficiency across energy, materials and logistics, while sustaining high performance standards.

Efficiency Levers

- Renewable energy adoption and utility optimisation
- Parts indigenisation and in-house repair capabilities
- Low-cost automation and manpower optimisation
- Transportation Management Systems (TMS) for GPC (Global Parts Center)
- Reusable packaging and logistics standardisation

₹ 1,500 crore
Planned capex in FY 2026-27 for doubling EV capacity and expansion of ICE scooters and premium motorcycles production

Sustainability in Operations

We are actively reducing our environmental footprint by integrating sustainable technologies into our daily operations. By scaling up renewable energy, including rooftop solar and solar heating, optimising water usage and deploying advanced adiabatic cooling systems, we drive greater operational efficiency while building long-term climate resilience.

Responsible Operations

All our manufacturing facilities are Zero Waste to Landfill (ZWL) and Single-Use-Plastic (SUP) Free certified, reinforcing a sustainable operational lifecycle.


Gurugram Plant

Key Highlights

~96%
Renewable energy share at Haridwar

GreenCo Gold Rating
for Tirupati Plant

67.81%
of total water recycled



Crafting perfection through high-precision machining

PROCUREMENT

SOURCING FOR TODAY, SHAPING TOMORROW

During the year, we transformed procurement—enabling 15 new model launches and record festive production of 2.3 million vehicles. Through initiatives like the LEAP IL5 programme, delivering our highest-ever cost savings, and partner collaborations including technology showcases, we improved efficiency and strengthened supply chain resilience.



Portfolio photoshoot in Ladakh

Procurement for Launches and Markets

During the year, we supported accelerated product development and expanding market requirements across domestic and global operations.

Intervention

We enabled 15 NPD (New Product Development) programmes and ensured seamless production readiness for 9 domestic and 6 global models through disciplined sourcing, supplier alignment and timely material availability. We strengthened supplier coordination to support key product unveilings across EV, performance and off-road segments, while reinforcing supply networks to enable dispatches to Mexico and Africa and support entry into Europe.

Impact

A stable and quality-focused supply base delivered a 99.6% straight pass rate for CKD (Complete Knock Down) exports to Colombia, reflecting consistency, reliability and execution at scale.



Unveiling the XOOM 125 for a new generation of riders.

Future-ready Partner Ecosystem

We conducted high-impact idea-generation workshops across 10 strategic partner sites, creating a robust pipeline of innovative solutions and driving deeper collaboration across our manufacturing ecosystem.

Precision at Scale

We aligned manufacturing with peak festive demand, strengthening delivery momentum across segments. HF Deluxe Pro scaled rapidly, while VIDA production expanded through multi-sourcing and capacity augmentation. The global business sustained strong momentum through the year, and the Parts, Accessories and Merchandise business delivered robust, broad-based growth.

2.3 mn
Production volume during festive season

43,300 units
Highest monthly Global Business production

30,700 units
Highest monthly production of HF Dlx Pro

15,800 units
VIDA monthly production level achieved

₹ 6,147 crore
Highest-ever PAM (Parts, Accessories and Merchandise) Revenue

Cost Excellence at Scale

We strengthened our cost-efficiency agenda with sharper discipline and cross-functional alignment, delivering our highest-ever savings under the LEAP IL5 programme. This was driven by close collaboration across Procurement, R&D, Finance, and business teams, alongside deeper engagement with our supplier ecosystem.

Targeted interventions such as supplier and design workshops, teardown-led cost benchmarking, strategic sourcing with proprietary partners, supplier consolidation and logistics network optimisation—enhanced cost competitiveness. These efforts also contributed to EBITDA margin expansion, particularly in the premium and scooter segments.



Dropped floor adapting perfectly to our Heroes for safer, better craftsmanship

PROCUREMENT

Resilience across the Supply Chain

Amid heightened global volatility, we safeguarded our supply chain against multi-front disruptions. We mitigated the impact of India's natural gas and LPG shortages, driven by Middle East geopolitical tensions, by stabilising plant operations and extending critical logistical support to suppliers.

To address Heavy Rare Earth (HRE) restrictions, we diversified magnet sourcing through alternate global routes and developed new, non-restricted grades—securing EV motor supply and ensuring part availability through April 2026.

Supplier Collaboration and Innovation

During the year, we strengthened supplier engagement through co-creation partnerships supporting innovation, localisation and compliance readiness. In collaboration with Tier-1 suppliers at the Center for Innovation and Technology (CIT), the Company co-developed high-efficiency motor controllers and modular battery casings for the VIDA VX2 series, improving thermal management by 15%. Partnerships with technology-focused suppliers also enabled integration of Hero Connect 2.0 features, including remote diagnostics and cloud-based security, across electric and premium ICE segments.

Co-creating the Future with Partners

We advanced our 'Shared Excellence' agenda by creating platforms to deepen partner engagement and align on future mobility priorities.

Intervention

We hosted the Global Supplier Meet (190+ partners), Logistics Partner Meet (250+ partners), and the Hero Vanguard Summit 2026 in Dubai, where 32 strategic suppliers collaborated with Hero MotoCorp to develop an 'Innovation Charter' focused on technology, localisation and quality.

Impact

These efforts reinforced meritocracy, strengthened alignment, and enabled deeper collaboration, supporting accelerated, future-ready growth.



Vanguard Summit 2026


Xtreme 250R

Building a Future-ready Organisation

We advanced organisational readiness through stronger governance, digitisation and operational discipline. In June 2025, Procurement SOPs were overhauled to establish clear accountabilities and robust internal controls aligned with the digitisation roadmap, further reinforced by automated cross-functional supplier ratings and mandatory sourcing controls.

A state-of-the-art Cost Lab at the Centre for Innovation and Technology (CIT) enabled teardown-led analysis and proprietary benchmarking against global peers, supporting cost leadership and design innovation. On the manufacturing front, Phase 1 of the Smart Factory at Neemrana enabled real-time monitoring, while precision Poka-Yoke sensors strengthened quality assurance to global standards.

ESG across the Value Chain

We strengthened ESG integration across our supply chain by expanding Sustainable Procurement Guidelines to all suppliers and scaling third-party assessments. Through SustainChain 2025, we engaged 25 key partners in CXO-led discussions on emissions reduction and water positivity, while recognising Sustainable Changemakers and enabling shared learning.

Our initiatives avoided 25,278 $MTCO_2e$ emissions and enabled ~1,11,000 MWh of renewable energy use across our supplier network. We achieved 100% compliance across Tier 1 significant suppliers on International Organization for Standardization (ISO)/International Automotive Taskforce (IATF) certification, human rights alignment, CMRT and BRSR disclosures, while advancing fire and safety audits, driving 5%+ annual reductions in emissions and water impact, and enhancing safety training and emergency preparedness.

Simplifying Processes. Strengthening Control.

We transitioned to a fully integrated, paperless procurement and logistics ecosystem, enabling digital contracting and automated workflows that reduced turnaround times. Transparency and governance were enhanced through a Supplier Performance Rating and action-tracking tool, supported by stronger controls around change approvals.

We also automated part costing and streamlined approvals and payments for logistics partners. On the manufacturing front, Smart Plant initiatives, including AI-enabled video analytics, telescopic conveyors and utility cockpits improved operational efficiency.

Key Recognitions

- Awarded 'Procurement Team of the Year' at the 14th Procurement Excellence Summit by UBS Forum.
- Recognised at the Timesgroup Ecopreneur Summit 2025 for sustainability leadership.
- Named Two-Wheeler Manufacturer of the Year at the BBC TopGear India Awards 2026, alongside category wins for Glamour X 125 and Xtreme 250R.
- Shortlisted among the Top 10 at the Asia Pacific Procurement Awards 2025 for the Environmental & Social Impact Award.


Travel Fest & 125 mn celebration event in Argentina

XPulse 210

VISIBLE AT EVERY TURN

We rewired our marketing approach to create pull, not noise. Our focus was on strengthening customer trust in the Hero brand. From reaching a major milestone of 130 million customers to shaping cultural narratives, every campaign carried intent, emotion and edge, strengthening our brand equity while fostering stronger connections with riders and biking enthusiasts across the globe.

Strengthening Global Brand Leadership

Celebrating 125 Million Customers: A Deep-rooted Bond of Trust

Earlier this year, Hero MotoCorp achieved a historic landmark that transcends mere numbers, becoming the only Indian two-wheeler manufacturer to serve over 125 million customers globally.

This milestone is a profound testament to the enduring trust placed in us by millions of riders. To celebrate this shared journey, we launched the '125 Million Campaign', a tribute to the aspirations of the millions of families whose progress has been powered by Hero.

To commemorate this landmark, the company unveiled the 125M Special Editions of the Splendor+, Passion+, and VIDA VX2. Featuring a signature 3D '125M' insignia, these editions were designed not just as products, but as symbols of the unshakable connection between the brand and its massive family of riders.





Four Decades of Trust, 25 Consecutive Years of World Leadership

The momentum of our 125 million milestone was further amplified through a high-decibel campaign celebrating a feat unparalleled in the automotive world: 25 consecutive years as the World's Number 1 Motorcycle and Scooter Company. This campaign served as a global announcement of our quarter-century of dominance, rooted in four decades of unwavering customer trust. By aligning our massive global scale with consistent performance, the campaign reaffirmed Hero's position as India's most dependable mobility partner on the world stage and created a sense of collective achievement among our customers, partners and employees, cementing Hero's status as the most trusted name in mobility.

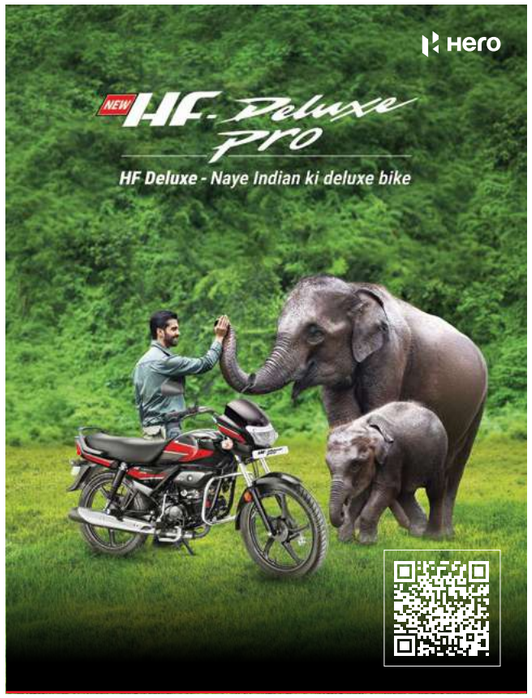
MARKETING OVERVIEW

Building Aspirations: Elevating Mobility

'Naye India ki Deluxe Bike': Redefining the Entry Segment

As Indian consumers shift from 'utility-first' to 'aspiration-led' choices, Hero MotoCorp launched a new 360-degree campaign for the HF Deluxe Pro. Moving beyond its functional roots, the 'Naye India ki Deluxe Bike' campaign showcased the motorcycle as a powerful symbol of personal progress and a 'badge of pride' for an upwardly mobile and confident India.

The campaign featured evocative storytelling centred on a forest ranger who rescues a lost elephant calf, perfectly capturing the brand's core philosophy: 'Agar iraade bade hon, toh namunkin kuch bhi nahi' (With strong resolve, nothing is impossible).





Leading with Innovation for the Joy of Riding

The Future Loves Glamour X: A Leap in 125cc Technology

Building on the trust of over 8 million Glamour riders, the launch of the all-new Glamour X 125 redefined the 125cc segment by being India's most futuristic motorcycle. The product debuted several category-first innovations, including Ride-by-Wire for precise throttle response, three distinct Ride Modes (Eco, Road, Power), and first-in-segment Cruise Control for effortless long-distance riding. Safety and reliability were further enhanced through a unique Panic Brake Alert system and the world's first Low Battery Kick Startability, ensuring the rider is never stranded even with a depleted battery.

To bring this technological leap to life, the 'Future Loves Glamour X' campaign featured a 'love at first sight' narrative between a robot and the motorcycle, set to the iconic melody of 'Pehla Nasha'. This tech-forward storytelling captured the imagination of a new generation of aspirational riders.

Rekindling Brand Love with Iconic Narratives

Splendor+: 5 crore 'Khushiyon Ka Safar'

The 'Khushiyon Ka Safar' campaign celebrating the monumental milestone of 5 crore Hero Splendor+ units has become the most celebrated and emotionally resonant initiative by Hero MotoCorp in recent years. By rejuvenating the iconic 'Fill it. Shut it. Forget it.' philosophy, the campaign honours a journey that is a powerful testament to thirty years of trust and resilience. The narrative is masterfully built around the legendary anthem 'Ek Raasta Hai Zindagi', a song that perfectly mirrors the motorcycle's journey as an enduring companion through the many roads of Indian life. This melodic backdrop elevates the campaign from a corporate milestone to a cultural celebration of moving forward, no matter the destination.

The campaign brings to life a tapestry of authentic human stories that showcase Splendor+ as an integral thread in the fabric of the nation and reinforces Splendor+ not just as a motorcycle, but as a symbol of reliability and progress that continues to enable millions to move forward with pride.





Hero Pleasure+: 'Why Should Boys Have All the Fun?' 2.0

We revitalised the iconic Pleasure+ positioning with a high-octane campaign that breaks stereotypes and celebrates the unstoppable spirit of today's women. Launched as a Tamil-first initiative to target one of the largest and most vital scooter markets, the campaign is a high-energy testament to female independence and skill. The narrative follows a 'gang of girls' who arrive at a football ground only to find it already occupied by a group of men. Undeterred, one of the women declares that while the ground may be booked, they are free—triggering a dash to an open parking lot for a game of their own.

What follows is a cinematic display of motoball, featuring high-action stunts and precision riding never-before-seen in the scooter category. As the women maneuver their Pleasure+ scooters with athletic agility to play football, the boys look on in silent disbelief. Set to a gripping, high-energy soundtrack with the iconic 'Why should boys have all the fun?' spirit, the campaign highlights the scooter's nimble handling and the Xtec technology that powers it.

MARKETING OVERVIEW

Expanding Horizons in Urban and Premium Mobility

Xtreme 250R: 'The Streets Have a New G.O.A.T.'

The launch of the Xtreme 250R established a definitive new benchmark in street performance, built around its blistering 3.25-second (0–60 km/h) acceleration. To reinforce its 'fastest-in-class' credentials, we launched a high-octane campaign that put the motorcycle's power to the ultimate test: a drag race against high-performance sports cars. By demonstrating that the Xtreme 250R's initial sprint is faster than several legendary four-wheeled speedsters, we successfully cemented the brand's association with elite speed and agility in the minds of performance enthusiasts.

This narrative of raw power was further amplified through a strategic collaboration with Thums Up for the 'Thunderwheels 2.0' campaign. Targeting the adventurous youth, we integrated the motorcycle into millions of QR-enabled packs with the bold call-to-action, 'Dum hai toh scan kar' (Scan if you have the guts). This synergy between two iconic "high-action" brands drove massive digital engagement and on-ground traction, effectively positioning the Xtreme 250R as the undisputed choice for riders who demand adrenaline and street-legal dominance.





Hero Destini: Hero Ka Scooter, Scooter Ka Hero

FY 2025–26 marked a defining year for our scooter portfolio, driven by strategic expansion into premium segments and a surge in momentum. This growth was spearheaded by the Destini series, which emerged as one of the fastest-growing scooters in India. To further elevate the brand's presence, we launched the high-decibel 'Hero Ka Scooter, Scooter Ka Hero' campaign, featuring the legendary filmmaker S.S. Rajamouli. The campaign drew a masterful parallel between Rajamouli's cinematic perfection and the Destini's superior craftsmanship, positioning the scooter not just as a commuter, but as a 'Hero' in its own right—commanding respect through its premium metal body, sophisticated chrome accents, and refined performance.

This strategic intervention, particularly in South India—the country's largest scooter market—transformed customer perception and drove significant market share gains.

Xoom 160: Redefining Adventure Scooters

The launch of the Xoom 160 marked a transformative milestone in our urban mobility strategy, signalling Hero MotoCorp's bold entry into the premium adventure scooter category. Xoom 160 introduces several class-leading features that set a new benchmark for the industry. It features dual-purpose 14-inch tyres for superior stability, a liquid-cooled 160cc engine for sustained high performance, and an aerodynamic dual-fairing design that provides exceptional wind protection on long-distance hauls. Reflecting its elite positioning and superior engineering, the Xoom 160 is exclusively available through Hero Premia, our premium retail channel, ensuring a bespoke and world-class experience for the most discerning riders.

To prove its mettle in extreme conditions, the Xoom 160 undertook a gruelling endurance trek across the Himalayas. This expedition was not just a trial; it was a record-breaking feat that secured two Indian Book of Records by crossing 32 mountain passes in just 7 days and achieving a cumulative elevation gain of 39,449 meters, over four times the height of Mt. Everest. These achievements proved the vehicle's superior torque and thermal management under thin-air, high-altitude conditions, reinforcing the Xoom 160's credentials as a high-performance machine capable of conquering terrains previously reserved for specialised motorcycles.





Safety as a Sacred Promise: 'Prayers for Safety'

Reimagining the Himalayan Journey

Safety is deeply embedded in our core values, reflecting our commitment to Responsibility, Care, and putting Customers at the centre of everything we do.

With Xpulse, we launched the 'Hero Prayers for Safety' initiative, reimagining traditional Tibetan prayer flags as portable first-aid kits for Himalayan riders. This initiative reinforced that safety is not merely a product feature, but a promise to every rider and their family. Recognising that riders navigating remote terrains such as Manali and Leh-Ladakh often lack immediate access to medical assistance, we developed waterproof flag pouches containing essential supplies, including bandages, antiseptic ointment, gauze and paracetamol.

Through collaborations with local bike rental operators and cafés, along with the installation of custom dispensers, we seamlessly integrated these functional safety kits into existing riding rituals. By elevating safety into an emotional and cultural commitment, the campaign strengthened consumer trust and reaffirmed Hero MotoCorp's dedication to responsible and dependable mobility.

MARKETING OVERVIEW

Breaking Barriers, Celebrating Love

Naye Rishton Ki Shuruaat: The Marriage Campaign

Hero MotoCorp's groundbreaking marriage campaign, 'Naye Rishton Ki Shuruaat, Hero Pe Sawaar', redefined traditional wedding narratives by centering the modern Indian bride and her freedom of mobility. In a bold departure from convention, the first film reimagines the Phoolon Ki Chaadar (bridal entry), featuring the bride making a 'dashing entry' to the mandap by riding her own Hero motorcycle. Set to a gripping, high-energy fusion soundtrack, the film captures her beaming with independence—not merely arriving, but making a definitive statement of her identity. This progressive portrayal continued in the Vidaai (adieu) film, where the traditional tearful departure in a car is replaced by the bride taking the handlebars and riding away from the venue with her husband.

This campaign positions personal mobility as a means for self-reliance and true companionship. By championing the spirit of the unstoppable modern woman, Hero MotoCorp reaffirmed its role as a thought leader in societal change. The initiative successfully aligned the brand with the values of equality and progress, proving that the 'deluxe' experience of personal freedom is an essential part of every new beginning. Through these cinematic stories, Hero strengthened its cultural relevance during the peak wedding season, inspiring young couples to view a Hero motorcycle as a symbol of shared responsibility and aspirational growth.




Mystic Mustang expedition

Building Communities and Culture

At Hero MotoCorp, a motorcycle is more than a machine—it is a gateway to exploration, a catalyst for human connection, and a platform for storytelling. In FY 2025–26, our focus extended beyond manufacturing excellence to building cultural resonance, transforming the brand into a vibrant ecosystem of adventure, community, and purpose.

Through curated riding experiences and collaborations with armed forces and a rapidly growing rider community, we strengthened the emotional bond between the brand and riders, reinforcing Hero MotoCorp's position as a brand that powers journeys while bringing people together.



Building Cultural Resonance: The Spirit of the Trail

At Hero MotoCorp, we do not just build motorcycles—we create experiences that inspire exploration and adventure. During the year, we continued to strengthen our owned experiential intellectual properties (IPs), further cementing our presence in the growing adventure motorcycling segment.



Mystic Mustang & Beyond

Our flagship expedition properties scaled new heights with the successful launch of the second season of our premium rides. From the mist-covered landscapes of the North East to the cross-border adventure of Mystic Mustang in Nepal, the Xpulse 210 demonstrated its capability across some of the most challenging terrains in the world.



A Tapestry of Terrains

These expeditions go beyond product experience—they create cultural bridges. By bringing together XClan members, premium customers, and motorcycling enthusiasts, these rides fostered a vibrant community united by the spirit of exploration and the reliability of our engineering.



Hero Tiranga Trails: A Legacy of Honour

Our commitment to India extends beyond mobility—it is rooted in deep respect for the armed forces who safeguard our nation from threats. In FY 2025–26, we launched Hero Tiranga Trails, a dedicated initiative that celebrates service, inspires communities, and promotes national pride.

Through collaborations with the Indian Army, Indian Air Force, and Assam Rifles, these Trails were conducted across the frontier regions of Uttarakhand and the North East, engaging 150+ officers.



Community at the Core: The XClan Evolution

At the heart of Hero MotoCorp's journey lies the strength of its rider community. During the year, we significantly expanded the scale and depth of our engagement with the XClan rider community, transforming it into a structured ecosystem of experiences, rides and shared passion.

Through our Premia outlets, we institutionalised a 360-degree engagement model, enabling consistent rider interactions across the country. This growing ecosystem continues to strengthen the emotional bond between the brand and its riders, reinforcing Hero MotoCorp's position as a brand that not only powers journeys but also builds communities.

TECHNOLOGY

ENGINEERING THE NEXT

As a leading player in the global two-wheeler space, we understand the aspirations that connect millions of customers. As expectations evolve, we are strengthening our digital core to deliver intelligent, more responsive mobility at scale.



Metal Inert Gas welding with Robot at Neemrana plant

Enterprise and Operational Systems

We continued to expand digital capabilities across our enterprise and manufacturing ecosystem for higher operational visibility, process efficiency and quality assurance. Our technology roadmap prioritises deeper enterprise integration, expanded AI-enabled capabilities and enhanced operational intelligence across the value chain. Key priorities include the implementation of SAP S/4HANA, expansion of digital factory initiatives, deployment of advanced warehouse management systems and the continued evolution of product lifecycle management platforms.

Digital factory initiatives enabled real-time monitoring of shop-floor activities through Smart Cells, while AI-assisted Pre-Shipment Inspection standardised quality checks and improved early detection of defects. Integration of production and inspection data enhanced end-to-end traceability and faster root-cause analysis. We also leveraged a digital utilities cockpit that facilitates real-time visibility into power, water and compressed air consumption across plants. At the enterprise level, approximately 500 on-premise data points were migrated to a cloud-based ETL infrastructure, improving scalability and performance while enabling faster analytics across functions.

Superior Customer and Retail Experiences

During the year, we built on our digital retail capabilities to simplify customer journeys and deepen dealer engagement. Several initiatives were undertaken to improve transparency, convenience and personalisation across the purchase and ownership lifecycle, supported by the introduction of an integrated All Products catalogue, dedicated festive offer platforms and improved website performance.

We also enhanced digital financing through a revamped do-it-yourself finance interface, assisted purchase journeys and streamlined lead management processes. Additionally, the Hero Goodlife ecosystem introduced “Goodlife For All”, improving programme accessibility, analytics and membership tracking.

15%
Lead conversion achieved through AI-driven propensity models

12%
Growth in repeat purchases supported by machine learning-driven campaigns

1,700+
Associate dealers integrated into digital platforms

10,000+
Active users accessing enterprise dashboards across functions

Digitised Dealer and Channel Operations

Digital initiatives implemented during the year made our dealer ecosystem more efficient. The Sales App platform enabled streamlined lead management, automated bookings and vehicle allocation, improving dealer productivity and retail conversions. A Visit Management System optimised dealer visits and reporting, while digital warranty approvals, better complaint management and workshop referrals contributed to higher operational efficiency. We also introduced a Channel Partner Lifecycle Management platform to simplify dealer onboarding.

~9 minutes
Average response time for dealer support queries during peak festive periods

88%
Dealers in Nepal were onboarded onto the Dealer Management System (DMS)

Information Security and Data Protection

Our digital transformation is supported by a robust, multi-layered information security ecosystem anchored in the globally recognised ISO 27001 Information Security Management System (ISMS) standard.

On the IT front, HMCL follows a structured Prevent–Detect–Respond framework, reinforced by a 24/7 Security Operations Center (SOC), a comprehensive vulnerability management programme, and a deeply embedded Secure by Design approach. All architectural changes undergo review through a mature Architecture Review Board (ARB) to ensure code integrity and strengthen proactive cyber resilience.

Recognising the growing importance of data privacy and governance, we have established a robust privacy management programme aligned with the requirements of the Digital Personal Data Protection (DPDP) Act. By integrating Privacy by Design principles into our ARB processes and leveraging our ISO 27001 framework, we strengthen data protection, support regulatory compliance, and maintain the integrity of personal information.

100%
Facilities certified under ISO 27001:2022

Read more about it on **page 174** in Governance

Data-driven Decision-making and Digital Engineering

We expanded enterprise dashboards across functions, capturing real-time insights to support sales, marketing and operations. Advanced analytics models facilitated informed decision-making across these areas. AI-powered lead scoring improved conversions, and enhanced demand forecasting and brought closer alignment between production and market demand.

Additionally, we advanced digital engineering to improve collaboration across our global research and development teams. The migration of the Product Lifecycle Management platform to a cloud-based software-as-a-service model created a unified environment for product design and engineering teams, enabling real-time collaboration and faster development cycles.

We introduced the Cost-It-Right platform, allowing simulation of key cost variables such as raw material prices, currency movements and process costs. This has considerably enhanced pricing visibility and sourcing decisions while supporting coordination across engineering and supplier ecosystems.

7.25 lakh+
Dashboard views recorded during the festive period

3×
Increase in analytics usage compared with the previous year

1,500+
Dashboards deployed across business functions

30%
Reduction in data infrastructure costs through Snowflake optimisation

22%
Increase in research & development processing speeds through high-performance computing optimisation

99.99%
Infrastructure uptime across digital platforms supporting engineering and analytics

TRENDS SHAPING THE TWO-WHEELER MARKET

The Indian two-wheeler industry extended its strong growth trajectory in FY 2025-26, achieving record-high wholesales driven by improved affordability, robust urban demand, and resilient rural markets. The industry continued to evolve through premiumisation, scooterisation, and electrification, reflecting evolving consumer preferences. Overall, the market continues to become more dynamic, aspirational, and opportunity rich, creating a conducive environment for sustained growth.



Xtreme 250R

21.7 mn
Indian two-wheeler wholesale volumes

28% to **18**%
GST cut for sub-350cc two-wheelers

12%
CAGR over FY 2022-26

1.46 mn
Electric two-wheeler retails

For a detailed view of the macroeconomic and policy landscape, refer to the Management Discussion & Analysis (MDA) on page **177**.

Indian Two-wheeler Industry

The Indian two-wheeler industry has sustained strong growth over the past four years, delivering a wholesale CAGR of 12% between FY 2021-22 and FY 2025-26. FY 2025-26 marked a milestone year, with industry wholesales reaching a record 21.7 million units, surpassing the previous peak achieved in FY 2018-19. Growth continues to be led by a combination of structural drivers, including infrastructure spending and rising mobility needs, along with policy-led affordability measures such as the GST rate rationalisation.

Industry Indicators

- All-time high industry wholesales in FY 2025-26
- Wholesale CAGR of 12% over FY 2022-26
- Sustained infrastructure investments and rising mobility needs
- Improved affordability due to direct and indirect tax cuts



XPulse 210



Pleasure+ Xtec

Affordability Reset through GST Rationalisation

A defining trigger for the industry in FY 2025-26 was the GST rationalisation effective September 22, 2025. The tax rate on sub-350cc two-wheelers was reduced from 28% to 18%, materially improving affordability in a core mobility category. The permanent reduction in GST rates is expected to provide a sustained demand tailwind, particularly across rural and semi-urban markets.

Key Takeaways

- GST rate cut from 28% to 18% on sub-350cc two-wheelers
- Highest-ever festive retail in FY 2025-26
- Affordability improved across key segments
- Demand tailwind across rural and semi-urban markets

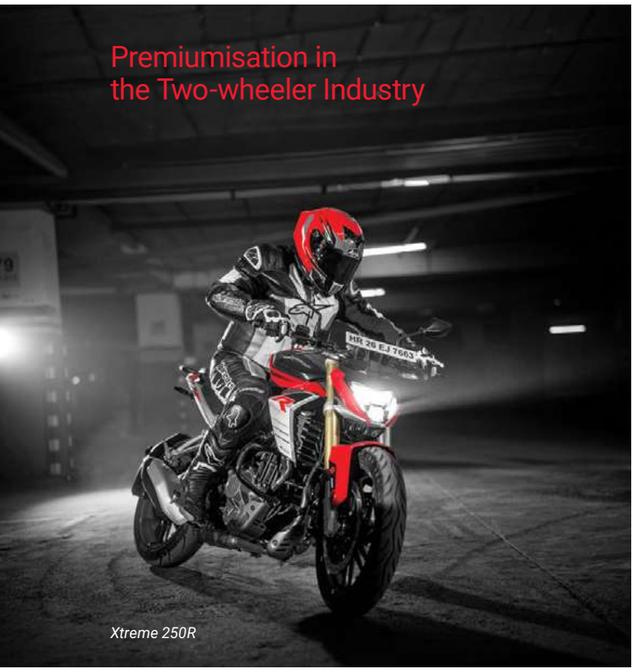
What This Means for Us

The underpenetration of two-wheelers in India continues to provide a significant runway for long-term industry growth.

What This Means for Us

The structural affordability reset creates a durable tailwind in segments central to mass mobility.

MARKET CONTEXT, TRENDS AND OPPORTUNITIES



The premiumisation trend gained further momentum in FY 2025-26, with the premium motorcycle segment growing by 18% YoY, significantly outpacing the overall motorcycle market. The trend accelerated following the GST rate rationalisation, particularly in the sub-350cc segment, where improved affordability lowered entry barriers, attracting first-time premium buyers and encouraging consumer uptrading.

Trend Signals

- Premium motorcycles continue to outpace broader motorcycle market
- GST cuts attracted first-time premium buyers
- Accelerated growth in 150-350cc sweet spot
- Product refreshes supported momentum

What This Means for Us

Winning in the premium segment will be driven by investments in product excellence with best-in class fit and finish, superior customer experience, and technological and digital leadership.

Electrification

EV penetration expanded to 6.6% in FY 2025-26 from 6.2% in the previous year. The category is currently benefitting from strong tailwinds driven by fuel price inflation due to geopolitical challenges, leading to higher consumer preference. While FY 2025-26 was impacted by supply constraints, growth is expected to accelerate as supply conditions improve and industry players expand capacity.

EV Indicators

- EV penetration expanded to 6.6% in FY 2025-26
- Retails of 1.46 mn units, up 21% YoY
- More than 40% EV industry retail growth in March 2026
- Growth expected to accelerate in FY 2026-27


VIDA VX2

What This Means for Us

EVs will remain a key growth driver for Hero MotoCorp, and we will build on the momentum achieved in FY 2025-26 to further strengthen our market position while addressing the industry's key adoption challenges.

Scooterisation

The trend of scooterisation has been a key driver of industry growth, with ICE scooter volumes registering a CAGR of 15% over FY 2022-26. As a result, the segment's share increased to 34% in FY 2025-26 (within ICE two-wheelers), supported by structural and demographic shifts such as urbanisation and rising traffic congestion, greater participation of women in the formal workforce, and the rapid expansion of e-commerce.

Regulatory Watchpoints

- ICE scooter industry CAGR of 15% over FY 2022-26
- Industry contribution expanded to 34% in FY 2025-26 (within ICE two-wheelers)
- Trends of urbanisation and changing demographic profiles driving the shift
- Premiumisation within scooters driving the expansion of sporty and performance-oriented sub-segments

What This Means for Us

Hero MotoCorp offers the industry's most expansive ICE scooter portfolio and is well positioned to capitalise on the ongoing scooterisation trend and gain market share.

Supply-side Resilience as a Differentiator

FY 2025-26 also highlighted the importance of supply resilience. The industry faced pressure from heavy rare earth magnet shortages, constraints in critical electronic components and fuel- and logistics-related disruption towards the close of the year. These developments showed that competitiveness increasingly depends on localisation, sourcing diversification and operational flexibility.

Supply-side Watchpoints

- Heavy rare earth magnet shortages
- Component and chip-related disruption
- Energy and logistics volatility
- Rising relevance of localisation and multi-sourcing

What This Means for Us

In a market shaped by periodic disruption, resilience across sourcing and production becomes a critical differentiator.

Export Momentum and Market Diversification

India's two-wheeler exports have established the country as a leading global hub for affordable mobility solutions. FY 2025-26 marked a milestone year, with exports crossing 5 million units, supported by robust demand across Latin America, Asia and Africa.

Export Indicators

- Exports crossed 5 million units
- Growth remained robust
- Geographic diversification supported momentum
- International recovery improved visibility

What This Means for Us

Hero MotoCorp's Global Business has maintained strong momentum, driven by a strengthened product portfolio and an expanded distribution and service network. Going forward, growth will be supported by further portfolio enhancement and geographic expansion.



Outlook

Despite geopolitical headwinds, the Indian two-wheeler industry has entered FY 2026-27 on an optimistic footing, supported by continued strength in retail demand. Affordability gains, improving rural conditions, stronger urban sentiment and continued premiumisation are expected to support growth. EV adoption is also likely to accelerate as ecosystem constraints ease. While inflationary pressures, geopolitical volatility, and commodity-related risks remain key watchpoints, we see strong opportunities across commuter, premium motorcycles, ICE scooters, electric mobility and global markets.

BUSINESS STRATEGY

DRIVING STRATEGIC GROWTH

Our strategy is anchored in our vision to shape the future of mobility. Over the next three to five years, in addition to strengthening our core business in commuter motorcycles and scooters, we will focus on further strengthening our presence in the premium category. Simultaneously, we will scale our EV business with a clear path to profitability while continuing to grow our parts and accessories business and expand exports through a focused top 12 markets strategy.



Glamour X

How Strategy Comes to Life

We are translating our strategy into action through focused investments across products, markets, technologies, and customer experience. Our product initiatives span scooters, 125cc motorcycles, premium offerings and EVs. We are expanding geographically through launches across multiple markets. Our technology priorities include AI-led personalisation, dealer collaboration tools, S/4HANA migration, and a global Dealer Management System (DMS) rollout, while strengthening customer experience through rapid channel expansion, Premia dealership activation, and technician capability enhancement.

Our Strategy

Growth Pillars

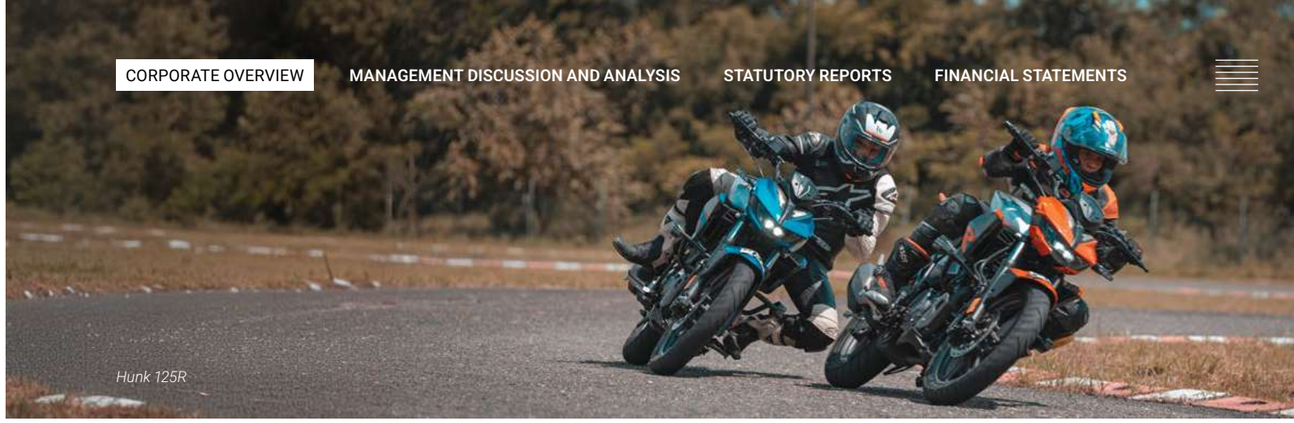
- Grow the market size in 100cc segment
- Recover market share in 125cc motorcycles
- Win in premium two-wheelers
- Drive scooter market share
- Grow in EV with path to profitability
- Increase share of exports
- Grow parts and accessories business

Operational Excellence Enablers

- Step change in product quality by leveraging Advanced Product Quality Planning
- Reduce product development cycle time by 50%
- Strengthen forecasting & supply capability to improve availability at SKU level



Hero MotoCorp enters mainland Europe via Italy, in partnership with Pelpi International


Hunk 125R

BUSINESS STRATEGY

Growth Pillars

01 Grow the Market Size in 100cc Segment

Hero MotoCorp continues to lead the 100cc segment and is focusing on the following strategic initiatives to further strengthen the leadership position:

- Build aspiration through product and marketing interventions
- Use retail finance as a lever to increase affordability
- Focus on rural marketing to capture high potential markets
- Drive brand advocacy through referrals
- Expand Premia channel presence
- Improve Aftersales experience – Roadside assistance (RSA) and warranty
- Develop competencies – Supplier quality, dealer staff training, fit and finish
- Engaged rider communities

02 Recover Market Share in 125cc Motorcycles

Following the successful launch of the Glamour X in the 125cc segment in FY 2025-26, we plan to accelerate market share recovery through the following strategic initiatives:

- Make Glamour X pan-India brand
- Augment customer value proposition in Utility 125cc
- Amplify brand presence and Build on product interventions
- Drive advocacy flywheel: referrals, influencers

03 Win in Premium two-wheelers

While the Premium 2W industry has witnessed a sustained high growth, HMCL remains under-represented in this segment. Hence, winning in the Premium segment is a critical pillar of our business strategy.

In the Premium segment, consumer preferences are shifting towards superior fit and finish, user experience, value added services, desirable design, tech and performance. In response to evolving customer preferences, our business strategy focuses on the following levers for premium growth:

- Portfolio coverage
- Build aspirational power brands
- Win in customer centricity: Prioritising seamless access while setting up building blocks for long-term transformation
- Achieve cost leadership: Accelerate the path to profitability via market- leading cost structures and PLI compliance across the product portfolio
- Build and lead asset light ecosystem: Continue leveraging ecosystem partnerships to support on capital intensive projects
- Build in-house and world-class EV capabilities: Strengthening core EV capabilities
- Taking VIDA to the world - Launching in Europe, LATAM and South Asia

04 Drive Scooter Market Share

In FY 2025-26, we launched Destini 110 and ramped up sales of Xoom 125 and Xoom 160. To build on this momentum and aggressively drive our scooter market share, we plan to focus on following strategic initiatives:

- Ensure unconstrained supply & right mix to hit run-rate
- Build national & regional brand equity
- Drive channel expansion and GTM excellence
- Continue product innovation to intensify market share gain

05 Grow in EV with Path to Profitability

With EV powertrain witnessing accelerated growth, Electric mobility is one of the key focus areas of our long-term strategy. The EV category has scaled past the early adopter stage (in Scooters) and is driven by multiple tailwinds such as favourable total cost of ownership, improving range, expanding charging infra, availability across price points (mass, mainstream, premium) and regulation push towards cleaner mobility.

Accordingly, we are readying our portfolio to capture the largest share of the pie in the multi-fuel world. Key strategic considerations guiding HMCL's investments in the EV space are as follows:

- Diversify portfolio: Win in mass and mainstream scooters, while improving premium competitiveness; launch premium e-motorcycles
- Establish VIDA brand: Own accessibility, expand category and build on 'Ghar EVOOTER' leveraging marquee properties and digital

06 Increase share of Exports

2W exports from India have seen steady growth and is one of key growth engines for HMCL. Key regions that dominate the Indian 2W exports industry are LATAM, South Asia, West Africa, South Africa, East Africa and Middle East. With adequate focus on market fit products for each targeted geography, relevant level of localisation, strong channel partnerships and local customer service experience, HMCL has shown an industry beating dispatch growth in FY 2025-26. To further expand share of exports in our total business mix, we are focusing on the following:

- Top 10 markets
- Market fit products for each geography
- Investments for brand building in top markets
- Relevant level of localisation
- Strong channel partnerships
- Elevate customer service experience
- Ensuring adequate spare parts availability

07 Double Parts and Accessories Business

Key transformation levers to drive growth in parts and accessories business are as follows:

- Drive product differentiation to tap aftermarket opportunities in parts business
- Extend reach by driving network expansion
- Expand portfolio by diversifying product line to tap wider parts and allied opportunities
- Strengthen supply chain to ensure SKU availability at points of sale
- Drive operational efficiency through process excellence

Operational Excellence Enablers

Build a Future-fit Organisation

Key operational excellence enablers in our strategy include the following initiatives:

A. Step change in product quality by leveraging Advanced Product Quality Planning

B. Reduce product development cycle time by 50%

C. Strengthen forecasting & supply capability to improve availability at SKU level

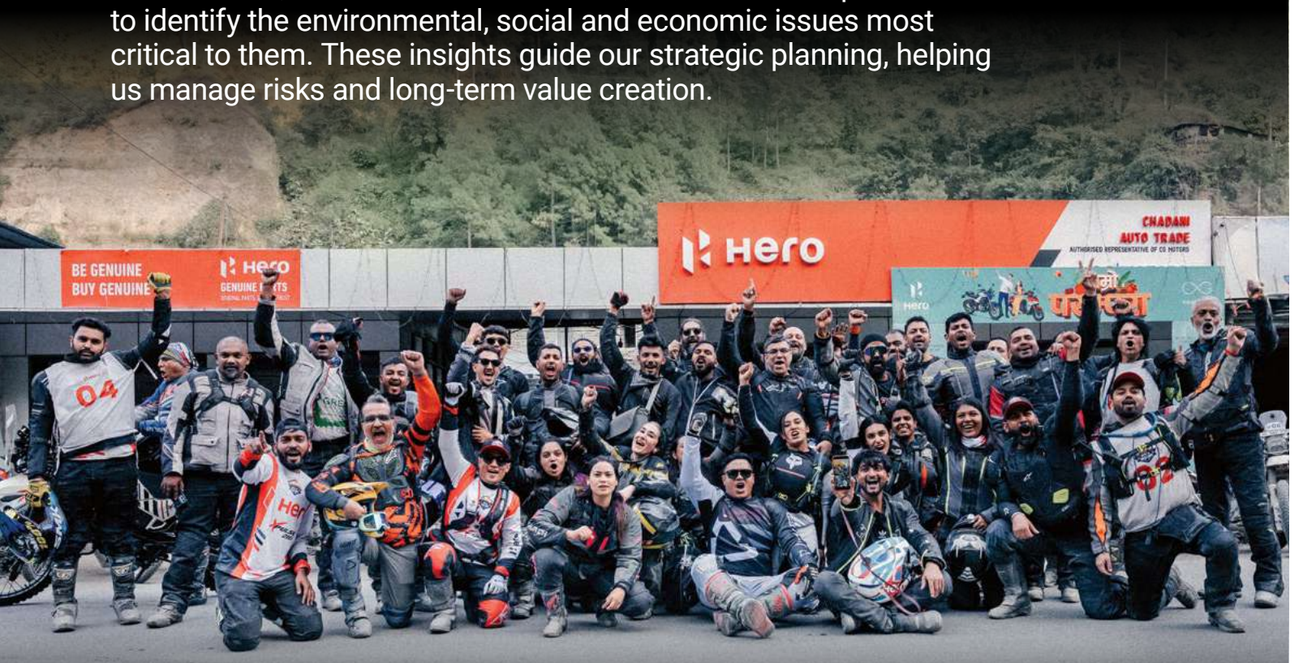
In addition, we continued to build a future-fit organisation that is:

- Financial fit - by maintaining robust margins, both overall and at the business unit level, while concurrently making strategic investments to facilitate sustained growth
- People fit - by cultivating future leaders through robust talent pipeline and succession planning initiatives across various organisation layers
- Process fit - by building process capabilities across various critical domains, including product development, quality management, and deeper deployment of various digital and AI technologies

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

ALIGNING STRATEGY WITH STAKEHOLDER PRIORITIES

Continuous dialogue with our stakeholders informs our approach to corporate governance. Through dedicated and responsive mechanisms, we consult with investors, customers and partners to identify the environmental, social and economic issues most critical to them. These insights guide our strategic planning, helping us manage risks and long-term value creation.



Expedition with the XClan community

Identify key stakeholders → Developing consultation mechanism → Understanding stakeholder concerns → Internal assessment and impact mapping → Addressing concerns and continuous improvement



Honouring the Indian Armed Forces during the Tiranga Trails journey

Stakeholder Engagement

We actively engage with employees, customers, suppliers, investors, dealers, local communities, regulatory bodies, industry associations, and international organisations, recognising their significant role in our long-term growth and value creation journey. Our engagement mechanisms include surveys, meetings, training programmes, conferences, digital platforms, compliance reviews, sustainability assessments, and community initiatives aimed at understanding stakeholder expectations and strengthening collaboration. Through continuous dialogue and structured interactions, we address key priorities related to customer satisfaction, operational excellence, workforce development, sustainability, compliance, responsible business conduct, and inclusive community development, while reinforcing transparency, accountability and long-term business resilience.

Materiality Assessment

Materiality is the core of our sustainability strategy, guiding our actions for long-term value creation. In alignment with Global Reporting Initiative (GRI) guidelines, we conduct a comprehensive materiality assessment every three years. This process involves engagement with diverse internal and external stakeholders to identify and prioritise the environmental, social, and governance issues that are both relevant to them and critical to our business. The outcomes of this assessment are vital for informing strategies aimed at mitigating risks and unlocking long-term value. The steps included in our materiality assessment are:

01 Arriving at a Long List of Material Topics

Revisiting previous assessments, international standards, frameworks and peer benchmarking.

02 Identify Actual and Potential Impacts for Material Topics

Engaging with internal and external stakeholders to gather subjective and objective responses regarding the actual and potential material impact of each topic.

03 Assess the Significance of the Impacts

Analysing qualitative and quantitative inputs from stakeholders to assess the significance of impacts.

04 Prioritisation of Topics and Impact Mapping

Finalising material topics which are of high significance from stakeholders' perspectives and to the organisation.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Materiality Matrix



Environment

1. Water Conservation
2. Climate Change Management – Energy and Emissions
3. Waste Management
4. Responsible Sourcing (Minerals)
5. Biodiversity Conservation and Promotion
6. Logistics Management
7. ELV Treatment
8. Product Recyclability & Circularity

Social

9. Human Rights
10. Health, Safety & Well-being
11. Employee Engagement
12. Stakeholder Engagement
13. Diversity, Equity and Inclusion
14. Employee Welfare and Retention

Governance

15. Brand Reputation and Product Quality
16. Regulatory Compliance
17. Research & Development
18. Product Stewardship and Safety
19. Brand ESG Strategy
20. ESG Governance
21. Board Effectiveness
22. Customer Experience & Satisfaction
23. Risk Management & Controls
24. Ethical Marketing & Advertising
25. Cyber Security & Data Privacy
26. Business Growth & Profitability
27. Value Chain Management
28. Emerging Mobility Solutions

Material Issues identified through the materiality assessment are mapped to the company's key enterprise risks and are integrated into the ERM framework.

Executive Compensation Linked to Material Issues

Key performance indicators are established to define goals and targets across various material issues. These KPIs are used to evaluate the performance of our employees and executives and to measure progress against specific objectives during performance reviews. The detailed outcomes of the materiality assessment, along with the management approach, have been approved by the Sustainability Steering Committee, comprising C-level executives.

We remain committed to continuously improving our performance on material issues and developing strategies to create a positive impact for all stakeholders.

Category (ESG)	High-priority Material Areas	Mapped KPIs
Environment	Water Conservation	500% water positivity by 2025
	Climate Change Management – Energy and Emissions	100% carbon-neutral operations by 2030
Social	Human Rights	Zero fatalities
	Human Rights	Compliance with regulatory norms
Governance	Brand Reputation and Product Quality	100% customer satisfaction annually
	Regulatory Compliance	Compliance with regulatory norms
	Value Chain Management	100% green dealership by 2030

Assurance

This materiality assessment process is verified and assured on a limited basis by an independent third party on GRI indicators. The assurance was performed in accordance with the requirements of the International Federation of Accountants (IFAC) International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.



Glamour X launch event

ESG STRATEGY

LEADING SUSTAINABLE TRANS-FORMATION



Xoom 160

As the world's largest manufacturer of two-wheelers, we believe sustainability must be scalable, inclusive, and accessible. Our ESG strategy goes beyond compliance to create long-term value through environmental stewardship, social responsibility, and ethical governance while advancing sustainable mobility across emerging and developed markets.

ESG Governance

Our ESG governance framework integrates sustainability across leadership, decision-making, and operations, with oversight from the Board and the Sustainability Steering Committee driving accountability and aligned performance. Guided by transparency, ethics and strategic alignment, our policies and programmes support long-term ESG goals.

Sustainability and Corporate Social Responsibility Committee (SCSR)

Board Level Committee

Chief Executive Officer (CEO)

Sustainability Steering Committee (C-Level Executives)

Sustainability Core Team

Key Department Heads

ENVIRONMENT

- Climate Change Management, Energy and Emissions
- Water Conservation
- Waste Management
- Responsible Sourcing (Minerals)
- Biodiversity Conservation and Promotion
- Product Recyclability and Circularity

SOCIAL

- Human Rights
- Health, Safety and Well-being
- Employee Engagement
- Diversity, Equity and Inclusion
- Employee Welfare and Retention
- Stakeholder Engagement

GOVERNANCE

- Brand Reputation and Product Quality
- Regulatory Compliance
- Product Stewardship and Safety
- ESG Governance
- Board Effectiveness
- Risk Management and Controls
- Ethical Marketing and Advertising
- Cyber Security and Data Privacy
- Business Growth and Profitability
- Value Chain Management
- Emerging Mobility Solutions

(a) The Company's ESG strategy is governed by the Board-level Sustainability and Corporate Social Responsibility (SCSR) Committee. This four-member body is chaired by a Non-Executive, Non-Independent Director and includes three Independent Non-Executive Directors.

The committee's mandate involves supervising ESG opportunities and challenges, evaluating the sustainability framework, and monitoring policy implementation. They conduct quarterly reviews to measure performance against defined sustainability goals.

(b) The CEO maintains executive oversight of the ESG programme. ESG metrics are integrated into a balanced scorecard, which is subjected to a comprehensive review on a monthly basis.

(c) The Sustainability Steering Committee (SteerCo), comprising C-suite executives, conducts bi-weekly meetings to provide strategic support, allocate resources, and resolve operational hurdles to ensure programmes align with broader sustainability objectives.

ESG STRATEGY

Our ESG Strategy

Environmental

Beyond Zero Emissions

We aim to minimise the lifecycle impact of mobility through decarbonisation and circularity. We are reducing Scope 1, 2, and 3 emissions, targeting carbon-neutral operations (Scope 1 & 2) by 2030 by adopting renewable energy, energy efficiency and phasing out on-site fuel combustion.

By 2025, we achieved 500% water positivity and 100% Zero Waste to Landfill across manufacturing sites. We continue expanding watershed initiatives in water-stressed areas.

Our circularity efforts include a 95%+ recyclability goal, robust end-of-life vehicle management and second-life applications for VIDA batteries. Lifecycle assessments are complete for 80% of our products.

Focus Areas

- Scope 1, 2, and 3 decarbonisation
- Water restorative and zero waste operations
- Vehicle recyclability and battery circularity
- Life cycle assessments



Center for Innovation & Technology (CIT), Jaipur

Social

Enabling Inclusive and Safe Mobility

Our social strategy promotes safer, inclusive mobility through a people-and-product focus. We foster a zero-incident culture via robust safety practices and audits while supporting holistic employee well-being.



Little Heroes, infinite joy, Haiol Plant

Guided by the Hero.Life framework, we are committed to advancing social inclusion and institutional capability building, thereby expanding professional opportunities for the Person with Disabilities (PwD) community and for women within the engineering domain. Through Saksham, we empower communities with future-ready skills and ecological resilience.

We are institutionalising a “Safe System” with innovations like i3S for better efficiency. Our hyper-local reach integrates secondary networks with digital tools like Doorstep Service and QSR to enhance convenience and ensure a frictionless customer journey.

Focus Areas

- Zero Incident culture
- People-centric employee practices
- Workforce diversity and inclusion
- Rider safety and responsible mobility awareness
- Advanced product safety technologies
- Customer Loyalty and Experience

Governance

Building Ethical and Digitally Secure Operations

Our governance approach is centred on building ethical, transparent, and digitally secure operations across the value chain—from procurement to customer touchpoints. We uphold a zero-tolerance approach towards corruption, bribery, and customer data breaches, with zero reported instances during the year. Governance oversight is further strengthened through ESG-linked leadership accountability and 100% attendance across Board and committee meetings.

Data privacy and security are critical; all our facilities maintain ISO 27001:2022 certification to ensure digital resilience.

We are integrating sustainability across our ecosystem, achieving 100% compliance among significant Tier 1 suppliers regarding human rights and ESG disclosures. Collaboration via the Sustainable Partner Development Programme (SPDP) and Hero Vanguard Summit 2026 drives innovation and quality. Additionally, our Green Dealership Programme now covers 50% of our network.

Focus Areas

- Ethical and transparent business practices
- Risk management
- Information security and data privacy
- ESG-linked accountability
- Supplier decarbonisation initiatives
- Green Dealership expansion

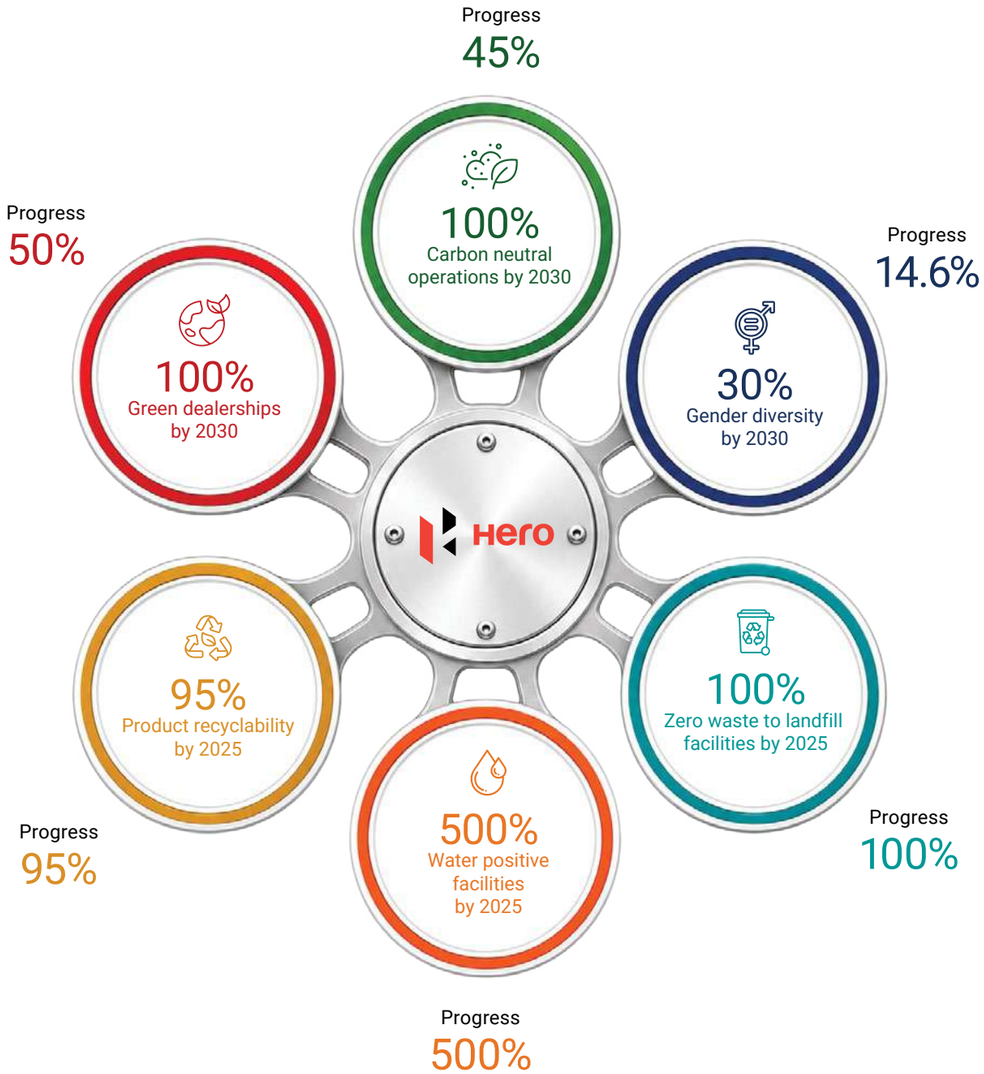


Hero Motocorp Premia Store

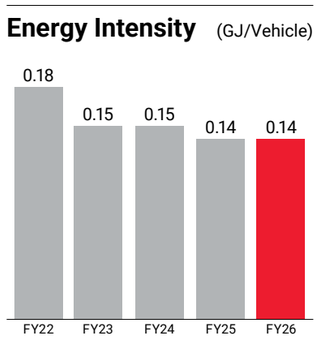
ESG GOALS AND PROGRESS

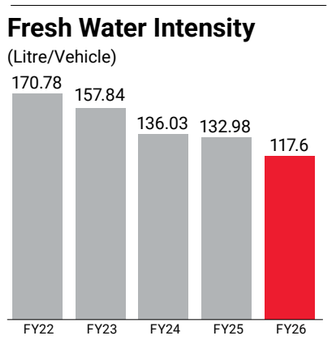
Sustainability in Action

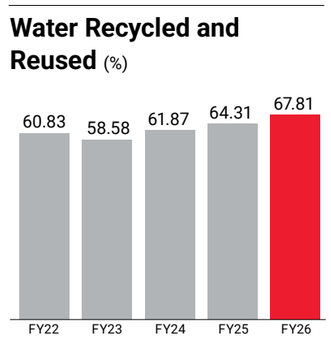
We recognise the responsibility that comes with our global leadership in motorcycles and scooters. Through our strategy and clearly defined goals across decarbonisation, circularity and social inclusion, we are advancing towards a low-carbon mobility future.

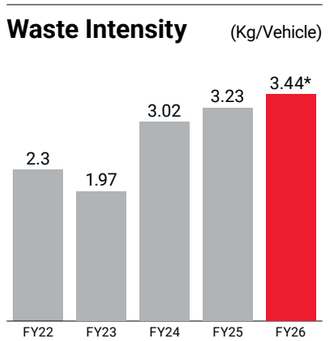


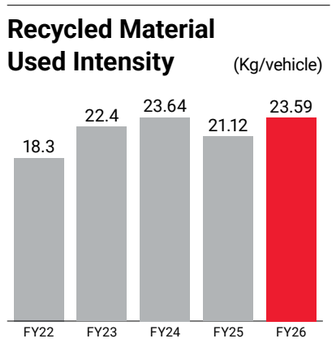
ESG Track Record

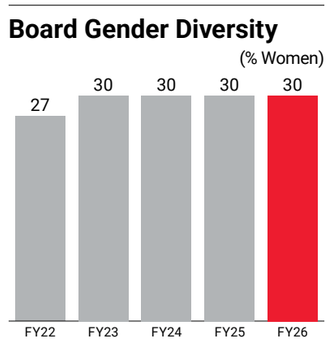


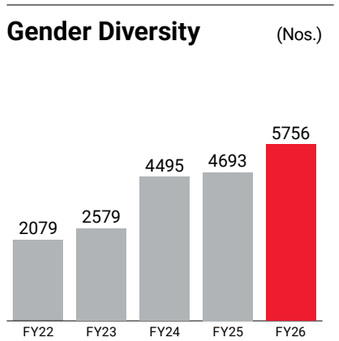


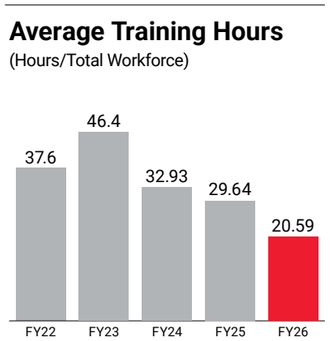


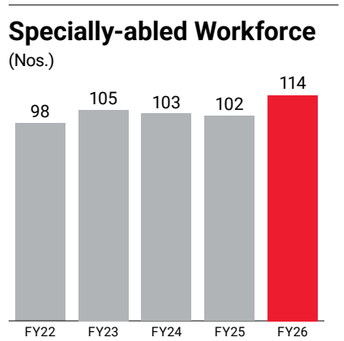












***Additional categories of non-hazardous waste included in FY 2025-26**

For more details please visit our ESG DataBook

ENVIRONMENT: EMISSIONS

Carbon Neutral Operations

We are accelerating Scope 1 and 2 emissions reduction through energy efficiency and renewable energy adoption. During the year, we achieved 45% carbon neutrality (including afforestation), and progressing towards 100% Carbon Neutrality by 2030.



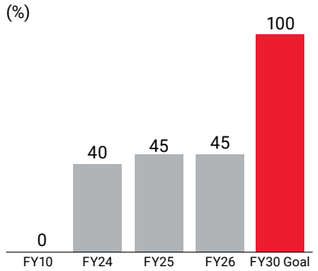
VIDA VX2

Driving Emissions Efficiency

During the year, we strengthened emissions efficiency through:

- Increased integration of renewable energy across manufacturing facilities
- Deployment of energy-efficient technologies and process optimisation
- Enhanced monitoring through emission intensity-based measurement frameworks
- Continuous improvement in plant-level energy performance

Carbon neutrality (Scope 1 & 2) – with afforestation



Carbon Offsets

Our primary focus is on reducing emissions at source by transitioning from fossil fuels to renewable energy and deployment of energy-efficient technologies across our operations. Carbon offsetting is considered a measure of last resort, used only for emissions that are difficult to abate where viable solutions are not yet available. Direct emission reduction remains our clear priority over offsetting.

Reducing Scope 3 Emissions

We remain committed to reducing our environmental impact, with a strong focus on minimising Scope 3 emissions. During the year, we have mapped **99.5%** of our Scope 3 emissions and continue to drive reductions through key initiatives such as the Sustainable Partner Development Programme (SPDP) and the Green Dealers Development Programme.

With the use-phase emissions being 95% of our total Scope 3 emissions, we are also advancing low-emission mobility through the adoption of electric and multi-fuel vehicles across our portfolio. All our models are E20 compatible, and we continue to enhance fuel efficiency by optimising engine performance for higher ethanol blends. Our advanced control strategies enable detection of ethanol content from 20% to 100% and will be integrated across future platforms. Our first flex-fuel vehicle, capable of operating on E20 to E85 blends, has received Type Approval, marking a key milestone in expanding cleaner mobility solutions.

Biodiversity

Restoring Ecological Balance

We recognise our responsibility to protect and enhance biodiversity, given its critical role in sustaining ecological balance. Through our *Happy Earth Initiative*, we have expanded afforestation efforts within and beyond our operations, contributing to increased green cover, biodiversity, and carbon sequestration. We also completed a comprehensive Biodiversity Impact Assessment (BIA) at our Tirupati plant. Explore our Biodiversity initiatives in detail on our website.

Emissions (tCO_2) FY26	
Scope 1	21,290
Scope 2	69,467
Scope 3	1,98,13,101
Total (Scope 1, 2 & 3)	1,99,03,858



Cultivating freshness through Hydroponic farming

Current

100%

Products E20-compatible

2030 Target

100%*

Products E85-compatible

*Subject to availability of E85 fuel and incentivised fuel cost.

ENVIRONMENT: ENERGY

Driving Efficiency at Scale

We recognise that the automotive industry is a significant energy consumer and are actively contributing to its transition towards a more sustainable and energy-efficient future. We are focused on reducing energy consumption and greenhouse gas emissions by improving efficiency, lowering our environmental footprint, and advancing low-carbon technologies.



Hero MotoCorp Manufacturing Plant, Neemrana

Conducting energy audits at three- year intervals to identify energy-saving opportunities Implementing actionable items from energy audits

Setting quantified targets with a specific time horizon to achieve energy savings

Investments in innovation or research and development to decrease energy consumption

Continuously evaluating and monitoring progress in energy consumption

Promoting the use of clean or green energy. Providing training to employees to raise awareness of energy consumption reduction

6,060 MWh
Energy saved from energy conservation and efficiency initiatives

4,303 tCO_2
Emissions avoided from Energy efficiency projects

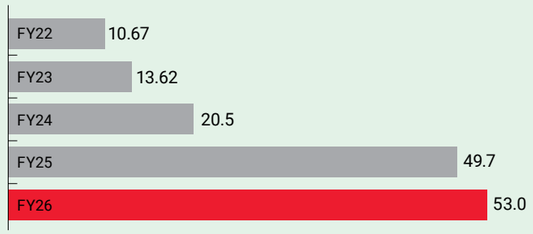
32%
Electricity sourced from renewable energy sources



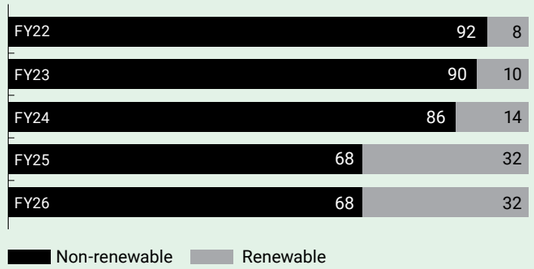
High precision Lithium Ion cells line up to power VIDA Battery packs

ISO 50001:2018
Energy Management System recertified

Renewable Energy Consumption (GWh)



Electricity Consumption Mix (%)



We have set an ambitious yearly target of achieving a 2% energy saving of total energy demand, and we exceeded this target by achieving 3.8% energy savings in FY 2025-26.

ENVIRONMENT: ENERGY

● CASE STUDY

Energy Conservation through Cooling Tower Optimisation

Halol Plant

Cooling towers are critical to continuous plant operations, supporting heat rejection for compressors, chillers, and other process equipment at the Halol plant's utility centre. However, legacy high-inertia cast-metal fans led to elevated energy consumption, inefficient airflow, and increased mechanical wear. Transitioning to composite fibre fans enabled optimisation of the cooling cycle, reducing power demand and improving overall utility efficiency.

Intervention

We replaced conventional cast-metal fan blades with lightweight, aerodynamically superior composite fibre (FRP) units to reduce inertial load and improve airflow efficiency.
This transition addressed key inefficiencies associated with high starting torque, excessive drag, and corrosion-prone materials.

The upgrade was supported by:

- Dynamic balancing and precision laser alignment to optimise lift-to-drag performance and eliminate vibration.
- Integration with existing Variable Frequency Drives (VFDs) to align fan performance with ambient temperature conditions and maximise energy optimisation.
- Reduction in structural load on bearings and gearboxes through lower fan weight.
- Elimination of oxidation-related degradation in high-moisture, chemically treated environments.



Impact

- Improved airflow efficiency through reduced drag and turbulence
- Lower starting torque and optimised power profile
- Reduced mechanical stress on drive shafts, bearings, and gearboxes
- Enhanced operational reliability with lower noise and vibration levels
- Elimination of corrosion risks, improving structural durability
- Extended asset life and reduced maintenance frequency
- Reduced grid energy dependence, contributing to lower Scope 2 emissions
- Adoption of corrosion-resistant materials supporting longer lifecycle and reduced replacement needs, aligned with circular economy principles

~43,000 kWh/year
Energy savings

15-25%
Reduction in motor power consumption

BEFORE **Aluminium Cast Fans**



EFFICIENCY: 56%-65%
MATERIAL: Aluminium Casting
BLADE CONSTRUCT: Solid Blade (More Weight)
BLADE DESIGN: Old conventional designed
COST: Higher Maintenance Cost

AFTER **Carbon Composite Fans**



EFFICIENCY: 87%-92%
MATERIAL: Carbon Composite
BLADE CONSTRUCT: Layered Blade (Less Weight)
BLADE DESIGN: Aerodynamic high-profile design
COST: Zero Maintenance Cost

● CASE STUDY

Reduction in Natural Gas Consumption through Waste Heat Recovery

Haridwar Plant

Optimising thermal energy is a key focus area in our energy conservation strategy. At the Haridwar plant, hot water generation accounted for approximately 4 lakh SCM of natural gas annually, presenting a significant opportunity to reduce fuel consumption and associated emissions. Historically, low-grade waste heat from engine assembly chillers was rejected into the atmosphere, while thermal processes remained heavily dependent on fossil fuels, increasing Scope 1 emissions.

Intervention

We deployed a high-capacity heat pump system to capture and repurpose waste heat from engine assembly chillers, replacing conventional reliance on natural gas-fired boilers.

The intervention included:

Recovery of low-grade waste heat and its integration into the hot water system to reduce boiler load

- Installation of a 500 kW heat pump to elevate water temperature from 68°C to 73°C, meeting process requirements
- Reduction in thermal energy loss by utilising previously rejected heat
- Lower dependence on fossil fuels through efficient thermal energy reuse



Heat Pump with accessories

Impact

- Reduced reliance on natural gas for hot water generation
- Lowered Scope 1 emissions through decreased fossil fuel consumption
- Improved thermal efficiency by capturing and reusing waste heat
- Reduced cooling tower load, contributing to lower evaporation and blowdown losses
- Enhanced resource circularity through integrated energy and water efficiency

~1.4 lakh SCM/year
Reduction in natural gas consumption

30-35%
Reduction in total natural gas usage

~700 kL/year
Water savings

ENVIRONMENT: WATER

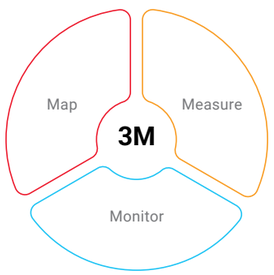
Redefining Resource Flow

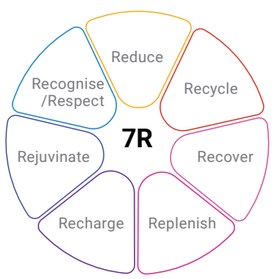
We manage water through a structured, systems-led approach that integrates efficiency, reuse, and process optimisation. Guided by our 3M-7R framework, we focus on monitoring and reducing the consumption, improving quality, and enabling recycling across operations. This enables us to lower freshwater dependence while strengthening circular resource use.

The primary objectives of our water management programmes are:

1. Water use assessment
2. Actions to reduce water consumption
3. Actions to improve wastewater quality
4. Establishment of targets to reduce water use
5. Application of recycled water and employee awareness and training programme

Implementation of 3M-7R Approach Water Management





Implemented Measures

Freshwater conservation through rainwater integration

Integrated harvested roof runoff into the fire hydrant lake at the Gurugram plant through source-level filtration and redirection, reducing dependence on utility freshwater for safety infrastructure.

235 kL/Year

Rainwater Storage Optimisation through Inter-Lake Transfer

Installed interconnection and filtration systems at the Dharuhera plant to balance rainwater storage and maximise reuse for horticulture.

2,400 kL/Year

Dry Leak Testing Implementation

Transitioned from wet leak testing to dry leak testing in the Final Testing and Sub-Assembly (FTSA) line at Haridwar, eliminating water use in final quality checks.

794.7 kL/Year

Water Cascading in ACED Process

Implemented a cascading reuse system in the ACED line at Haridwar to maximise reuse of rinse water and reduce fresh soft water intake.

1,022 kL/Year

Water elimination through Air-cooled Compressors

Replaced water-cooled compressors with air-cooled technology at the Dharuhera plant, eliminating industrial water use in compressor operations.

3,650 kL/Year

Facility-wide Water Conservation Programme

Implemented a data-driven water management framework with leak mitigation, metering, and process optimisation to reduce overall freshwater withdrawal.

5,475 kL/Year

CASE STUDY

Freshwater Conservation through Rainwater Integration

Gurugram Plant

We strengthened water stewardship by repurposing roof runoff to support fire safety infrastructure, reducing reliance on freshwater and improving resource efficiency.

Intervention

Earlier, high-quality roof runoff was diverted to stormwater systems while the fire hydrant lake depended on utility freshwater. To address this, we installed a rainwater filtration system at the Fire Pump House and redirected treated runoff directly into the hydrant lake, creating a closed-loop system.

Impact

The initiative significantly reduces dependence on utility water and ensures a reliable, self-replenishing source for critical safety infrastructure. It also demonstrates a scalable and cost-effective model for circular water management across facilities.

1,200 kL
Fire Hydrant Lake capacity

235 kL
Annual freshwater savings

CASE STUDY

Transforming Industrial Water Management

Tirupati Plant

We advanced resource efficiency by transitioning from water reuse to complete water elimination in compressor operations, reducing dependency on industrial water and improving overall utility performance.

Intervention

Implemented a high-capacity water harvesting and storage reservoir covering 30 acres. The project is being executed in stages, with Phase 1 (6 acres) fully operational and Phase 2 (6 acres) currently at 40% completion. Technical infrastructure includes a depth of 5 meters, complemented by 3-meter-wide patrolling and cycle tracks to enhance security and support sustainable mobility. To ensure structural integrity and prevent environmental contamination, the reservoir features a High-Density Polyethylene (HDPE) geo-membrane lining that eliminates fluid loss. Furthermore, integrated settling zones manage siltation by clearing sediments, thereby safeguarding water quality and the installation's long-term utility.

Impact

With a substantial storage capacity of 120,000 cubic meters (1.2 lakh kL), the plant has effectively mitigated drought-related operational risks, preserved the regional aquifer, and reinforced its social license to operate. Achieved 2,100% water positivity at plant level.

2,100%
Water positivity (at plant level)

1.2 lakh kL
Storage capacity

ENVIRONMENT: WASTE

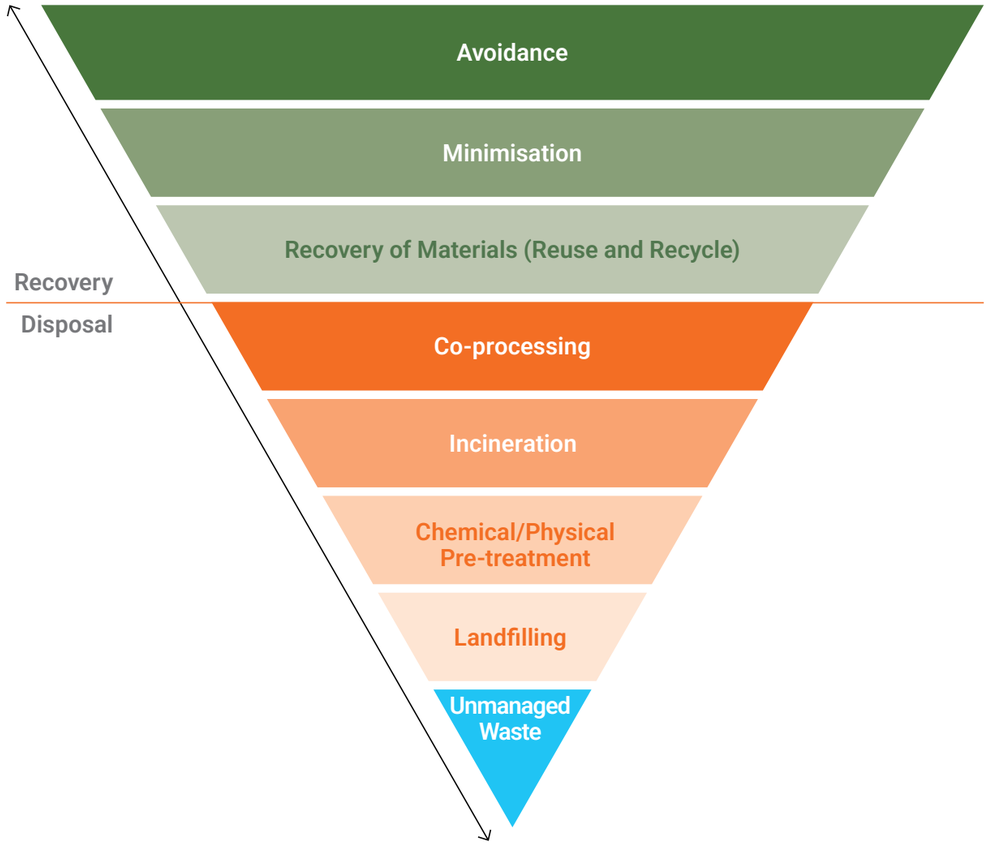
From Reduction to Recovery

Our approach is centred on systematically reducing material generation and advancing recovery across operations. Anchored in a clear hierarchy of avoidance, minimisation, and recovery, we strengthen control through process redesign, performance monitoring, and targeted interventions. This enables us to sustain landfill-free operations while improving resource efficiency and operational effectiveness.

Our Waste Management Hierarchy

Our waste management approach follows a well-defined hierarchy to minimise environmental impact and strengthen responsible material handling practices:

This hierarchy guides our commitment to sustainable and responsible waste management.



- **Avoidance:** Preventing waste generation at the source through efficient planning, design, and process optimisation.
- **Minimisation:** Reducing the volume and toxicity of waste through improved processes, resource efficiency, and material optimisation.
- **Recovery (Reuse & Recycling):** Reusing materials wherever possible and recycling them to conserve resources and minimise dependence on landfills.
- **Co-processing:** Utilising waste as an alternative fuel or raw material in industrial processes, thereby reducing both waste volumes and emissions.
- **Incineration:** Controlled combustion of waste with energy recovery, adopted when recovery options are not feasible.
- **Chemical/Physical Pre-treatment:** Treating hazardous or complex waste streams to ensure safe and compliant handling prior to disposal.
- **Landfilling:** Safe disposal of residual waste in engineered landfills, used strictly as a last resort.
- **Unmanaged Waste:** Actively avoided through stringent waste tracking systems and responsible disposal practices.

HMCL achieved 100% zero waste-to-landfill status across its operations in FY 2023-24, and maintaining this status for FY 2024-25 and FY 2025-26. Our Zero Waste to Landfill is certified by an independent third party.

● CASE STUDY

Transforming Paint Sludge into Value-added Industrial Primer

We advanced circularity by converting hazardous paint sludge into high-grade industrial primer, diverting waste from conventional disposal and transforming it into a valuable manufacturing resource.

Intervention

Moving beyond co-processing, we partnered with specialised recycling facilities to recover value from paint sludge. The process involves segregated collection, washing and purification, followed by chemical refinement to restore functional properties and produce industrial-grade primer. This approach shifts hazardous waste management from disposal to resource recovery.

Impact

The initiative diverts a significant portion of paint sludge from incineration into a circular loop, reducing reliance on virgin raw materials while maintaining landfill-free operations. It lowers environmental impact, prevents soil and water contamination, and enhances resource efficiency through a scalable 'waste-to-value' model.

Explore our Energy, Water and Waste programmes in detail on our website



An array of golden finishes after paint curing & drying

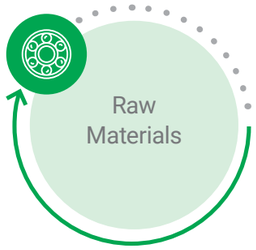
28%

Paint sludge diverted to circular use

ENVIRONMENT: RECYCLABILITY

Circular Material Use

We embed circular economy principles across the entire vehicle lifecycle, integrating sustainability from design to end-of-life. Life cycle assessments have been completed for 80% of our products by sales volume, guiding our focus on recycled materials and sustainable packaging to minimise environmental impact.



Raw Materials

We recognise the significant environmental impact associated with raw material extraction and consumption in vehicle manufacturing, particularly across key inputs such as steel, aluminium, rubber, coatings, and plastics.
To address this, we are integrating design for sustainability and process optimisation to reduce material intensity per unit of production.

By prioritising the use of recyclable and recycled materials, we are strengthening closed-loop systems that improve resource efficiency, maximise material value, and minimise waste generation.
This approach supports circularity and contributes to a more sustainable manufacturing ecosystem.



Our Recyclability Approach

Recyclability is embedded in our product design and material selection processes, enabling components to be efficiently reprocessed at the end of their life cycle. We focus on maximising material recovery by prioritising recyclable and recycled inputs, thereby reducing environmental impact and supporting resource efficiency.

Our recyclability rate reflects the proportion of a product's design mass that can be reused or recycled, strengthening circular material flows and responsible end-of-life management.

100%

of product volume (ICEs and EVs) above 80% recyclable (AIS 129)

>95%

Recyclability achieved across products



Recycled Materials

We integrate recycled inputs into our manufacturing processes by leveraging materials such as aluminium and steel, enabling the use of second-life resources in place of virgin materials. Details of recycled inputs utilised across our operations are disclosed in the ESG Data Book.

18.28%

Recycled content in input materials used for product manufacturing

We are working towards increasing the use of recyclable materials in our products, and we are committed to making steady progress towards this goal.

End-of-life Responsibility and Circularity

We adopt a lifecycle-oriented approach to End-of-Life Vehicles (ELVs), integrating sustainable practices and circular economy principles across our value chain. Our strategy aligns with the Government of India's Vehicle Scrappage Policy, Extended Producer Responsibility (EPR) principles, and evolving environmental regulations, enabling responsible, compliant, and structured end-of-life management.

Lifecycle Integration

We operate a closed-loop sales–service–scrap ecosystem, promoting compliant vehicles, extending vehicle life, and responsibly channelising ELVs to authorised Registered Vehicle Scrapping Facility (RVSF).

Strengthening the End-of-life Ecosystem

We enable compliant dismantling, material segregation, and traceability while developing scalable two-wheeler scrapping models and optimised infrastructure.

Circular Material Recovery and Resource Efficiency

Our ELV strategy advances circularity through material recovery, responsible recycling, and repurposing retired EV batteries for stationary energy storage applications.

Alignment with National Sustainability Priorities

Our end-of-life ecosystem supports formalised scrappage, removal of aged vehicles, carbon reduction pathways, and India's circular economy objectives.

We are transitioning from a compliance-based approach to a value-driven circular mobility model, embedding end-of-life responsibility within our core business strategy. We continue to expand Registered Vehicle Scrapping Facility (RVSF) partnerships, evaluate captive facility deployment, and strengthen ecosystem integration to ensure long-term regulatory alignment and environmental stewardship.

Explore our Product stewardship programmes in detail on our website



Give to Gain celebration

Employee Well-Being, Safety and Inclusion

Our people are the foundation of our sustained growth and resilience. We foster a safe, inclusive and high-performing workplace through robust well-being practices, capability building, and equitable opportunities, enabling individuals to develop and perform.

Our Employees

We enable our employees to grow and succeed through meaningful experiences, continuous capability building, performance-driven growth, and long-term engagement across every stage of the employee journey.

Hero.Life A People-Centric Philosophy

Our people are at the core of everything we do. Based on our philosophy built on People @ Centre, we have introduced Hero.Life that represents the complete employee journey, fostering a human-centric and growth-oriented culture that strengthens emotional connections and ensures 'One Hero' experience.

This philosophy is anchored across five key pillars- Hero.Embark, Hero.Belong, Hero.Learn, Hero.Thrive and Hero.Tribe- each shaping meaningful employee experience at different touch points.

Hero.Life Pillars

Five pillars shaping the employee journey

Hero.embark
Being an 'Employer of Choice' and creating a 'WOW' experience for all new hires

Hero.belong
Values-led culture and holistic engagement through well-being, connection, and recognition

Hero.learn
Building a learning culture through signature programs for developing leaders from within functional academies & equipping employees during role transition

Hero.thrive
Enabling employees to grow in meaningful careers supported by best-in class and transparent people policies and practices

Hero.tribe
Continuing with Hero family for life – 'Once a Hero, Always a Hero'

Hero.embark

We aim to be an employer of choice through immersive onboarding and talent engagement. The new joiners are immersed in the organisation with a 6 day in-person induction. This enables culture immersion, early alignment & authentic connections. Seamless pre-onboarding ensures all essentials are activated before day one. Product Training, digital modules and goal setting within 30 days ensures that the employee assimilates and performs.

We strengthened talent pipelines through the Hero Campus Challenge (HCC), spanning 8,300+ campuses with over 2 lakh registrations in Season 10, enabling real-world problem solving through structured engagement and mentorship. Our participation in BAJA SAE 2026 further connected with 4,400+ students, driving engagement and strong application volumes through immersive experiences.

21.5%
of open positions filled by IJP



New Joiner Induction at Gurugram plant

SOCIAL: PEOPLE

Hero.belong

We foster a workplace where employees feel connected, valued, and aligned as one organisation. Through our Living Our Values initiative, we reinforce core values, culture and ethos through curated sessions led by internal leaders, with 2,241 employees participating during the year.

Our engagement approach focuses on holistic well-being across mind, body, and social connection. This includes wellness sessions by medical experts, year-round cultural celebrations, and creative platforms such as hobby circles and do-it-yourself workshops. We also recognise excellence through the Excellerator Club, celebrating top performers and reinforcing a culture of high performance.

We believe in creating an environment where people feel they belong and create trusting connections.



Creative workshop: Mandala painting



Standing out, driven by Our People

Employee Voice Survey: You Speak, We Listen

We are committed to fostering a workplace where every employee feels heard, valued, and empowered to contribute. Employee Voice is a cornerstone of our efforts to build a culture of belonging and make Hero MotoCorp a great place to work.

The Employee Voice Survey (EVS) 2026 provided employees with an opportunity to share their perspectives and shape the way we work, grow, and succeed together. The survey is designed to strengthen our policies, practices, and workplace culture, helping us create an engaging and fulfilling employee experience.

To ensure professional rigour and complete confidentiality, we partnered with a global leader in employee engagement, enabling 100% anonymous participation.

The survey recorded an impressive 89% participation rate, reflecting employees' trust in the process and their commitment to the organisation's continued growth. Insights gathered through the survey are being translated into targeted action plans at the organisational, functional, and people-manager levels, driving continuous improvement and enhancing the overall employee experience.

Hero.learn

We build a future-ready workforce through a structured, multi-tiered learning ecosystem spanning technical, behavioural, functional, and leadership domains. Programmes cover EV technologies, Industry 4.0, automation, Six Sigma, communication, leadership, data analytics, and core business capabilities.

Learning is delivered through classroom sessions, on-the-job exposure, and digital platforms. Skillsoft Percipio provides self-paced learning opportunity, facilitating continuous skill enhancement for employees anytime, anywhere. This is supported by Habit Calendar and Learning Library, while K-Point strengthens functional and technical knowledge through structured digital content.

Key Development Programmes

First Time People Manager (FTPM)

Duration: 60 days
Focus: Foundational leadership, situational leadership, performance management, communication, interviewing skills
Participants: 158 managers

Hero MBA (BML Munjal University/ BITS Pilani)

Duration: 2025-27 (ongoing)
Focus: Strategic capability building, business leadership, continuous learning with embedded assessments
Participants: 20 employees

Women in Leadership (WIL)

Duration: 9 months
Focus: Executive presence, leadership effectiveness, growth mindset, purpose-driven leadership
Participants: 27 participants



Women in Leadership (WIL) Convocation

SheLeads: Leaders without Limit

Duration: Multi-batch programme
Focus: Leadership development, self-awareness, confidence building, enabling future-ready women leaders
Participants: 16 particiants

Hero B.Tech for Working Professionals (BITS Pilani)

Duration: 4 years
Focus: Advanced technical capability, upskilling in emerging technologies, career progression
Participants: 10 employees

Visionary Leaders for Manufacturing (VLFM) – CII

Duration: Annual programme (includes Japan immersion)
Focus: Global manufacturing practices, leadership development, innovation, operational excellence
Participants: 4 employees annually

SOCIAL: PEOPLE

Employee Training Snapshot

8,09,116
Total training hours

24.71
Avg. training hours (Staff)

20.59
Avg. training hours (Overall)

₹ 10,003
Avg. training spend per employee

Labour Practices Programmes

We are committed to fostering a workplace that prioritises employee well-being, fair labour practices, and sustainable workforce development. Our labour practices are aligned with applicable regulations and industry best practices, with a focus on providing a safe and healthy work environment, fair compensation and opportunities for continuous learning and growth. This commitment is reflected in our comprehensive welfare measures, which support employees, workmen and the contingent workforce.

Fair Wages and Employee Benefits

We ensure that wages paid to our blue-collar workforce remain significantly above statutory minimum wage requirements. Compensation levels are reviewed periodically to maintain market competitiveness and support an improved quality of life for employees.

Working Hours, Leaves and Work Life Balance

Working hours, rest periods, overtime compensation and leave entitlements are administered in accordance with applicable labour laws and regulations. We encourage employees to avail their annual leave entitlements, promoting work-life balance and overall well-being.

Health, Safety and Social Protection

Employees are covered through health insurance programmes in addition to statutory benefits under the Employees' State Insurance (ESI) Scheme. We also provide highly subsidised canteen and transportation facilities, along with free uniforms and safety shoes. Dedicated door-to-door transportation arrangements are available for women employees working night shifts, ensuring their safety and convenience.

Employee Engagement and Welfare Awareness

We organise family day celebrations, career counselling initiatives, and employee support programmes to strengthen employee engagement and foster deeper family connect. We also conduct regular awareness sessions on statutory labour welfare benefits and social security schemes.

Skill Development and Future Readiness

Through our Gurukul initiative, we deliver technical, behavioural, and leadership development programmes that enhance workforce capabilities, strengthen future readiness and support long-term career growth.

Diversity, Inclusion and Equal Opportunity

We are committed to building an inclusive workplace and promoting gender diversity across the organisation. Regular ergonomic assessments and dedicated well-being initiatives support the health, safety, and advancement of women employees, while ensuring equal remuneration and opportunities for all employees.

Hero.thrive

We foster a meritocratic culture through a structured and agile performance management framework.

Our Annual Performance Review (APR) aligns individual SMART goals with business priorities, supported by structured mid-year and year-end evaluations. Performance is assessed at both individual and team levels, enabling alignment, accountability, and collaboration.

Continuous feedback is embedded through ongoing formal and informal conversations, enabling timely course correction and sustained performance improvement. This approach ensures fairness, transparency, and a strong performance-oriented culture.

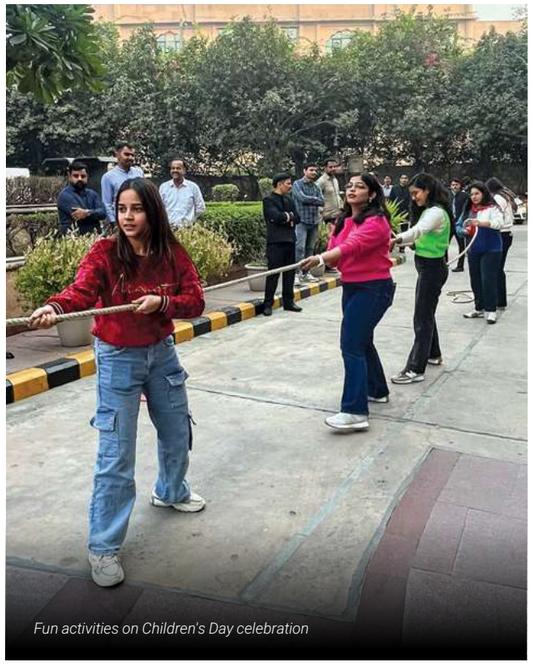


Recognising the Excellence: Excellerator Club

Hero.tribe

We value long-term relationships with our people and recognise the importance of retaining institutional knowledge.

Through our post-retirement retention programme, we engage experienced leaders as advisors, leveraging their expertise and deep organisational understanding to support continuity, strategic initiatives and long-term business success.


Fun activities on Children's Day celebration

Employee Support Programmes

We prioritise our employee's well-being and strive to maintain a healthy work-life balance.
Our initiatives include:

- **Workplace Stress Management:** We conduct quarterly meditation classes and wellness activities to help employees manage stress and maintain their mental health.
- **Sport & Health Initiatives:** We promote physical activity through departmental sports activities held annually, encouraging employees to stay fit and healthy.
- **Mandatory Vacations:** We believe in the importance of taking breaks and encourage employees to take regular vacations and utilise their mandatory leave. To support this, we offer flexible working hours, work-from-home options and part-time arrangements that align with business needs.
- **Maternity & Nursing Support:** Women employees receive 210 days of maternity leave, followed by 90 minutes of daily nursing breaks (scheduled as two 45-minute slots) until the child reaches 15 months.
- **Childcare & Creche Benefits:** We provide an on-site creche facility at plant locations, and a monthly creche reimbursement of up to ₹ 10,000 for children aged 6 months to 6 years at all other locations.
- **Paternity Leave**: Eligible employees are entitled to 8 days of paternity leave to support their growing families.

SOCIAL: PEOPLE

Sustaining Momentum, Deepening Impact

Diversity, Equity and Inclusion (DEI) continues to be a strategic priority, deeply embedded in our culture and people practices- shaping how we hire, develop and engage our employees across levels.



Hero MotoCorp manufacturing plant, Halol

Our DEI Approach

Building on the strong foundation established over the past years, FY26 reflects our continued commitment to sustaining progress, strengthening representation and fostering an inclusive workplace where every individual feels valued and empowered to belong.

This is driven through structured processes, leadership accountability, and sustained interventions that translate intent into everyday actions.



Embedding Inclusion

We continue to strengthen our hiring and talent practices to enhance representation and fairness. Gender-neutral job descriptions, structured evaluation processes, and broader sourcing strategies across geographies and backgrounds enable us to build a workforce enriched with diverse perspectives.

Inclusion is reinforced through continuous sensitisation initiatives, including programmes such as *Fine Balance*, which enables leaders and teams to recognise unconscious bias and foster open, inclusive dialogue. These efforts are complemented by partnerships with diversity-focused organisations and hiring platforms, along with structured onboarding and feedback mechanisms, ensuring inclusion is consistently experienced across the employee journey.

Policies and Support

Our policy framework is designed to remove barriers and enable sustained participation. We provide comprehensive maternity and healthcare support, including provisions for fertility-related needs, alongside measures that ensure safety, accessibility, and continuity.

Flexible provisions, childcare support, and transition assistance further strengthen our ability to create an environment where employees can balance personal responsibilities while continuing to grow professionally.

Driving Representation and Impact

Our focused interventions continue to translate into tangible improvements in representation across the organisation. We are strengthening diversity across levels, with particular emphasis on leadership and manufacturing roles, while building future-ready pipelines through campus hiring and targeted development initiatives.

DEI Progress Snapshot

14.6%
Total women representation in workforce

40%
Women in Executive Leadership

36%
Women joined through campus programme

22.6%
Increase in women workforce with respect to last fiscal

Empowering Women across Career Stages

We are building structured pathways that enable women to grow and lead across different stages of their careers. Our programmes focus on strengthening leadership capability, building confidence, and enabling seamless career continuity through key transition phases.

These initiatives are designed to create sustained impact by strengthening leadership pipelines and enabling long-term participation.



Haridwar Apprenticeship Programme

Advancing Women in Leadership

Programmes such as Women in Leadership (WIL), SheLeads: Leaders without Limit, and MOMentum support women across career stages by building leadership capability, enabling career continuity, and strengthening confidence for sustained growth.



SheLeads: Leaders without Limits, Batch-2

SOCIAL: PEOPLE

● CASE STUDY

#GivetoGain - Driving Inclusion through Action







Give to Gain Event

To mark International Women's Day, we launched #GivetoGain, a month-long initiative designed to translate intent into meaningful action across the organisation.

Intervention

The programme brought together employees across locations through curated engagements on financial literacy, well-being, elder care, menopause awareness, and community participation, fostering dialogue and shared learning.

Impact

The initiative strengthened allyship, deepened awareness around inclusion, and created a more connected and engaged workforce, reinforcing a culture of collective responsibility and participation.

Explore our DEI programmes in detail on our website.

AVTAR & seramount
BEST COMPANIES FOR WOMEN
INDIA 2025

Recognition

We were recognised among the *Best Companies for Women in India (Manufacturing) 2025-26* by Avtar and Seramount for the second consecutive year, reflecting our sustained commitment to inclusive practices.

Occupational Health and Safety

Our comprehensive Occupational Health and Safety (OHS) approach safeguards all personnel, regardless of their employment status. Moving beyond standard legal compliance, our programmes are aligned with international frameworks, including ISO certifications, ILO and WHO guidelines, and the British Safety Council's Five Star Health & Safety Standard.

ISO 45001
Certified across all facilities

Zero
Fatalities

0.31
Lost Time Injury Frequency Rate (LTIFR)

Key Achievements

Platinum Award,
CII National 5S Excellence Competition (2026) - Gurugram Plant

GreenCo Gold Rating (Version 4),
CII - Tirupati Plant

Gold Award,
CII National EHS Excellence Awards (18th Edition) - Tirupati Plant

Maintaining a Zero-incident Workplace

We have set ambitious targets to achieve a zero-incident safety culture. To support this goal, we continuously strengthen our OHS management systems through strong leadership commitment and active stakeholder engagement. Our focus remains on defining safety metrics, conducting rigorous risk and hazard assessments, and ensuring compliance through regular internal and external audits.

3,049
Safety Training Sessions in FY 2025-26

Occupational Health Governance

Our Occupational Health framework is guided by a structured manual aligned with the Indian Factories Act, 1948, State Factory Rules, ISO 45001, and FSSAI regulations, ensuring compliance and consistency in health and safety practices.

Explore our OHS programmes in detail on our website.

● CASE STUDY

Inspections and Audits Reinforcing Our Safety Commitment

We recognised the need to strengthen oversight and ensure consistent compliance across our health and safety practices.

Intervention

We established a robust system of internal and external inspections and audits, guided by a comprehensive safety audit matrix. All observations identified through audits and hazard reporting systems are addressed through formal Action Taken Reports (ATRs), which are systematically tracked through an escalation framework to ensure timely closure.

Impact

This structured approach has strengthened compliance, improved accountability, and enabled continuous enhancement of our health and safety performance across operations.

SOCIAL: PEOPLE

Human Rights

We focus on maintaining a conducive work environment, one that ensures the dignity of every individual and maintains a zero-tolerance stance towards discrimination, harassment, or unfair treatment. This commitment is embedded within our Human Rights Policy, Sustainability Policy, Code of Conduct, and the Policy on Prevention, Prohibition, and Redressal of Sexual Harassment (POSH).

Fostering a Fair and Inclusive Workplace

We continue to strengthen a work environment grounded in fairness, respect and equal opportunity:

- **Fair Compensation:** We ensure that employees receive wages aligned with or above cost-of-living benchmarks, with appropriate compensation for overtime
- **Work-Life Balance:** We monitor working hours and encourage utilisation of earned leaves to support employee well-being
- **Equal Pay and Opportunities:** We regularly assess gender pay parity and promote equal opportunities, including for persons with disabilities, reinforcing diversity and inclusion
- **Training and Development:** We provide ongoing training and reskilling programmes to support employees through industrial and climate-related transitions
- **Zero Tolerance for Discrimination and Harassment:** Our policies reinforce a workplace free from discrimination, harassment, and bullying, supported by clear governance frameworks

Prioritising Grievance Redressal

We have established a robust grievance redressal mechanism to safeguard employee dignity, particularly for women in the workplace. Our POSH framework provides clearly defined processes and accessible reporting channels across all organisational levels, ensuring timely and fair resolution of concerns.



Women Empowerment in Haridwar Apprenticeship Programme

Human Rights and Workplace Ethics

Our Human Rights Policy aligns with the UN Global Compact and the UN Guiding Principles on Business and Human Rights. We strictly prohibit human trafficking, forced labour, and child labour, while actively championing freedom of association, collective bargaining, equal pay, and non-discrimination. This commitment extends uniformly across our operations and value chain. Our policies are publicly accessible, ensuring greater transparency and accountability.

To ensure these standards translate into our daily culture, we enforce the following practices:

- **Training and Compliance:** All employees complete mandatory training on gender sensitisation, unconscious bias, and Prevention of Sexual Harassment (POSH). Furthermore, we require a mandatory sign-off on our Code of Conduct to ensure absolute alignment with our ethical standards.
- **Open Dialogue and Engagement:** Regular departmental meetings and open-house sessions provide platforms for employees to voice concerns, share suggestions, and contribute ideas. These forums play an important role in identifying potential issues early and enabling timely resolution, helping maintain a positive and supportive work environment.
- **Health and Safety:** We maintain stringent safety standards to ensure that employees work in a secure environment that protects their dignity and overall well-being.

Value Chain Compliance and Risk Remediation

We enforce our human rights and ethical standards across both our internal operations and our extended supply chain. To actively manage risks and ensure full accountability, we rely on structured governance:

- **Supply Chain Due Diligence:** We evaluate our partners on strict labour, health, and safety metrics. Beyond auditing, we support suppliers through capacity-building training and joint committees that monitor risks and ensure regulatory compliance.
- **Grievance and Remediation:** Clear reporting channels support our Code of Conduct and POSH policies. An independent Ethics Committee, alongside dedicated local teams, swiftly addresses any complaints related to discrimination or harassment to ensure appropriate remediation.
- **Health and Safety (EHS):** Our EHS function leads the development of occupational safety measures. Through rigorous training programmes, we mitigate health risks internally and mandate these same safe practices across our supplier network.

A comprehensive set of publicly available policies support this:

- Human Rights Policy
- POSH Policy
- Code of Conduct
- Occupational Health and Safety Policy
- Sustainable Procurement Guidelines
- Supplier Code of Conduct
- Sustainability Policy
- Conflict Minerals (Responsible Minerals) Policy

These frameworks provide clear guidance on our commitments, processes, and expectations, enabling continuous improvement in human rights performance.



Crèche facility at Center for Innovation & technology (CIT), Jaipur

SOCIAL: COMMUNITIES (CSR)

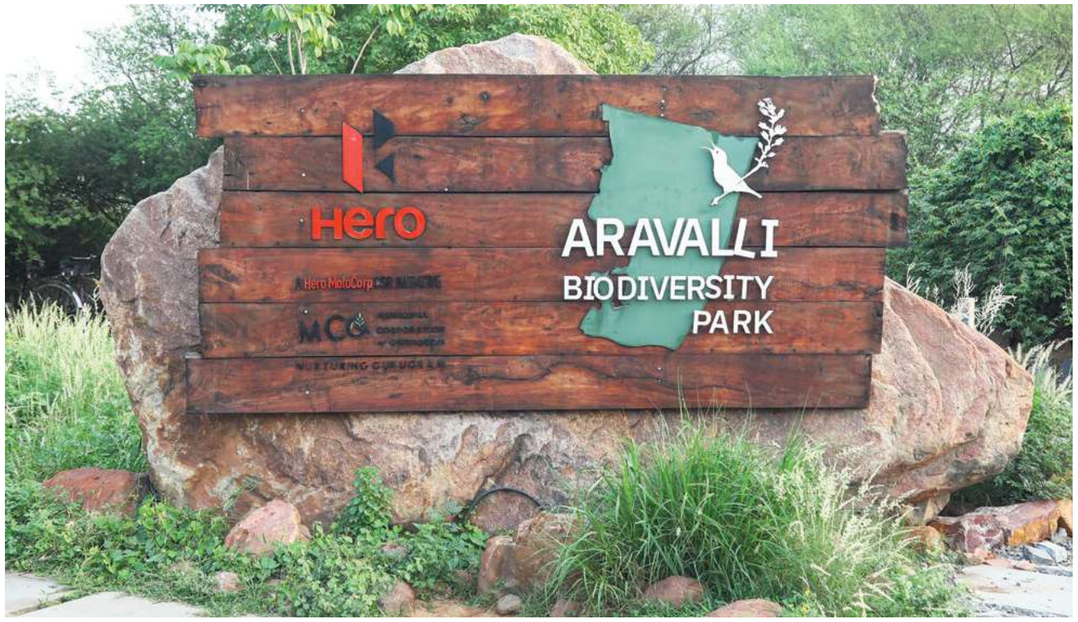
Envisioning an Equitable Future for All

We put people, planet and communities at the core of all that we do. Through our CSR programmes, we drive sustainability, inclusion and empowerment, creating lasting impact and contributing to a more equitable future.

₹ 97.3 crore
CSR spend

5.28 lakh
Beneficiaries

A student at ASHA Center



Entrance: Aravalli Biodiversity Park, Gurugram

Fostering Environmental Stewardship

Environmental conservation remains a core focus, particularly as climate variability, declining groundwater levels and pressure on natural resources continue to affect communities. During the year, we closely collaborated with local partners and communities to implement initiatives that augment climate resilience, improve water access and drive long-term environmental sustainability.

Restoring Ecosystems, Building Environmental Awareness

We maintain dedicated plantation sites, nurturing over 2.4 lakh trees across multiple locations.
Our environmental awareness programme reached students across government schools and educational institutions, encouraging responsible environmental behaviour. The programme focused on key topics including waste segregation, resource conservation and sustainable practices, with significant participation recorded across all intervention locations.

2.4 lakh+
Trees nurtured across plantation sites

The Young Earth Heroes initiative also continued engaging school students in hands-on environmental learning, fostering early awareness on themes such as carbon footprint reduction and daily sustainable choices.

Our conservation work in Chennai continued to show positive ecological impact, contributing to improved air quality, rising groundwater levels and strengthened biodiversity. The site remains recognised as India's first Other Effective Area-Based Conservation Measure (OECM) by the IUCN.

Aravalli Biodiversity Park, Gurugram

During the year, we continued supporting the restoration of the Aravalli Biodiversity Park, Gurugram, in line with our long-term conservation commitment. Infrastructure improvements such as upgraded walking trails, water bodies, and eco-friendly facilities, continued to strengthen the park's ecological value and enhance public access. The site continues to serve as an important green lung for the region and a biodiversity refuge for native species.

SOCIAL: COMMUNITIES (CSR)

Water Conservation

Ensuring future water security remains integral to our environmental efforts. Through our pond development and rejuvenation programme, we continue to enhance water availability for both domestic and agricultural use.

Farm ponds in Kukas Gram Panchayat near Jaipur enable a reliable, non-seasonal water source for irrigation, supporting year-round cropping and improved agricultural productivity, while ensuring sustainability through community ownership. To further enhance ecological and economic value, fruit-bearing trees have been planted around these ponds to prevent soil erosion, protect pond structures, and create additional income streams for farming families. These efforts align with our broader objective of achieving water positivity and strengthening sustainable natural resource management.

2,081 lakh litres

Annual water harvesting potential added in FY 2025-26

Uplifting Communities

We work closely with communities around our operations to improve infrastructure, make healthcare accessible, promote education and skill development and strengthen livelihoods, and build skills. This year, we implemented several projects across Neemrana, Jaipur, and Dharuhera, improving water access, upgrading community facilities, and supporting women-led enterprises across diverse locations.

Our programmes also extended assistance for business training, handicrafts, rural entrepreneurship and livelihood enhancement, building financial resilience and long-term stability.



Farm Ponds: Kukas, Jaipur



Participants of Jeevika Training

Capability Development

Saksham, our flagship skill development initiative, equips youth with automotive and technical capabilities through classroom and practical learning. During the year, the programme expanded training modules across Electric Vehicles (EVs), Internal Combustion Engines (ICEs) and sales skills to strengthen employability. Complementing this effort, the Jeevika programme advanced vocational skill development through courses such as Basic Computer, Tally Associate, Sewing & Stitching, Beautician and Retail Sales Associate. The initiative also expanded to 12 new centres across our plant locations, including Dharuhera, Haridwar, Jaipur, Neemrana, Halol and Tirupati, widening livelihood opportunities for local communities.

6,094

People trained under Saksham

745

Candidates trained under Jeevika

Healthcare

Our Company remains committed to expanding access to quality healthcare for underserved communities. In partnership with healthcare organisations, our Mobile Medical Units (MMUs) continue to provide primary healthcare services to marginalised populations, including women and children, across Dharuhera, Haridwar, Neemrana, Jaipur, Halol, and Tirupati.

In collaboration with AIIMS (All India Institute of Medical Sciences), vision care centres have been established in Dharuhera (Haryana) and in Delhi's Pehchpur (East), Meerut, and Jaipur. These centres provide free treatment for common eye conditions, distribute medicines, and refer cases requiring advanced care, including cataract surgeries at Dr. Rajendra Prasad Center for Ophthalmic Sciences, AIIMS New Delhi. Additional eye care awareness campaigns were conducted in surrounding communities.

1.57 lakh

Individuals Benefited through Healthcare Services

4

Vision Care Centres



Providing quality healthcare facilities at doorstep



Empowering young minds through access to quality education

Education

Understanding that education is a key enabler of empowerment, we implemented several education programmes this year.

Through 542 remedial education centres across six locations, students received remedial education and academic support to bridge learning gaps. Two non-formal learning centres in Gurugram continued to provide schooling to children from migrant and marginalised households.

Scholarship programmes supported students pursuing undergraduate, postgraduate and PhD studies across accredited institutions, including BMU. Merit-cum-means scholarships and infrastructure support for academic buildings also continued during the year.

13,000

Students supported

SOCIAL: COMMUNITIES (CSR)

Empowering Inclusion

We remain committed to advancing inclusion through initiatives that promote equal opportunities, safer communities, and national well-being. During the year, our programmes supported para-athletes, deaf cricketers, and emerging sports talent, as well as defence personnel and veterans, while also strengthening road safety awareness through nationwide campaigns, training programmes, and community engagement initiatives across India.

Sports

In partnership with the Paralympic Committee of India (PCI), we extended support to para-athletes representing India at global sporting events, contributing to improved performance and visibility.

Our collaboration with the Indian Deaf Cricket Association (IDCA) backed both men's and women's teams during domestic and international tournaments. Partnerships with the Mary Kom Boxing Foundation continued to nurture emerging boxing talent, fostering inclusion and sporting excellence.

130
Athletes supported

4
Sports partnerships enabled



Khelo Hero Athlete Pawan P Desai at World Para Athletics, New Delhi



She Rides for Safety - Women's Night Rally, Gurugram



Veerangana Seva Kendra, New Delhi

Hero Salutes Heroes of the Nation

In line with our longstanding commitment to national service, we continue to honour and support the defence community. This year, we engaged war veterans, their families and dependents through targeted skill-building workshops and comprehensive community welfare programmes. Furthermore, through strategic partnerships, we extended our assistance to active defence personnel and their families, paying tribute to the nation's bravehearts.

Road Safety: Ride Safe India

Ride Safe India, our flagship road safety initiative, reflects our commitment to safe and responsible mobility. The programme delivered a comprehensive road safety curriculum designed around the four E's: Education, Enforcement, Engineering and Emergency Care.

During the year, nationwide awareness activities were conducted across digital and on-ground platforms, reinforcing safe riding practices among two-wheeler users. Traffic Training Parks continued to provide structured training sessions for students, young riders, and first-time learners, contributing to improved road safety awareness across regions.

Additionally, we collaborated with law enforcement agencies to support traffic infrastructure improvements, training workshops, summer camps, and awareness activities aimed at promoting road safety among school children, corporate employees, and the wider community.

Key Recognitions During the Year

- **ET Now Champions of CSR Conclave 2025:** Champions of CSR 2025 Award
- **Impactful CSR Leader:** Latika Taneja Recognised for Meaningful and Inclusive Impact

1.88 lakh
Individuals reached through various Road Safety programmes across India

SOCIAL: STAKEHOLDERS

Customer-Centricity across the Value Chain

We strive to uphold the trust and confidence our customers place in our brand. Our commitment is to consistently exceed their expectations by delivering a diverse range of high-quality products and services that address their evolving needs and preferences.



Building Brand Presence and Customer Engagement at Crediruedas, Bolivia

Customer Satisfaction and Engagement

We strengthen customer experience through targeted capability-building and continuous feedback mechanisms:

- **iCare Programme**
  Empowers Customer Care Executives to better understand customer needs and capture actionable feedback.
- **Udaan Initiative**
  Equips front-line service supervisors to manage customer interactions, job cards, and issue resolution effectively.
- **Technical Capability Building**
  We upskill dealer technical teams on diagnostics and service procedures through training centres across India to ensure optimal post-service performance.
- **Customer Service Index**
  We capture and analyse customer feedback across dealer locations to identify gaps, implement corrective actions, and drive towards 100% customer satisfaction.
- **Specialised Roles**
  We introduced dedicated Customer Care Managers (CCM) and Relationship Managers (RM) to provide bespoke assistance to our premium segment buyers.
- **Premium Customers Meet**
  We engaged premium customers through exclusive interaction forums to strengthen relationships and enhance ownership experiences.
- **Infrastructure Upgrades**
  We upgraded premium dealership and service infrastructure to deliver seamless and differentiated customer experiences.

Parameter	Details for FY26
Understanding Customer Needs	Customer Service Index Survey Total **4,10,686** feedback calls
Customer Database Security	Hero Connect (DMS) – Secure, individual login credentials are provided to dealers, enabling seamless management of day-to-day operations.
Customer Satisfaction Surveys	Customers are being surveyed to check the satisfaction level on a regular basis and suitable actions are being taken on all the feedback. Customer Survey Results: ✦ Customer Service Index: **91** ✦ Complaints Received: **24,816** ✦ Complaints Resolved: **24,202** ✦ Satisfaction Rate: **98%**
Customer Issues	Every complaint is logged instantly and shared with a unique reference number via SMS, giving customers clear visibility. A structured system tracks each case closely, ensuring timely resolution and strong accountability.
Customer Feedback Mechanism	✦ Telephonic mode through call centres ✦ Website/social media/WhatsApp (Chatbot) ✦ E-mail ✦ Hero App ✦ In-Person (customer care manager at the dealership) Escalation matrix with contact details of Dealership key manpower & HMCL Territory & Area Service Manager are available at dealerships.
Enhancing Customer Experience	FY 2025-26, a total of **70,973** candidates, including elderly and physically challenged individuals, participated in **3,383** training batches focused on enhancing customer experience through upskilling.
Digital Platforms (App) for Customer Engagement	✦ Our Customer Engagement platform – Hero App has received **1.5+ crore** installations to date. ✦ On average, **16+ lakh** customers engage with us through the app every month.


Empowering employees to live the brand lifestyle through everyday excellence.

Value Chain

We drive performance and transparency across our value chain, from our upstream supplier network to our downstream dealer partnerships. By integrating strict governance, comprehensive ESG assessments and targeted capability-building programmes, we ensure long-term strategic alignment and resilience at every stage of our operations.

Sustainable Partner Development Programme (SPDP)

The achievement of our long-term business and sustainability objectives relies on the strength, resilience and ethical integrity of our supply chain. We implemented Sustainable partner development programme (SPDP), our flagship initiative, to drive transformation across our supply chain. Its core objective is to build a collaborative, high-performing ecosystem anchored in shared responsibility, where Environmental, Social, and Governance (ESG) excellence is embedded as a key operational priority for every partner.

HMCL distinguishes its suppliers into two tiers, significant Tier 1 and other than Tier 1 suppliers. We strive to extend our supplier screening, assessment and development programmes beyond our current coverage on significant Tier 1 suppliers.

311
Tier 1 suppliers

124
Significant Tier 1 suppliers

90%
Percentage of total expenditure on significant suppliers in Tier 1

100%
Of our significant Tier 1 suppliers have valid ISO 9001/IATF certification

Zero
Products from conflict-affected and high-risk areas

To effectively implement the Sustainable Partner Development Programme (SPDP), our procurement team underwent specialised training and certification in sustainability assessment, ensuring the availability of third-party certified sustainability assessors within the organisation. Through SPDP, we work with our suppliers to strengthen ESG performance and foster responsible business practices across the value chain.

● CASE STUDY

SustainChain 2025 - Advancing Supply Chain Sustainability

During the year, we launched SustainChain 2025, our first supplier sustainability conclave, engaging 25 key partners.

Intervention

CXO-led discussions focused on decarbonisation and water positivity, enabling knowledge sharing and best practices. Partners outlined roadmaps including up to 93% renewable energy adoption, green hydrogen integration, and circular solutions such as ZLD and advanced battery recycling. Top performers, Shriram Pistons & Rings Ltd., IP Rings, AG Industries, and Rockman Industries Ltd., were recognised as Sustainable Changemakers 2025.

Impact

Enhanced ESG alignment and progress towards a low-carbon, resource-efficient supply chain.

100%
New suppliers screened using environmental criteria

100%
Suppliers assessed for environmental impacts

Zero
Suppliers identified with significant environmental impacts

42
New suppliers screened using social criteria

100%
Significant product and service categories assessed for health and safety improvement

10%
Significant Tier 1 suppliers are assessed by third party (Desk & On-site)

Explore our SPDP programme in detail on our website

Green Dealership Development Programme

We are enabling our dealerships to transition towards environmentally responsible operations through a structured approach anchored in three pillars: Green Energy, Green Processes and Green Products, encouraging sustainable practices across our network.

160
New Green Dealerships added in FY 2025-26

480
Total Green dealerships

50%
Of the network covered

85
Dealers for Green Max

135
Dealers for Green Pro

260
Dealers for Green Plus

Explore our green dealership programme in detail on our website

Value Chain Review Mechanism

The implementation of sustainability initiatives, such as the Green Dealership and Sustainable Partner Development programmes, is reviewed and evaluated quarterly by the SCSR (Sustainability and Corporate Social Responsibility) Board Committee. Additionally, the Sustainability Steering Committee, which includes C-level executives, monitors the advancement of value chain sustainability efforts and facilitates monthly continuous improvement.

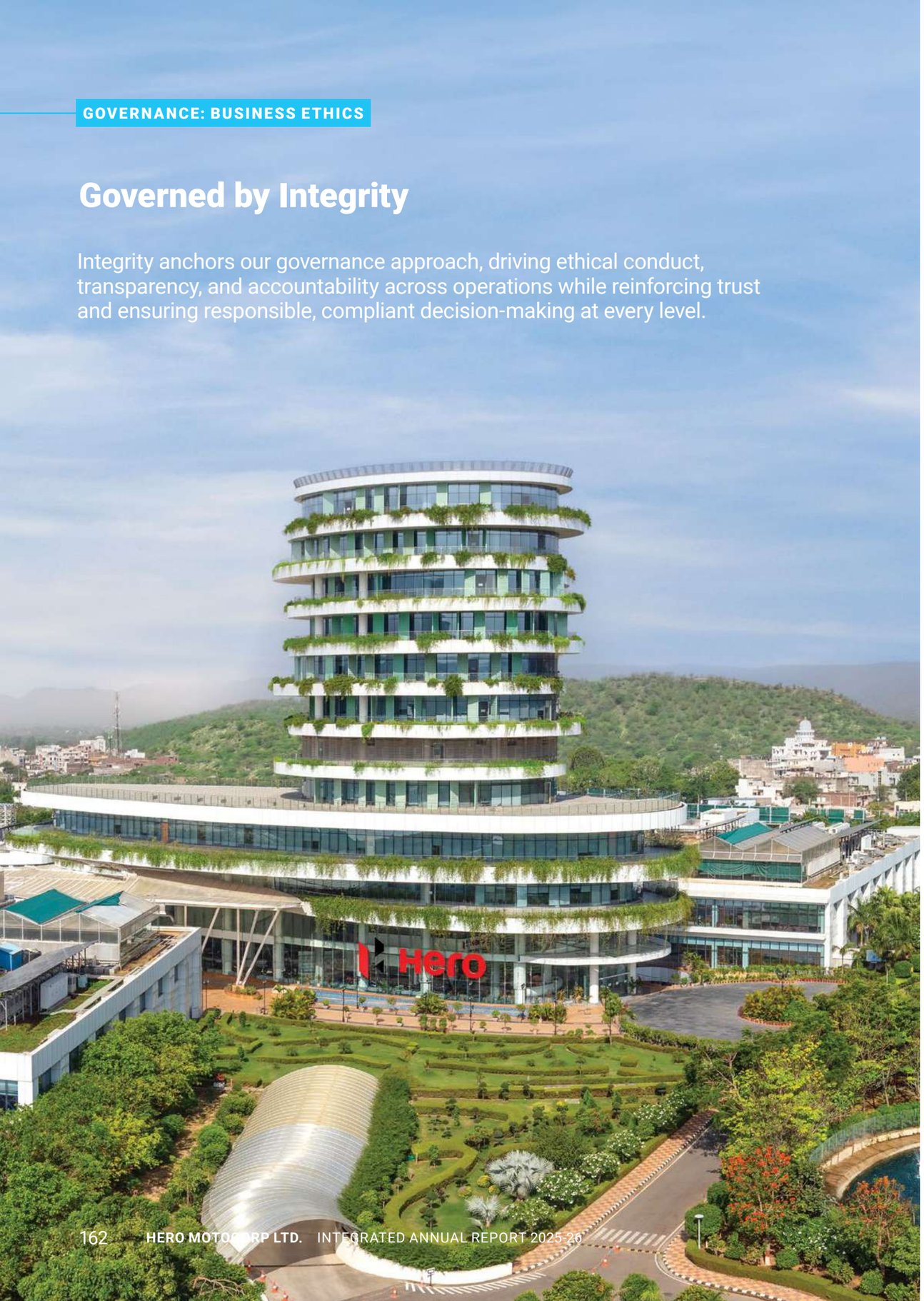


Recognition for Sustainable Changemakers at SustainChain 2025

GOVERNANCE: BUSINESS ETHICS

Governed by Integrity

Integrity anchors our governance approach, driving ethical conduct, transparency, and accountability across operations while reinforcing trust and ensuring responsible, compliant decision-making at every level.



Our Governance Framework

At the core of our corporate governance approach is a robust, well-structured framework led by a diverse and experienced Board of Directors comprising of Executive and Non-Executive members. Our Board is supported by specialised committees that bring deep expertise to guide our strategic direction and oversee operations. We emphasise diversity across the Board and organisation, while remaining aligned with evolving legal and regulatory requirements. Our policies are reviewed at least once every three years to ensure continued relevance and reinforce our commitment to transparency, accountability, and sound governance.

Business Ethics

Upholding business ethics and integrity is fundamental to building a responsible business and reflects our commitment to achieving success transparently and ethically. We adhere to the highest standards of business conduct in line with applicable laws, regulations, and ethical principles. Ethical behaviour is embedded in our culture, with a strong focus on transparency, accountability, and fairness across all interactions, fostering a trustworthy and respectful work environment. Employees are expected to uphold the highest standards of integrity, guided by a robust Code of Conduct that promotes honesty, sustainability, and social responsibility.

Code of Conduct

We embed integrity and compliance into our day-to-day operations through strict adherence to our Code of Conduct (CoC). All employees are required to complete mandatory CoC training, formally commit to the Code, and demonstrate appropriate conduct. During the year, 100% of employees completed the annual sign-off, reaffirming their understanding of and compliance with the CoC.

Read more on our CoC here:
Hero MotoCorp Code of Conduct

Anti-Bribery and Anti-Corruption (ABAC)

We strictly prohibit all forms of bribery and corruption, ensuring fair and transparent business practices. An organisation-wide ABAC risk assessment, conducted by an independent third party across operations in India, Germany, Bangladesh, and Colombia, identified government touchpoints, benchmarked processes against Foreign Corrupt Practices Act, UK Bribery Act, and Organisation for Economic Co-operation and Development (OECD) guidelines, and highlighted areas for improvement, including policy enhancements, process changes, and stakeholder awareness. Based on the findings, we established a comprehensive ABAC framework with management oversight, strengthened internal policies released a formal ABAC policy, and a Supplier Code of Conduct, supported by periodic monitoring. ABAC remains a key pillar of our compliance framework.

Read more on our ABAC Policy here:
Hero MotoCorp Anti-Bribery and Anti-Corruption (ABAC) Policy

Whistleblower/Vigil Mechanism

We uphold the highest ethical standards through a robust vigilance mechanism in compliance with the Companies Act, 2013 and SEBI Regulations, 2015, enabling stakeholders, including employees, directors, vendors, and suppliers, to report concerns related to unethical behaviour, fraud, or Code of Conduct (CoC) violations. Our Whistleblower Policy, aligned with the Companies Act and SEBI (LODR) Regulations, 2015, ensures protection and confidential reporting through a toll-free number, email, and web-based hotline, without fear of retaliation. The Ethics Committee oversees the mechanism, providing secure channels, including a third-party managed Ethics Helpline and Protected Disclosures, and ensures all complaints are investigated and regularly reported to the Audit Committee.

HMCL has a standalone Vigil Mechanism/Whistleblower Policy which is also incorporated within the Code of Conduct. The awareness and enforcement of the Vigil Mechanism Policy is disseminated to all employees through multiple channels including the mandatory Code of Conduct Training Programme.

Read more on our Whistleblower/Vigil Mechanism here:
Hero MotoCorp Whistle Blower Policy/Vigil Mechanism

GOVERNANCE: BUSINESS ETHICS

Conflict-of-Interest

Our Senior Management provides annual disclosures to the Board, confirming the absence of any material financial or commercial transactions involving personal interests that could result in a conflict with the Company. Alongside our whistleblower mechanism, we have implemented a Conflict-of-Interest Policy to ensure that employees, Directors, and stakeholders clearly understand their responsibilities to avoid such situations and uphold the highest standards of integrity. The policy establishes a structured framework for identifying, disclosing, and managing potential conflicts and forms an integral part of our governance and compliance framework.

Read more on our Conflict-of-Interest here:
Hero MotoCorp Conflict of Interest Policy

We further strengthen our governance practices through the following measures:

- **Money Laundering**
  We maintain robust measures to prevent and detect money laundering, ensuring full compliance with regulatory requirements.
- **Insider Trading**
  In line with SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), we have established a Code of Conduct to regulate, monitor, and report trading by Designated Persons. Our initiatives to ensure compliance with the PIT Regulations and the Code are detailed in the Annual Report.
- **Customer Data Privacy**
  We prioritise the protection of customer data through stringent privacy policies and safeguards for sensitive information.
- **Shareholding**
  We file our quarterly shareholding pattern with stock exchanges in the SEBI-prescribed format, which is also available on our website. We have not issued any golden shares with differential voting rights.
- **Political Contribution**
  We did not make any political contributions in FY 2025-26.

During the year under review, 110 complaints were received through various reporting channels and 4 complaints were carried forward from the previous year. Out of these, 112 complaints have been investigated and remaining 2 complaints received in March 2026 are under investigation. The adjacent table below provides a breakup of the deviations identified during FY 2025-26 under the respective heads:

Instances of breaches	FY 2025-26
Public Bribery or Corruption	0
Customer privacy data	0
Conflicts of interest	8
Money laundering or insider trading	0



Hunk 440

Leadership Compensation

Compensation for Key Managerial Personnel, senior management and other employees is calibrated to market standards while ensuring internal equity, based on periodic benchmarking exercises. It comprises basic salary, allowances and perquisites, loans and/or advances in line with HR policies, retirement benefits, performance-linked payouts, welfare benefits, and long-term incentives such as Employee Stock Option Plan (ESOPs), Restricted Stock Unit (RSUs), Performance Restricted Stock Unit (PRSUs) or other instruments as approved by the NRC.

ESG Key Performance Indicators (KPIs) are embedded within the Annual Performance Review and integrated into the Annual Business Plan across all functions. Performance goals for senior management are clearly defined and measurable, with individual assessments aligned accordingly. A significant portion of senior management compensation is variable and linked to the Company's overall performance.

Policy Influence

We actively collaborate with government bodies and industry associations to advocate for policies that support both the broader ecosystem and our strategic priorities. Our focus areas include climate action, sustainability, digitalisation, evolving sector dynamics, and emerging technologies. Through strategic initiatives and partnerships with regulatory and industry stakeholders, we aim to drive policy reforms and foster favourable economic and social outcomes. We adopt a transparent and ethical approach to advocacy, ensuring all engagements comply with applicable laws and governance standards.

Climate Advocacy

We advance climate advocacy through collaboration with government entities, think tanks, climate organisations, trade associations, and diplomatic bodies. These engagements enable us to shape policy, articulate our position, provide informed feedback, and address policy-related challenges across our operations. Our structured approach is demonstrated through participation in industry bodies such as the Confederation of Indian Industry (CII) and the Society of Indian Automobile Manufacturers (SIAM).



VIDA VX2 Plus

GOVERNANCE: BUSINESS ETHICS

Contributions to Trade Associations	FY26 (INR in crores)	FY25 (INR in crores)	Issues and Topics
Confederation of Indian Industry (CII)	0.78	0.70	✦ Vehicle emission and environmental regulations - Implementation of the Bharat Stage (BS) norms and policies on transition to EV. ✦ Supply-chain and manufacturing regulations - Responsible sourcing requirements, EPR, Battery waste regulations. ✦ Road safety and mobility policy – safety technologies, public transportation concerns, and broader transport policy.
Society of Indian Automobile Manufacturers (SIAM)	0.81	2.58*	✦ Electric vehicles and alternative fuels – EV adoption policies, charging infrastructure, hydrogen, ethanol blending, and clean mobility initiatives. ✦ Industrial and tax policy – Two-wheeler taxation (for example, seeking lower GST during industry slowdowns), import duties, manufacturing incentives, and demand-support measures. ✦ Manufacturing and investment policy – encouraging domestic production, supply chains, and attracting investment into India's automotive sector.
Federation of Automobile Dealers Association (FADA)	0.11	0.11	✦ Stronger implementation of vehicle regulations under Central Motor Vehicle Rules. ✦ Dealer protection/franchise rules - legal safeguards for dealers, equitable OEM-dealership relations. ✦ Vehicle scrappage policy - End-of-life vehicles management, scrappage incentives, circular economy objectives.

* Includes Auto Expo expenses amounting to ₹ 1.52 crore in FY 2024-25

Advocacy is integral to our electric and future mobility agenda. We reinforce this through partnerships, participation in forums and events, and thought leadership to inform and influence key national and global sustainability policies. Our long-term objective is to support the Paris Agreement by setting clear emission reduction targets and implementing robust climate strategies aligned with global climate goals. We also actively invest in research and development to advance electric mobility, alternative energy solutions, and next-generation mobility.

It is a testament to Hero MotoCorp Limited's (HMCL) unwavering commitment to sustainability that our Chairman, Dr. Pawan Munjal, has been recognised in the prestigious TIME100 Climate List. This esteemed list showcases individuals who are driving measurable, successful, and equitable business climate action.

Dr. Pawan Munjal's inclusion in this list is a milestone achievement as this recognition validates HMCL's relentless efforts to integrate sustainable practices into its operations and reinforces our commitment to contributing to a cleaner, greener future.

Further underscoring our commitment to sustainability, Mr. Vikram Sitaram Kasbekar, Executive Director, HMCL, serves as the Chairman of the CII GreenCo Council, which drives industry-wide adoption of resource-efficient and low-carbon practices through sustainability assessment frameworks, and net-zero transition programmes. This council has also played significant role in helping industries embed environmental stewardship, operational excellence and climate resilience into business strategy, leading industry platform that promotes sustainable practices and green technologies.

Tax Strategy

We are committed to complying with all relevant tax laws, regulations, and reporting requirements in the jurisdictions in which we operate in a timely manner, respecting the underlying policy intent.

Tax Transparency

Our Company is committed to transparency in our financial and tax reporting, disclosing relevant data for each tax jurisdiction globally in accordance with local securities and tax regulations. We adhere to a responsible tax approach, refraining from engaging in aggressive tax planning strategies that artificially shift profits or utilise tax havens to minimise tax liabilities.

Our affiliate entities operate in alignment with our core business activities, adhering to the 'arm's length principle' to ensure fair and transparent transactions. We recognise the vital role that taxation plays in supporting national development objectives and promoting sustainable economic growth. By paying our fair share of taxes, we contribute to the funding of public goods and services that benefit the broader community.

Tax Risk Governance Framework

Our tax team is dedicated to maintaining consistency and compliance with tax laws and regulations. Meanwhile, our internal audit team conducts regular evaluations to ensure the effectiveness of our internal controls, accounting procedures, and policies. At the Board level, the Chief Financial Officer oversees tax matters, supported by a team of experienced and skilled corporate tax professionals. To ensure seamless execution, we provide ongoing training and support to departments involved in tax processes, leveraging expertise from across the organisation as needed.

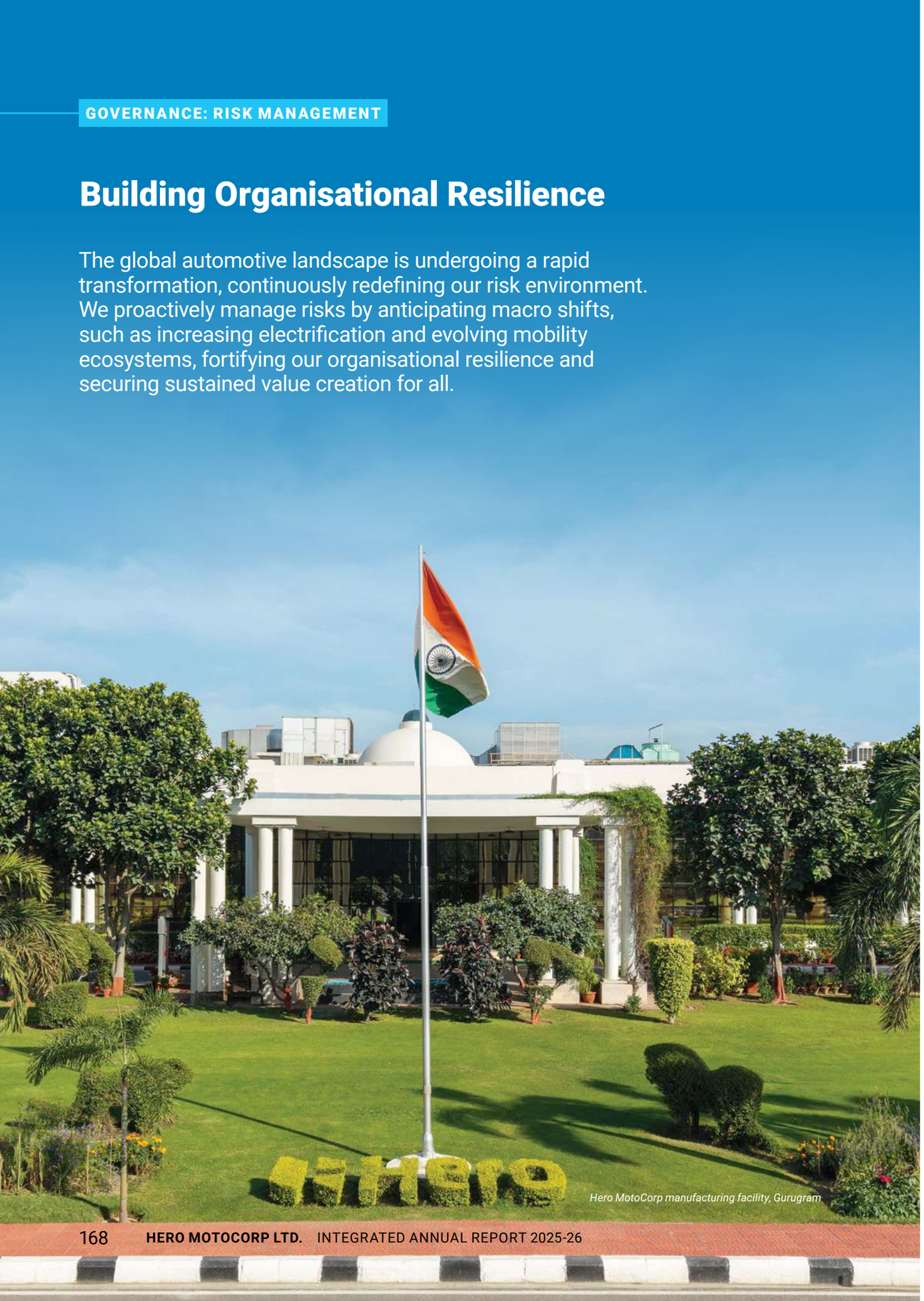


Product lineup at National Dealers Conference 2025

GOVERNANCE: RISK MANAGEMENT

Building Organisational Resilience

The global automotive landscape is undergoing a rapid transformation, continuously redefining our risk environment. We proactively manage risks by anticipating macro shifts, such as increasing electrification and evolving mobility ecosystems, fortifying our organisational resilience and securing sustained value creation for all.



Hero MotoCorp manufacturing facility, Gurugram

Our Approach

A strong Enterprise Risk Management (ERM) framework underpins our operations, supported by a comprehensive Risk Management Policy that proactively manages risks. Furthermore, the Risk Management Committee, a Board-instituted committee consisting of independent members, ensures sound governance and enterprise-wide risk oversight.

Our independent risk function follows a structured process:

- **Risk identification**
  We identify risks across internal operations and external dynamics, including market volatility, regulatory changes, financial exposures, and digital threats
- **Risk assessment**
  We evaluate risks based on their probability and potential impact on value creation to enable prioritised responses
- **Risk mitigation**
  We implement appropriate strategies, spanning treatment, reduction, transfer, or acceptance, to manage risks within acceptable levels
- **Risk monitoring**
  We continuously monitor risks and review mitigation measures to ensure our ERM framework remains effective

This process is executed in close coordination with our Management Team, guided by the Chief Risk Officer and Risk Steering Committee. Additionally, the Audit and Assurance function provides independent assurance to the Board on the efficacy of our internal controls and risk management practices.

Risk Management Process



GOVERNANCE: RISK MANAGEMENT

Enterprise Risk Register

We have in place a leadership-driven Enterprise Risk Register, which combines top-down oversight with bottom-up functional inputs. Domestic and global benchmarking is also undertaken to ensure comprehensive risk oversight.

Functional risk registers across R&D, Sales, Procurement, IT, Operations and Quality feed into the enterprise register and are regularly reviewed with leadership teams to drive accountability and proactive mitigation.

Risks are assessed on the impact and probability using a low-medium-high scale, with nearly 15 enterprise-level risks tracked alongside functional risks, categorised into Strategic, Operational, Regulatory and Technological risks, supported by defined risk indicators for ongoing monitoring.

- **Strategic risks**
  We monitor risks that could impact our long-term direction and viability, including the shift towards alternative energy, evolving business models, geopolitical uncertainties, and climate change impacts.
- **Operational risks**
  We manage risks linked to core operations and reputation, including supply chain efficiency, counterfeit mitigation, changing customer expectations, labour and community relations, and people-related complexities.
- **Technology risks**
  We address risks related to our digital infrastructure and data integrity, with a focus on cybersecurity threats and resilient communication systems.
- **Regulatory risks**
  We mitigate risks arising from non-compliance with laws, regulations, and standards that could affect our operations, reputation, and financial performance.

Principal Risks

Key Identified Risks	Potential Impact	Opportunities	Mitigation Measures
Operational Risks			
Business Continuity	✦ Interruption of critical operations resulting from unforeseen crises. ✦ Financial and reputational detriment owing to the failure to sustain service continuity.	The focus remains on ensuring operational resilience, robust business continuity planning and effective enablement of remote work capabilities.	✦ Developing comprehensive business continuity and crisis management plans. ✦ Ensuring critical business functions are fully conversant with the aforementioned plans. ✦ Conducting annual business continuity testing, cross-functional crisis response training and identification of process alternatives.
Probability: Impact			
Labour and community	Labour unrest, union disputes, or failure to comply with the new Labour Code and relevant state-specific statutes present a critical risk of production disruption and considerable reputational harm.	Development and implementation of preventive, trust-based and productivity-led initiatives that strengthen employer branding.	✦ Transitioning to new Labour Codes with disciplined execution to redefine compliance, flexibility and ways of working. ✦ Strengthening workforce engagement. ✦ Ensuring productivity and cost-focused long-term settlement (LTS). ✦ Maintaining continuous revalidation of engagement and other employee benefits.
Probability: Impact			
Supply chain disruption	✦ Interruption of production schedules may incur significant revenue loss, higher procurement costs and logistics volatility, weighing on profit margins. ✦ Supplier instability driven by financial stress, capacity constraints, or adverse geopolitical actors. ✦ Impact on operations and supplies due to changing regulations and frequent geopolitical changes, leading to disruption of operations and supply continuity.	Building supply chain resilience through localisation.	✦ Strengthening supplier diversification and developing alternative sourcing strategies. ✦ Implementing proactive supplier due diligence. ✦ Providing support to financially stressed suppliers to ensure sustenance and long-term partnership. ✦ Proactively tracking geopolitical and regulatory developments.
Probability: Impact			
Regulatory Risk			
Regulatory complexity	The continuous evolution of regulations necessitates ongoing adaptation, resulting in increased compliance costs.	Maintain alignment with evolving regulatory norm and establish a leading position by introducing products equipped with advanced technologies.	✦ Consistently monitoring the regulatory landscape and engaging actively with industry peers and regulatory bodies. ✦ Enhancing internal compliance frameworks and ensuring agile adoption of operational protocols.
Probability: Impact			
Technology Risk			
Information security and info-confidentiality risk	✦ Loss of sensitive data and increased risk of system intrusions. ✦ Compromised confidentiality, potentially leading to high financial penalties, as well as adverse reputational and legal ramifications.	Fortifying IT infrastructure by scaling system security across all locations.	✦ Strengthening information security infrastructure and real-time threat monitoring, detection and response. ✦ Enhancing data encryption capabilities, ensuring role-based access control and adhering to applicable regulations.
Probability: Impact			
Strategic Risks			
Macro changes: Geopolitical & climate change	✦ Imposition of trade restrictions, sanctions, or geopolitical conflicts poses a risk of supply chain disruption and restricted market access. ✦ Currency volatility and economic instability across key global markets may adversely impact revenue and profitability. ✦ Climate change is likely to result in regulatory obligations, the creation of stranded assets and potential product obsolescence.	✦ Making dedicated efforts towards localisation and the establishment of strong value chains. ✦ Shared mobility presents opportunities for new revenue streams by encouraging Original Equipment Manufacturers (OEMs) to develop targeted products and innovate business operations.	✦ Establishing a self-reliant supply chain for critical raw materials, cultivating a robust domestic vendor and sourcing base and enhancing geopolitical risk monitoring. ✦ Implementing climate scenario modelling, making dedicated investments in sustainable R&D and formulating an ESG-aligned strategy. ✦ Exploring and developing new business models to generate value for both customers and the organisation.
Probability: Impact			

High Medium Low

GOVERNANCE: RISK MANAGEMENT

Key Identified Risks	Potential Impact	Opportunities	Mitigation Measures
Managing the shift from internal combustion engine (ICE) vehicles to electric vehicles (EVs)	✦ Increased adoption of EV 2-wheelers could significantly impact prevailing market dynamics. ✦ A potential decline in sales volumes for ICE engine 2-wheelers is anticipated if the market transition persists.	Developing leadership positions in the EV segment, technology, and driving business innovation like Battery as a Service and Vehicle as a Service, and expanding charging infrastructure.	✦ Adapting market strategies to align with evolving customer preferences. ✦ Allocating capital towards EV technology development and product portfolio diversification. ✦ Exploring potential inorganic growth opportunities. ✦ Optimising the core ICE portfolio by accelerating flex-fuel technology adoption.

Probability **Impact**

Note: Risks are identified as per the priorities

Managing Emerging Risks

We conduct a continuous review of emerging risks throughout the year, with an extensive annual update, to identify potential threats that could have a material long-term impact on our operations over a three to five-year period.

Emerging Risks

Key Identified Risks	Risk Description	Potential Impact	Mitigation Measures
Corporate Average Fuel Economy (CAFE) Norms	CAFE norms, currently for 4-wheelers, will expand to India's largest vehicle category, 2-wheelers, mandating strict fleet-wide efficiency targets. This is vital given high fuel costs, reducing total cost of ownership and enhancing energy security by isolating consumer mobility from global oil price volatility.	✦ Abrupt implementation, potentially due to geopolitical tensions, could leave 2-wheeler OEMs unprepared, forcing rushed redesigns, incurring higher compliance costs, and risking penalties. ✦ In a price-sensitive market, passing these costs to consumers is difficult, threatening profitability and competitiveness. ✦ Regulatory non-compliance could lead to financial penalties, product recalls and reputational damage. ✦ As ICE models drive high sales volumes, achieving future efficiency targets is critical to maintaining market leadership. ✦ Adopting new technologies requires a total supply chain transformation and the development of advanced vendor capabilities to meet evolving standards.	✦ We are upgrading engines and lightweighting materials to maximise efficiency, while expanding the electric vehicle (EV) portfolio to lower fleet-wide emissions. ✦ We are engaging with policymakers through the Society of Indian Automobile Manufacturers (SIAM) to advocate for realistic and technically feasible targets specifically for the 2-wheelers segment.
End-of-Life (ELV) AIS 129	The updated AIS 129 standard is divided into two primary sections: ✦ **Part 1:** Collection and dismantling of ELVs. ✦ **Part 2A:** Heavy metals restriction & dismantling information. ✦ **Part 2B:** Type approval of vehicles with regards to recyclability, recoverability and reusability (RRR).	✦ For all new vehicle models to receive Type Approval, they must demonstrate full compliance with AIS-129 (End-of-Life Vehicle) norms within 18 months of the final notification's release. ✦ Non-adherence to AIS-129 will lead to the non-issuance of a Central Motor Vehicles Rules (CMVR) certificate, further prohibiting the legal sale and registration of the affected models.	✦ To ensure compliance, we are adopting the International Material Data System (IMDS) reporting. ✦ Additionally, advanced simulation tools are being used to track material traceability to meet the mandatory RRR thresholds.

High Medium Low

Key Identified Risks	Risk Description	Potential Impact	Mitigation Measures
Extended Producer Responsibility (EPR) on End-of-Life Vehicle	The Ministry of Environment, Forest and Climate Change (MoEF&CC) issued the final notification on January 6, 2025, mandating Extended Producer Responsibility (EPR) for End-of-Life Vehicles (ELVs). Effective from April 1, 2025, OEMs must meet annual steel recycling targets calculated as a percentage of the steel used in vehicles sold historically (e.g., 15 or 20 years prior, depending on the vehicle category). Compliance is achieved strictly through the procurement of EPR certificates generated by Registered Vehicle Scrapping Facilities (RVSFs).	✦ Severe financial exposure due to the direct imposition of Environmental Compensation (EC) penalties if annual EPR certificate targets are unmet. ✦ Reputational risk stems from public non-compliance with critical national environmental mandates. ✦ Vehicle pricing increases as incremental operational costs are passed to the customer.	✦ **Compliance Planning:** Developing strategic procurement plans for EPR Certificates and evaluating internal mechanisms to meet mandated annual recycling targets. ✦ **Industry Collaboration:** Collaborate with SIAM for policy advocacy and to systematically encourage the environmentally safe disposal of ELVs through the authorised RVSF ecosystem.
Anti-lock Braking System (ABS)	The Ministry of Road Transport and Highways (MoRTH) has issued a draft notification mandating the implementation of ABS for all L2 category vehicles. This requirement applies to ICE motorcycles and scooters exceeding 50 cc, as well as EVs greater than 4.0kW. The proposed implementation date was set for January 1, 2026. A new notification is still awaited.	✦ These mandated technology upgrades carry substantial cost implications. ✦ Such increases may significantly affect the 'value-for-money' proposition, particularly within the high-volume commuter segment where price sensitivity is a primary factor for consumers.	✦ Leading collective advocacy efforts through the SIAM and engaging directly with relevant ministries to look into alternative/equivalent solutions or technologies and sufficient implementation lead time.
AI adoption and governance	Bringing AI into an organisation's daily work comprises everything from getting data ready and making sure AI decisions are fair to fitting AI into existing systems and helping employees adapt.	✦ Complex ethical dilemmas requiring careful consideration. ✦ Financial loss due to unsuccessful AI projects. ✦ Erosion of customer and public trust. ✦ Exposure to legal and regulatory risks stemming from biased or unfair AI practices. ✦ Operational inefficiencies and competitive disadvantage.	✦ Defining a clear strategy and objectives for AI implementation. ✦ Ensuring data quality and preparedness for AI consumption ✦ Establishing governance. frameworks to guarantee AI fairness and ethical operation. ✦ Providing training to staff for new roles and tasks related to AI. ✦ Prioritising the selection of explainable and interpretable AI systems. ✦ Promoting cross-functional collaboration across all relevant functions. ✦ Initiating deployment with pilot programmes and iterative testing. ✦ Securing strong support and resource allocation from the Leadership team.

Explore our Risk management processes at https://www.heromotocorp.com/en-in/company/sustainability/risk-management.html



VIDA VX2 Plus

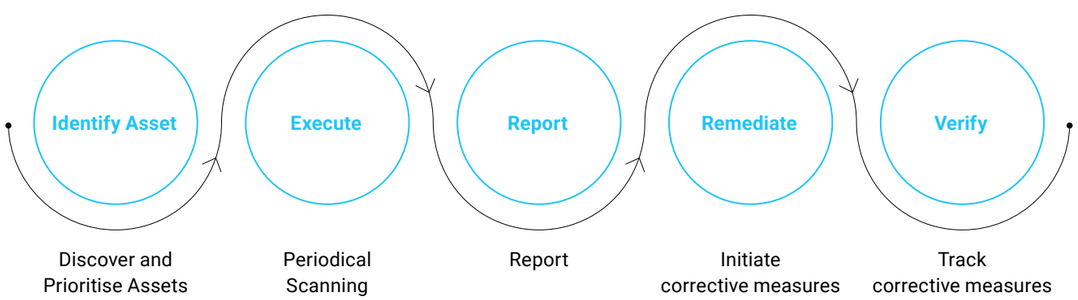
Information Security and Data Protection

The trust of our customers and partners propels us forward. To honour that trust, our Information Security Policy acts as a shield for our data, intellectual property and digital assets. By integrating advanced technology with rigorous processes and continuous team training, we guarantee the confidentiality and integrity of our systems, ensuring our assets are protected from unauthorised access or data loss.

Key Highlights

100%
Coverage of the Information Security Policy across employees

100%
Facilities are ISO27001 certified



Vulnerability Management

We adopt a proactive approach to managing vulnerabilities across IT systems, networks and applications, supported by defined Standard Operating Procedures (SOPs) for servers, workstations and business applications. Periodic third-party scans, Vulnerability Assessment and Penetration Testing (VAPT) assessments and simulated cyber-attack exercises strengthen controls, while a robust reporting framework ensures swift response.

Internal Audit

We follow a structured approach to auditing our IT infrastructure and Information Security Management System to ensure compliance with policies, procedures and regulatory requirements. Independent third-party audits ensure objectivity, with findings reviewed and corrective actions implemented to strengthen controls and drive continuous improvement.

External Audit

External audits further validate our alignment with internationally recognised information security standards, including ISO/IEC 27001:2022, across key locations in India. Conducted by a National Accreditation Board for Certification Bodies (NABCB)-accredited body, these audits provide independent assurance, with observations driving targeted corrective actions to further strengthen our organisational security and resilience.

Incident Escalation

A structured mechanism is in place that enables the reporting and escalation of incidents, vulnerabilities and suspicious activities in line with established protocols. Employees are encouraged to report promptly via itsm.sd@heromotocorp.com. The Incident Response Team reviews each case and initiates actions as per procedures, ensuring timely response, effective escalation and appropriate resolution.

Security-first

To embrace a risk-aware culture amongst many other awareness initiatives, Information security and data protection also form a part of our employee onboarding and annual refresher trainings. These sessions cover key topics such as phishing, malware, ransomware, social engineering, password security, and safe data handling. The employee must complete the mandatory annual refresher online training module, with a minimum qualifying score of 80%.

Governance & Information Security Oversight

Driven by our commitment to digital resilience, information security is managed as a critical pillar of our ERM framework.

The RMC, through periodic reviews, is formally updated on the information security threat landscape and emerging risks. This continuous dialogue ensures the efficacy of current mitigation strategies while staying aligned with our long-term business objectives.

Business Continuity

We place a strong emphasis on developing targeted mitigation plans to safeguard business activities and minimise potential financial losses. Our proactive approach ensures prompt identification and management of critical risks before they escalate.

To reinforce business resilience, we are continuously enhancing our Business Continuity Plan (BCP) to address unforeseen physical, technical, regulatory, and people-related challenges. To continually strengthen our operational readiness and response mechanisms, we simulate various crisis scenarios across multiple locations and systematically share the insights from these exercises with internal stakeholders.

Complementing our overarching BCP, we have a robust IT Business Continuity Plan and an integrated IT Disaster Recovery (DR) strategy. Supported by clearly defined response roles, periodic audits, and rigorous system testing, this framework ensures the timely restoration of critical applications, minimises downtime, and secures uninterrupted business operations.



Xtreme 125R

MANAGEMENT DISCUSSION AND ANALYSIS



Xoom 160

Economic Environment

The Global Macroeconomic Landscape: Heightened Uncertainty and Structural Realignment

The global economy is currently characterised by elevated structural and systemic uncertainty, driven heavily by escalating trade tensions and the outbreak of the US-Iran war. This has compelled stakeholders, including consumers, corporations, and governments, to re-evaluate their foundational economic assumptions. Geopolitical fragmentation has emerged as the primary catalyst, ratcheting up uncertainty across all operational corridors. Consequently, several economies have downward revised their macroeconomic outlooks amid intensifying headwinds. In its April 2026 publication, the International Monetary Fund (IMF) slashed CY 2026 global GDP growth by 20 bps to 3.1%. Mirroring this cautious stance, the World Bank also downgraded its CY 2026 world GDP growth forecast to 2.5%, down from its previous estimate of 2.9%.

Rising Skirmishes

Multiple high-intensity conflicts are simultaneously reshaping the global landscape. The geopolitical arena has been profoundly disrupted by the US-Iran war, which led to the closure of the strategic Strait of Hormuz; severely limited global energy supplies. On top of this, the Russia-Ukrainian War is entering its fifth year, keeping supply chain disruptions elevated. In parallel, the risk of escalating trade disputes continue to weigh on global economic sentiment, with limited policy clarity constraining investment decisions.

Trade Wars

The global trade architecture has entered a period of substantial reorientation following the commencement of Trump 2.0 administration. The shift from multilateral cooperation toward aggressive protectionism has triggered a series of retaliatory ‘trade wars’, characterised by a baseline 10-20% universal import tariff and targeted heavy tariffs on Chinese goods. These measures have disrupted long-standing ‘just-in-time’ supply chains, forcing a transition toward ‘multi-local’ and ‘friend-shoring’ models to mitigate geopolitical risks.

For the automotive sector, the operating environment has been particularly volatile; with the repeal of EV-linked tax credits and the threat of bilateral tariff escalations. Even the World Trade Organization (WTO) recently flagged downside risks to global trade due to rising protectionist policies. Moreover, the conflict in West Asia has compelled OEMs to re-work their cost arithmetic; which had already been facing pressures owing to supply constraints with regards to Heavy Rare Earth Elements (HREs).

Amidst this global upheaval, India has emerged as a harbour of stability, owing to policy certainty, economic resilience and stable growth. Notwithstanding, virtually no economy can remain unaffected by volatility in the external environment. Given the inherent interconnectedness of the modern financial system, historical precedents such as the Great Financial Crisis of 2008 and the 2020 pandemic have explicitly and amply demonstrated that containing a 'domino effect' is increasingly challenging.

Geopolitical Reshaping

The conflict in West Asia, however, has transcended regional boundaries, suggesting emergence of a new global order. The conflict has reintroduced stagflationary risks to the forefront of global economics.

Analysts rightly observe that escaping the clutches of stagflation is a daunting task, as the resulting inflation cannot be easily resolved via conventional monetary policy. Hence, the markets are cautiously tiptoeing with a fragile peace deal to West Asia conflict in the background.

Monetary Path Pivot

Until March, most major central banks, including the US Fed, the European Central Bank (ECB), the Bank of England (BoE) and the People's Bank of China (PBoC), had underlined a path of policy rate cuts on account of the neutralisation of inflation. From the highs of 9.1% during June 2022, the US consumer price index (CPI) inflation dropped to 2.4% in February, reverting to the US Fed's long-term inflation target of 2%. A similar trend could be observed for the European Union (EU).

However, a myriad of supply-side disruptions in March have derailed that path. Resultantly, the US consumer prices rose by 4.2% YoY during May. Moreover, on a monthly basis, it sharply rose by 0.5%. Further, falling bullion prices amid rising uncertainty are a key testimony that further policy rate cuts are unlikely to occur as earlier anticipated. Until the end of February, financial markets had priced in rate cuts, which might have lowered credit and investment costs. Though, the S&P 500 hit an all-time high in recent weeks; the global equity markets will continue exhibiting heightened volatility until more visibility is available on the geopolitical front.

Supply-side Disruptions

Brent crude is currently trading at elevated levels compared to earlier this year. Various projections had been drawn based on the duration and intensity of the conflict in West Asia. Additional clarity might emerge on this front once the extent of damage to the physical infrastructure becomes known.

Moreover, the inflationary reverberations owing to energy market disruption caused by the commencement of the full-scale Russian-Ukrainian war in February 2022 (when crude peaked at US$ 140/bbl) can still be felt by several major economies. In this context, one of the major implicit factors stoking up inflationary pressures is inflationary expectations.

Alternative Energy Options Back in Focus

Qatari officials have noted that the ongoing conflict has shrunk the nation's total LNG export capacity by over 17%. QatarEnergy has declared force majeure on some long-term supply contracts, with expectations that these disruptions could last for up to five years. Tangible and intangible damage to energy infrastructure might amp up medium-term inflationary expectations, which, in turn, might make it even more challenging to counter inflation. Several commentators have noted that this might redirect the focus of alternative energy.

Hero MotoCorp is strongly positioned to benefit from the structural change with the rising market share of VIDA in the e2W space. Historical evidence indicates that during periods of rising fuel prices, Indian consumers tend to 'down-trade' towards the entry-level motorcycle segments for better fuel economy. As the dominant market leader in this category, Hero MotoCorp is uniquely positioned to capture this shift in demand.

Further, anecdotal evidence and theoretical models indicate that ongoing supply-side disruptions have already led to downward pressure on output, while logistics costs and trade disruptions have expanded. Going forward, this might be a litmus test for corporations and policymakers alike, and Hero MotoCorp is prepared to meet it.

Technological Transitions

The global technological landscape is currently being redefined by a transformative AI wave, marking a shift from basic automation to the era of Agentic Models. Unlike traditional systems, these autonomous agents are capable of independent reasoning and goal-oriented execution; revolutionising industries by unlocking unprecedented productivity gains and operational efficiencies worldwide.

In this new paradigm, the long-term resilience of corporations and economies is increasingly a function of their adaptability and the strategic integration of these cognitive technologies. Aligned with our vision, 'Be the Future of Mobility,' Hero MotoCorp is committed to pushing the boundaries of innovation.



Powering Innovation through Advanced Engineering


XTracks - Pokhara, Nepal

Outlook

The global macroeconomic landscape for FY 2026-27 could be characterised by a transition from steady recovery to a period of heightened supply-side fragility and stagflationary risk. While the year began with a baseline growth projection of ~3%, the disruption owing to the ongoing conflict in West Asia has forced a downward revision of global GDP. Brent crude has risen sharply owing to one of the largest oil supply disruptions in history, while advanced economies are facing renewed inflationary pressures that are likely to defer the anticipated global monetary easing cycle. Furthermore, the conflict in West Asia has heightened geopolitical uncertainty, disrupted critical trade and energy corridors, and intensified concerns around global supply chain resilience. Going ahead, nations are likely to look further inwards with regard to their supply chains, including energy security. Moreover, the conflict may accelerate the transition towards an increasingly multipolar global system.

GDP Trend (%)	CY25	CY26	CY27
Global Output	3.4	3.1	3.2
Advanced Economies	1.9	1.8	1.7
United States	2.1	2.3	2.1
Euro Area	1.4	1.1	1.2
UK	1.3	0.8	1.3
Emerging Markets	4.4	3.9	4.2
China	5	4.4	4
Russia	1	1.1	1.1
Middle East & Central Asia	3.6	1.9	4.6
Sub-Saharan Africa	4.5	4.3	4.4
India	7.6	6.5	6.5

Source: IMF

Indian Economy

India Continues Exhibiting Resilience

While the global geopolitical fabric undergoes a structural change, India has emerged not merely as a participant, but as a beacon of stability in an increasingly fragmented world. During FY 2025-26, the Indian economy demonstrated a rare confluence of elevated growth, low inflation and structural resilience. For Hero MotoCorp, this stability provided more than just a favourable backdrop; it offered a strategic 'moat.' While the global order grapples with systemic mistrust and shifting alliances, the Indian domestic market acted as a robust home base, allowing us to maintain our leadership for 25 consecutive years and advance our mission to define the 'Future of Mobility'.

World's Fastest-growing Major Economy

As per RBI, India's GDP grew by 7.7% during FY 2025-26. This continues to remain a standout global performance, significantly outpacing other major economies, amidst glaring external uncertainty. This growth has been driven by a genuine revival in both urban and rural demand, gains accrued from long-term structural changes, and GST rationalisation. The year under review registered an above-normal South West (SW) monsoon ending at 108% LPA (long-period average), which, coupled with strong nominal wage growth, led to a much-anticipated recovery in the rural heartland.

Inflation Dynamics: Navigating a Tightrope

CPI inflation rose to 3.93% during May 2026. However, retail inflation has remained under 5% since the start of CY 2025. The RBI effectively steered headline inflation towards its 4% target, providing consumers with the price stability required for long-term financing commitments. However, the Indian Meteorological Department's (IMD) SW monsoon forecast for FY 2026-27 will require close monitoring, given its potential implications for inflation and rural demand. Notwithstanding, the recent supply-side disruptions introduce a new layer of complexity.

As an oil-importing nation, the 'imported inflation' from West Asian disruptions threatens to rattle the cooling price index. While sharp rises in energy prices remain a tail-risk; the Indian economy's improved energy mix and strategic reserves provide a better buffer than in the 1970s.

Until the supply-side shocks of March, the Indian financial markets had priced in a loose monetary policy. While the global derailment of the 'rate cut path' by the major monetary authorities has necessitated a cautious 'wait and watch' stance by the RBI, the Indian credit ecosystem remains liquid.

Path of Fiscal Consolidation Continues

The Union Budget for FY 2026-27 served as a major confidence booster for the corporate sector and global investors. The state has remained steadfast on its commitment to fiscal consolidation and capex-led growth. The fiscal deficit for FY 2025-26 has been contained at 4.4% of GDP, in line with stated targets, with a further calibrated reduction of 10 bps budgeted for the upcoming fiscal year. Moreover, current fiscal math warrants its credibility.

Capital expenditure for FY 2026-27 is set to rise by ~11.5% to ₹ 12.1 trillion. This has signalled to global financial markets that India is committed to its long-term macroeconomic health. Moreover, persistent focus on rural roads and national highways is expected to enhance connectivity, stimulate economic activity and support demand generation across hinterland markets. For Hero MotoCorp, these developments are structurally positive, given the strong correlation between infrastructure expansion and mobility demand in core segments.

GST Rationalisation

The implementation of GST 2.0 and the subsequent GST rationalisation in September 2025 represent a definitive shift in India's fiscal policy. By overhauling taxation and reducing rates across several key sectors, the Government has directly addressed affordability for the end-consumer. This broad-based tax relief is expected to serve as a significant consumption catalyst, lowering the tax burden and unlocking aggregate demand across the national economy.

Technological Leadership: The New Delhi AI Summit

In February 2026, the AI Impact Summit in New Delhi marked a watershed moment. As the first major AI summit hosted in the Global South, it positioned India as a leader in 'impact-driven' rather than just 'generative' AI. The summit drew over 2,00,000 visitors, 500 global AI leaders and heads of major firms like Alphabet, Anthropic and OpenAI. It focused on how developments in AI can accelerate India's journey towards the 'Viksit Bharat@2047' vision. The consensus at the summit was clear: productivity gains in the next decade will be a function of AI integration. We view AI not just as a tool for manufacturing efficiency, but as a core component of the 'Future of Mobility.' Our adaptability and industry-first approach to these technological shifts will continue offering us a sharper competitive edge.

Economic Resilience Amid Global Volatility

The Indian economy in FY 2025-26 has maintained a notable degree of relative stability amid severe global uncertainty. Moreover, India's policy certainty and the long-term structural reforms have created a platform for sustained growth and development.



Xoom 125

Outlook

As India enters FY 2026-27, the RBI has revised downward GDP growth projections by 30 bps to 6.6%. This moderation is primarily driven by the West Asia conflict resulting in supply chain disruptions, projected increase in inflation from volatile crude oil prices and adverse weather events rising from a possibility of weak monsoon due to El Nino.

However, sustained momentum in the services sector, persistent impact of GST rationalisation, rising capacity utilisation in manufacturing, and healthy balance sheets of financial institutions and corporates should continue to support domestic demand.

Two-wheeler Industry Section

Global Two-wheeler Industry

The growth of the global two-wheeler market is driven by rapid urbanisation, a rise in disposable incomes, an improvement of road infrastructure and the demand for fuel efficiency.
The expansion of the middle-class population and the adoption of new technologies for sustainability are expected to further drive market expansion, with the global two-wheeler market expected to reach US$ 201 billion by 2034.

Source: https://www.fortunebusinessinsights.com/two-wheeler-market-106884

Indian Two-wheeler Industry

The domestic two-wheeler industry attained a landmark milestone in FY 2025-26, with wholesales reaching an all-time high of 21.7 million units. This historic volume was achieved despite a cautious start to the fiscal year—driven by muted consumer sentiment in the broader economy—as well as headwinds toward the close of the period following the geopolitical conflict in West Asia.

Wholesale volumes during the year successfully surpassed the previous cyclical peak established in FY 2018-19, signalling the industry's definitive transition into a robust structural growth phase. The 10.7% YoY expansion achieved in FY 2025-26 further solidifies a multi-year upward trajectory, underscoring a resilient and sustained recovery (following growth of 9% in FY 2024-25, 13.3% in FY 2023-24, and 16.9% in FY 2022-23).

The sector's expansion was fundamentally powered by strengthening demand dynamics, with growth momentum accelerating notably in the second half of the fiscal year. This progress was catalysed by a stable domestic macroeconomic environment and a suite of proactive, forward-looking government policies that effectively revitalised market sentiment. Key structural pillars supporting this growth included:

- **Fiscal Stimulus via Personal Taxation:** The Union Budget (FY 2025-26) provision for zero income tax on annual incomes up to ₹ 1.2 million (up from ₹ 0.7 million) significantly augmented household purchasing power.
- **Monetary Easing:** A cumulative 125 basis point reduction in the RBI repo rate, which was reduced from 6.5% in February 2025 to 5.25% by December 2025, substantially lowered finance costs.
- **Agricultural Resilience:** Three consecutive years of strong, post-COVID monsoons led to record-high reservoir levels, providing a vital foundation for rural prosperity.
- **Price Stability:** A stable macroeconomic backdrop characterised by consistently falling inflation bolstered consumer confidence.
- **GST 2.0 Reform:** The landmark 10% GST rate reduction for the sub-350cc two-wheelers addressed long-standing affordability challenges, unlocking demand across the sector.

GST 2.0 Reform

In a landmark restructuring of India's indirect tax system, the 56th GST Council introduced the GST 2.0 reform, effective September 22, 2025. This reform replaced the five-tax-slab structure in the erstwhile GST regime with a simplified two-primary-slab system (5% and 18%), aimed at stimulating mass-market consumption and enhancing ease of compliance. A pivotal outcome for the two-wheelers in the sub-350cc segment, which accounts for the vast majority of Indian mobility, was the reclassification from the 28% bracket to the 18% tax rate. This move effectively recognised the two-wheeler as an essential tool for livelihood, addressing a long-standing industry representation.

Demonstrating a consumer-first approach, the two-wheeler industry passed on the full benefit of GST rate cuts to end-users. This led to significant price reductions, ranging from approximately ₹ 5,800 for entry-level models to ₹ 22,000 for premium motorcycles, across the industry. This rationalisation significantly enhanced accessibility and affordability, particularly across rural and semi-urban markets. For the lower-middle-class segment, where two-wheelers serve as vital enablers of economic opportunity and social empowerment, the lower cost of ownership acted as a catalyst for renewed demand.

The strategic timing of the GST rollout was a critical driver of the year's performance, coinciding with the onset of the festive season from Navratri through Diwali, providing a powerful dual stimulus to consumer sentiment. The resulting momentum led to the two-wheeler industry's highest-ever festive retail performance, totalling 4 million units, up 21.8% YoY during the 42-day festive period.

Crucially, post-festive demand continued to remain strong, defying the traditional seasonal dip, with Q4 FY 2025-26 recording a strong retail growth of 25% YoY for the industry. Unlike temporary promotional schemes, the GST 2.0 reform does not feature a sunset clause, providing a permanent structural correction to vehicle pricing. This enduring shift has fundamentally addressed the affordability and sentiment barrier that had previously constrained the market, successfully encouraging a significant influx of 'fence-sitters' to return to the showrooms.



Karizma XMR 250

Urban and Rural Market Dynamics

Urban markets, which began the fiscal year with subdued sentiment and challenging demand conditions, underwent a notable resurgence during the second half of FY 2025-26. This revival was underpinned by a significant uptick in disposable income, fuelled by favourable tax reforms and a declining interest rate environment. This recovery was further accelerated by the GST 2.0 rationalisation, which acted as a powerful catalyst for the premium motorcycle and scooter segments, effectively lowering the entry barrier for aspirational buyers.

Rural markets remained upbeat throughout the year, benefitting from the cumulative impact of three consecutive years of favourable monsoons. With reservoir levels reaching historic highs and agricultural productivity remaining robust, the sustained agrarian success has translated into strengthened purchasing power for rural households. Combined with GST rate cuts, these factors have led to encouraging early signs of recovery within the 100cc motorcycle portfolio.

The industry anticipates this momentum to continue into FY 2026-27. This progress will be structurally supported by a widening pool of aging vehicles on the road that are naturally approaching the end of their operational lifespans effectively triggering a replacement cycle and the ongoing permeation of the full benefits of the GST rate cuts in the Entry and Deluxe 100cc segments.

Domestic Dispatch Performance of the 2W Industry	FY 2024-25	FY 2025-26	YoY
Motorcycle	12,252,305	13,064,789	6.6%
ICE Scooter	6,080,121	7,031,130	15.6%
EV Scooter	773,093	1,086,815	40.6%
Mopeds	501,813	523,240	4.3%
Total	**19,607,332**	**21,705,974**	**10.7%**

Source: SIAM



XPulse 210

Two-wheeler Segmental Contribution

Motorcycles continued to hold the predominant share of the Indian two-wheeler market at 60.2%, though their contribution declined by 2.3% YoY. This contraction was primarily driven by the increasing contribution of the scooter segment by 1.4% YoY to 32.4%, caused by increased momentum in urban and semi-urban markets.

The EV segment marked increased penetration in FY 2025-26, driven by a meaningful acceleration towards the end of the financial year in March 2026. This late-year surge was primarily driven by fuel supply disruptions and the expected increase in prices stemming from the West Asia conflict, alongside pre-emptive buying ahead of the anticipated expiry of the PM E-DRIVE subsidy scheme in March 2026 (which was subsequently extended to July 2026). This resilient performance was achieved despite early-year headwinds, including a moderation in demand post-GST rate cuts due to reduced arbitrage and sharp price hikes across the EV industry. Meanwhile, mopeds continued to face a structural decline, with their market share contracting to 2.4%.

	FY 2024-25	FY 2025-26	YoY
Motorcycle	62.5%	60.2%	-2.3%
ICE Scooter	31.0%	32.4%	1.4%
EV Scooter	3.9%	5.0%	1.1%
Mopeds	2.6%	2.4%	-0.1%

Source: SIAM

Outlook for Motorcycle Segment

While the share of motorcycles dipped this year, the segment is expected to recover supported by the following catalysts:

Recovery in Replacement Demand: The commuter motorcycle segment is already showing green shoots of a steady turnaround. The momentum is expected to continue in FY 2026-27, driven structurally by a widening pool of aging vehicles on the road that are naturally approaching the end of their operational lifespans—creating a necessity for upgrades—alongside the ongoing permeation of GST cut benefits across the market.

Momentum in Premium Motorcycles: The premium motorcycle segment received a powerful impetus in FY 2025-26, as GST tax rationalisation lowered barriers for first-time buyers and accelerated consumer 'uptrading'. This increased demand trajectory is expected to continue, further sustained by a strong pipeline of new product launches across the industry during the year.



HF Deluxe Pro

Retail Performance

Domestic Automotive Industry

The domestic automotive industry achieved a historic milestone in FY 2025-26, recording all-time high retail sales of 29.7 million units. This 13.3% YoY expansion was catalysed by the strategic GST rate reduction, which effectively addressed affordability challenges of the consumers. Growth was broad-based across segments, led particularly by tractors, which grew by 18.9% YoY, reflecting the renewed strength and resilience of the rural economy. The Passenger Vehicle segment reached a historic milestone, surpassing the 4.7 million unit mark for the first time with 13% YoY growth.

Domestic Two-wheeler Industry

The Two-wheeler segment reclaimed pre-pandemic retail levels with 21.4 million units—a robust 13.4% YoY increase. This performance was characterised by broad-based momentum, as both urban and rural markets consistently delivered growth.

During the first five months (April to August 2025), retail growth in the two-wheeler segment remained muted at 2.4% YoY. However, the landscape shifted dramatically post September 2025, with the implementation of GST rate rationalisation. The reform acted as a powerful catalyst, triggering a 52% YoY growth in October 2025 and a strong 21.8% YoY increase during the 42-day festive window.

This momentum sustained well beyond the festivities, with the final quarter (January to March 2026) recording retail growth of 25% YoY, leading to full year growth of 13.4% despite a slow start to the year. This acceleration fundamentally underscored the transformative impact of the GST cut in unlocking mass-market affordability and revitalising both urban and rural demand.

Retail Performance of the Domestic Auto Industry

	FY 2024-25	FY 2025-26	YoY
2W	18,889,595	21,420,386	13.4%
3W	1,220,834	1,363,412	11.7%
PV	4,163,927	4,705,056	13.0%
Tractors	882,825	1,050,077	18.9%
CV	949,406	1,060,906	11.7%
CE	80,668	71,227	-11.7%
Total	**26,187,255**	**29,671,064**	**13.3%**

Source: FADA

Urban vs. Rural Retail Performance of the Domestic Auto Industry

Category	Urban	Rural
2W	15.21%	12.11%
3W	6.1%	16.7%
PV	10.4%	17.1%
Tractors	12.5%	11.0%
CV	22.4%	18.2%
CE	-9.0%	-13.7%
Total	**13.6%**	**13.1%**

Source: FADA

2W Retails (Volumes)

FY 2025-26

21.4 million units

13.4% ↑YoY

Export Sector

Exports of the two-wheeler industry registered strong momentum, achieving its highest-ever dispatches of more than 5 million units, marking a robust 23.4% YoY growth. This record-breaking performance was primarily driven by the following key factors:

- **Geographic Diversification:** Sustained demand from Latin America and a significant volume pickup from Asian markets like Bangladesh, Sri Lanka and Nepal, while Africa showed positive momentum by recovering from its bottom.
- **Macroeconomic Stabilisation:** A combination of easing inflation, improved foreign currency availability, and stabilising interest rates across key emerging markets revitalised purchasing power.
- **Portfolio Realignment:** Manufacturers successfully introduced region-specific models that resonated with international consumers seeking reliable commuter and performance options.

Exports Dispatch Performance of the 2W Industry

	FY 2024-25	FY 2025-26	YoY
Motorcycle	3,620,886	4,476,516	23.6%
ICE Scooter	562,254	674,233	19.9%
EV Scooter	6,845	8,698	27.1%
Mopeds	8,424	20,982	149.0%
Total	**4,198,403**	**5,180,429**	**23.4%**

Source: SIAM

Hero MotoCorp Performance: 25th Consecutive Year of Market Leadership

Hero MotoCorp achieved a total sales volume of 6.5 million units across its domestic and international ICE and EV portfolios, representing a robust growth of 9.7% over the previous fiscal year. This exceptional performance ensured that Hero MotoCorp maintained its position as the world's largest manufacturer of motorcycles and scooters for the 25th consecutive year.

Growth was particularly pronounced in the high-growth segments of the two-wheeler industry, notably ICE and EV scooters, premium motorcycles and Global Business. Following this strong volume trajectory, the company reported its highest-ever financials, with Revenue, EBITDA, and Profit After Tax (PAT) reaching record levels of ₹ 46,830 crore, ₹ 6,871 crore, and ₹ 5,268 crore, representing a growth of 14.9%, 17.1%, and 14.3%, respectively.

Key Trends in the Two-wheeler Industry

The Indian two-wheeler industry in FY 2025-26 witnessed a continuation of post-pandemic structural shifts, most notably the ongoing premiumisation trend driven by a K-shaped consumer recovery. This momentum accelerated further within the sub-350cc premium motorcycle segment, catalysed by the rationalisation of GST to 18% and product refreshes by manufacturers.

Concurrently, the trend of scooterisation continued to strengthen and picked up further momentum, propelled by rapid urbanisation and a rising demographic of working women seeking reliable, convenient mobility solutions. In contrast, the electric vehicle (EV) transition followed a back-loaded growth trajectory registering a sharp, meaningful acceleration in March 2026, driven by fuel supply anxieties stemming from the West Asia conflict and pre-emptive purchasing ahead of expected rollback of subsidies.

Parallel to these evolving demand dynamics, the sector navigated an intricate landscape of supply-side headwinds that rigorously tested operational resilience. Global supply chains faced disruptions from a critical shortage of Heavy Rare Earth Magnets (HREs) following stringent export licensing mandates in China, alongside foundation chip shortage triggered by geopolitical friction.

Toward the close of the fiscal year, a domestic energy supply shock—compounded by the West Asia conflict—further constrained fuel availability, forcing manufacturers to radically optimise fuel logistics and adopt alternative energy strategies to sustain production. Additionally, a sharp escalation in raw material prices, driven by surging crude oil costs and persistent supply chain bottlenecks, placed pressure on cost structures. This compelled OEMs to implement strict cost-optimisation programmes and selectively pass on price increases to consumers to protect profitability.

At Hero MotoCorp, we are highly cognisant of the structural shifts driving the two-wheeler industry toward premiumisation, scooterisation, and electrification. Capitalising on our 25 consecutive years of global market leadership, we have actively enhanced our positioning across these emerging segments by launching highly differentiated products within our premium motorcycle, scooter, and EV portfolios. To support this product offensive, we are revamping our distribution network to elevate the customer experience while simultaneously investing in brand-building initiatives to enhance our premium imagery. These efforts yielded strong early success in FY 2025-26, characterised by a 27% YoY growth in domestic ICE scooters, a 2.5X surge in VIDA wholesales over FY 2024-25, and a 27% YoY increase in Harley-Davidson wholesales.

The Post-pandemic Premiumisation Trend

The overarching trend of premiumisation continues to reshape the Indian consumer landscape, driven by a K-shaped recovery post-COVID toward luxury and performance products. This trend, already visible in premium motorcycles following the pandemic, accelerated further in FY 2025-26 as the segment grew by 18% YoY, outperforming the overall motorcycle market.

Acceleration in the Sub-350cc Segment

Following GST rate rationalisation, the sub-350cc motorcycles segment experienced strong momentum as lower entry barriers attracted first-time premium buyers and encouraged consumer uptrading. To capitalise on this organic shift in demand and maximise the benefits of the lower GST regime, manufacturers are pivoting toward mid-capacity platforms, enhancing their lineups with tech-heavy variants, and expanding their market footprint through dedicated sub-350cc motorcycles.

Headwinds in the 350cc+ Category

In contrast, the segment for motorcycles exceeding 350cc entered a period of relative consolidation. Under the revised GST structure, these high-capacity models were classified under a 40% 'luxury' slab, up from the previous effective rate of 31%. However, market prices in this category remained largely stable as most OEMs opted to absorb the tax hike, thereby shielding the buyers from price shocks. However, the segment remains sluggish compared to the booming 150cc–350cc 'sweet spot', where the combination of tax advantages and product refreshes currently offers a more compelling value proposition for the modern Indian rider. Growth in the below-350cc segment has significantly outpaced the broader premium category.

Capitalising on this high-growth opportunity, Hero MotoCorp has plans to launch new products under both the Hero MotoCorp and Harley-Davidson brands in FY 2026-27 to expand its presence in the 150-350cc premium sweet spot.



Xtreme 250R

Electrification

Back-Ended Growth in the EV Industry

In FY 2025-26, electric two-wheeler retails grew by 21% YoY to 1.46 million units, a trajectory largely in-line with the previous year. While the pace appeared steady for most of the fiscal year, the bulk of this growth was concentrated in March due to the anticipated rollback of the PM E-DRIVE subsidy—which was eventually extended to July 2026—and the West Asia conflict, which accelerated the shift toward EV adoption. Consequently, this strong performance in March pushed the final EV adoption rate to 6.6%, up from the 6.2% recorded in the prior year.

Key trends that defined the electric two-wheeler market in FY 2025-26 include the following:

Economic and Pricing impact on the EV Market

- Moderation of GST Arbitrage

  Following the September 2025 GST rationalisation, the rate on ICE two-wheelers (sub-350cc) was reduced to 18%, while the GST on EVs remained at 5%. This 10-percentage-point reduction in ICE taxation served to moderate the 'GST arbitrage' that previously gave EVs a much sharper edge on a Total Cost of Ownership (TCO) basis. While EVs continue to offer a superior TCO, this shift effectively reduced the delta between the two platforms.

- Undefined Resale Value and Secondary Market

  A critical deterrent for mass adoption remains the lack of a mature resale market. Unlike ICE vehicles, which have predictable depreciation and high demand in the used market, the resale value of an EV is heavily tied to 'invisible' variables like battery health and software longevity. Consumers still remain wary of the 'terminal value' risk at the end of ownership cycle.

- Price Hikes Taken by the EV Industry During the Year

  The industry implemented price increases during the year, primarily to counteract inflation in battery and other raw material prices. The higher ex-showroom prices made the initial acquisition cost of electric vehicles more sensitive for 'fence-sitters'.

- Phasing Out of Government Subsidies

  The subsidy under the PM E-DRIVE scheme, reduced from ₹ 10k/kWh per vehicle, was reduced to ₹ 5k/kWh starting April 2025. As the scheme reaches its conclusion, this support is expected to become zero from July 2026. This withdrawal of fiscal support increases the upfront cost for the consumer, further weighing down the TCO advantage against petrol-powered alternatives.

Manufacturing Capacity as a Growth Enabler

Constrained manufacturing capacity across the EV industry remains a key challenge, driven by supply chain disruptions and robust demand outpacing supply. Companies with scalable production capabilities and resilient supply chains are better positioned to capitalise on the sector's growth opportunities. As EV adoption continues to accelerate, manufacturing readiness will be a critical differentiator in translating market demand into sustained growth.

Supply Issues in the EV Industry Due to Heavy Rare Earth Magnet Shortage

Growth in the EV segment was significantly challenged during the reporting period owing to a global shortage of Heavy Rare Earth Elements (HREE), a critical component for high-efficiency electric motors. This disruption was precipitated in late 2025 by China, which controls over 90% of global HREE production, introducing a stringent export licensing regime. The new mandate required manufacturers to provide exhaustive end-use declarations, extending export clearance timelines from a few days to a protracted 45-60 days. This bottleneck effectively paralysed the 'just-in-time' supply chains upon which Indian EV manufacturers heavily relied on.

The impact was systemic across the sector, forcing several industry players to operate production lines at suboptimal capacity levels or face temporary manufacturing halts during the year. In contrast, Hero MotoCorp demonstrated superior supply chain resilience, maintaining planned production levels through proactive multi-sourcing strategies and the efficient, early procurement of HREE stocks. This strategic foresight ensured that our market commitments remained unaffected despite the broader industry wide production impact.

As the fiscal year progressed, the industry responded by accelerating the adoption of alternative technologies, such as ferrite motors and light rare earth magnets. These strategic pivots reflect the industry's proactive efforts to address magnet dependency and delineate its operations from future external supply risks. By diversifying motor technologies and exploring alternative sourcing corridors, manufacturers are working toward a more resilient and self-reliant ecosystem.

Other Key Barriers to Mass Adoption of EV

- **Range Anxiety and Limited Range:** Affordable models offer limited real-world range; the fear of running out of charge continues to be a key deterrent in the minds of the consumers as it gets compared to the dependable fuel-efficient ICE two-wheelers.
- **Inadequate Charging Infrastructure:** Availability of public charging stations, especially fast-charging options, is limited across India, particularly outside major metropolitan areas. This makes long journeys or spontaneous trips challenging for EV owners.
- **Battery-related Concerns:** The cost of the battery pack continues to be a significant component of the EV. Concerns about battery life, replacement costs and degradation over time continue to impact purchase decisions.
- **Charging Time:** Time required to fully charge an electric two-wheeler is significantly longer than refuelling a petrol scooter or motorcycle, making it inconvenient for users relying on quick turnaround times.

ICE Scooters

Beyond the ongoing electrification of scooters, a defining trend over the last four years has been the outperformance of ICE scooters within the two-wheeler market. The ICE scooter industry expanded at a 15% CAGR from FY 2021-22 to FY 2025-26, higher than the 12% growth of the broader ICE two-wheeler market. Consequently, the share of ICE scooters within the ICE two-wheeler sector rose from 30% in FY 2021-22 to 34% in FY 2025-26, propelled by structural and demographic shifts across India.

- **Urbanisation and Escalating Traffic Congestion:** As metropolitan regions expand, commuters are increasingly preferring the twist-and-go convenience, agility, and step-through comfort of scooters to navigate dense city gridlocks.
- **Changing Demographic Profiles:** A rapidly rising percentage of women entering the formal workforce has substantially expanded the consumer base for unisex, highly accessible mobility solutions.
- **Evolving Hyper-Local Ecosystems:** The explosion of rapid e-commerce delivery networks and everyday "milk routes"—frequent, short-distance household errands—has established the scooter as an indispensable utility vehicle for modern Indian homes.

As the segment matures, clear sub-segmentation is emerging. While entry-level 100-110cc scooters maintain a steady volume base, a rising wave of younger, aspirational buyers is driving a visible shift toward premiumisation within the scooters segment. This trend has fostered the rapid expansion of sporty and performance-oriented sub-segments in the 125cc and 150cc–160cc brackets, seamlessly blending daily urban practicality with high-spec connectivity and aggressive styling.

Supply Bottlenecks in the Two-wheeler Industry

While proactive government measures effectively addressed demand-side challenges at the start of the year, the Indian automotive industry faced significant supply-side headwinds in FY 2025-26. These disruptions were primarily driven by a high dependence on imported critical components, creating substantial risks of production shortfalls across both ICE and EV portfolios.

Heavy Rare Earth Magnet Shortage

Beyond their critical role in EV motors, Heavy Rare Earth Magnets are essential components in various sensors and switches throughout the automotive ecosystem. While these supply constraints heightened production risks during the year, the industry responded swiftly by accelerating the adoption of alternative technologies.

Recognising the strategic importance of these materials, the Government of India has taken a major step toward self-reliance by notifying a ₹ 7,280 crore PLI-style scheme (the 'Scheme to Promote Manufacturing of Sintered Rare Earth Permanent Magnets'). This initiative aims to establish 6,000 MTPA of domestic integrated capacity, effectively delineating the industry from future global supply shocks.

Hero MotoCorp has successfully mitigated the risk by moving to Light Rare Earth (Non-restricted) & Bonded Magnets, procuring Sub Assemblies from China and finding alternate supply routes—including free zone geographic locations like Vietnam & Europe—before fully switching over to ferrite magnets. These actions coupled with timely intervention in supply chain solutions, ensured that the Company did not lose any production commitment in FY 2025-26.

Memory Chip Shortage

The industry also contended with a severe shortage of 'foundation chips', such as MOSFETs, transistors, and logic gates, due to a geopolitical standoff involving the chipmaker Nexperia.

- **The Disruption:** A governance and ownership dispute between the Dutch government and Nexperia's Chinese parent company led to an export freeze from Chinese assembly plants.
- **Industry Impact:** This bottleneck caused 'imminent production outages' globally, forcing several major Indian and international OEMs to adjust production schedules.
- **Resilience:** The industry is actively addressing this by diversifying sourcing beyond single-region dependencies and seeking alternative 'standard' logic components that offer greater supply security.

Energy Supply Shock & Industrial Fuel Logistics

Toward the close of the fiscal year, the industry faced a significant energy supply shock as domestic gas availability tightened. To manage the crisis, the government prioritised domestic and residential consumption, which led to curtailed gas supplies for industrial applications. This effectively created a shortage across the manufacturing sector, forcing industry players to radically optimise gas usage. This constraint served as a catalyst for the industry to accelerate its transition toward alternative fuel sources and energy-efficient manufacturing processes to ensure operational continuity despite the volatility in traditional fuel logistics.



Rigorous Sand Bed Test for off-road desert track simulation

Outlook

Building on the strong demand momentum observed in the second half of FY 2025-26, the Indian two-wheeler industry enters FY 2026-27 with a positive outlook. Demand remains upbeat in urban centres, while prospects in rural markets continue to improve. Consequently, the two-wheeler industry is expected to maintain its trajectory of outperforming other segments within the broader automotive landscape.

Within the motorcycle market, the 100cc segment is poised for a steady recovery. This rebound will be propelled by an anticipated resurgence in replacement demand, better consumer affordability, and Hero MotoCorp's ongoing initiatives to drive market growth by scaling up premium options in both the entry-level and deluxe 100cc motorcycles. This will further be supported by intensified customer focus on mileage and fuel economy, as rising fuel costs drive customer preference toward highly efficient platforms. Concurrently, the premium motorcycle segment is projected to maintain its strong upward momentum, backed by favourable GST tailwinds and a steady stream of new product rollouts. Furthermore, the shift toward premiumisation within individual sub-segments, manifested in consumers increasingly choosing top-tier variants, is also set to speed up, driven by higher consumer aspirations and stronger purchasing power.

The Electric Vehicle industry is expected to sustain the robust growth momentum observed post March 2026. This continuation is driven by tailwinds from the West Asia conflict, which has fuelled consumer anxiety regarding higher prices and fuel availability challenges. Consequently, EV penetration within the two-wheeler market is projected to accelerate in FY 2026-27 as supply chain bottlenecks clear and manufacturers expand capacity to meet this heightened demand. Moving beyond products and services, strategic investments will target restructuring the consumer experience across physical and digital touchpoints to align with shifting consumer behaviours and expectations.

While the outlook remains optimistic, the industry's growth trajectory is closely tied to the evolving geopolitical landscape. The aftermath of the West Asia crisis has already led to heightened inflation concerns, as elevated oil prices threaten to dampen overall consumer demand. Furthermore, the sharp post-war surge in commodity prices, driven by both crude price volatility and intensified logistics challenges, presents a significant risk to manufacturing margins. These cost headwinds have led to a selective price pass-on to the end-consumer, which could potentially impact the pace of demand recovery in the near term.

Additionally, the emerging risks of El Niño conditions pose a potential threat to agricultural output; any resulting impact on rural incomes could dampen demand, necessitating close monitoring of weather patterns and their spatial distribution in the coming season.

Hero MotoCorp remains cautiously optimistic of the challenging macroeconomic environment stemming from the West Asia conflict. As the industry leader for 25 consecutive years, we view the current difficult scenario as an opportunity to unlock levers from our core strengths and further bolster our leadership. Through these challenging times, we will leverage our scale, manufacturing efficiencies, industry-leading financing capabilities; make our communication sharper while continuing to invest in growth avenues. We will aim to insulate our customers from shocks while continuing our capabilities to offer value and meet growing mobility needs.

House of Strategy: Strategic Path to 2030

Grow the Core

Expanding the 100/110cc Segment

Throughout FY 2025-26, Hero MotoCorp utilised its massive scale and market dominance in core segments as a financial engine to fund aggressive pivots into high-growth future mobility. The Company fortified its business by expanding the 100/110cc segment, which continued to be the largest contributor to the Indian two-wheeler industry and shifted the brand narrative from basic utility to 'progress and aspirational'.

This transformation, spearheaded by the launch of the HF Deluxe Pro, leveraged an unmatched distribution edge in rural India to capture strengthening demand. Hero MotoCorp redefined premiumisation by elevating models like the Splendor+ XTEC 2.0 and HF Deluxe Pro, making the Entry and Deluxe 100 segments aspirational through a synthesis of classic design and advanced technology, such as LED lighting and digital connectivity.

To address affordability and drive growth, the Company maintained a robust retail finance contribution exceeding 60% of sales volumes through initiatives like the 'Suvidhaa 2.0' scheme and Digital Retail Finance Platform, which onboarded over 17 financiers to offer loan sanctions in under five minutes. Growth was further propelled by a loyalty programme involving over 18,000 local mechanics who referred more than 2 lakh customers to authorised showrooms, while a seamless service-to-sales integration captured 1.8 lakh interest cases from vehicles older than four years, resulting in 32,000 retail sales in October 2025 alone.



HF Deluxe Pro

Marketing Campaign Spotlight

- **Splendor+ ('Khushiyon Ka Safar'):** Revitalised the legacy by celebrating 50 million Hero Splendor+ units, marking a historic milestone for the brand. By rejuvenating the iconic 'Fill it. Shut it. Forget it.' campaign, it paid tribute to the motorcycle's unparalleled legacy as India's most trusted and beloved bike. The campaign became a nationwide hit with the highest viewership of 215 million views within 60 days of launch in September 2025.
- **HF Deluxe Pro ('Naye Indian Ki Deluxe Bike'):** The campaign reflected the spirit of a confident and upwardly mobile India, where customers view owning a motorcycle as a mark of self-reliance and growth.

Market Impact

These concerted efforts culminated in the Company achieving its highest-ever market share of 90%+ in the Deluxe 100 segment, with the Splendor+ brand recording highest-ever retails of more than 3.4 million units in FY 2025-26 since its launch in 1994. Similarly, in the Entry motorcycles segment, Hero MotoCorp strengthened its leadership with a market share of 58.9%.

Retail Finance: Bridging Aspirations and Mobility

Retail Finance at Hero MotoCorp effectively bridges the gap between aspirational demand and economic accessibility of our customers. By breaking down the total cost of a two-wheeler into easy monthly payments, we have made personal mobility accessible to everyone—especially for families in rural areas and middle-income groups across India.

During FY 2025-26, the broader financing landscape remained complex due to localised shift toward cash transactions spurred by enhanced purchasing power following GST rate reductions and industry challenges led by portfolio stress and heightened delinquency levels among Non banking financing companies (NBFCs). Despite this, Hero MotoCorp maintained a position of resilience, with our retail finance penetration sustaining a formidable 60%+ level, significantly outperforming industry peers and underscoring our market dominance. Furthermore, we have capitalised on innovative financing avenues, such as No Hypothecation schemes, which now contribute nearly 3% of our total retail finance penetration.

Our financing architecture acts as a potent sales catalyst, effectively neutralising the headwinds of escalating vehicular costs. We have cultivated a robust ecosystem through the seamless integration of our captive finance arm and strategic alliances with over 17 Banks and NBFCs.

Deepening Penetration & Financial Inclusion

NBFCs continue to spearhead the sector, commanding nearly 70% of the market share through aggressive expansion into Tier II and Tier III territories. Hero MotoCorp's collaboration with 12 key NBFC partners is central to our mission of deepening financial reach:

- **Underserved Geographies:** We work closely with financial institutions to penetrate credit-starved regions, ensuring mobility is not hindered by a lack of traditional financing infrastructure.
- **First-Time Borrowers:** In collaboration with partner financiers, we have designed bespoke schemes for 'new-to-credit' customers, effectively onboarding them into the formal financial ecosystem and fostering long-term brand loyalty.

Digital Transformation via DigiFin

Modern financing has transcended interest-rate competition, evolving into a digital-first paradigm. Hero MotoCorp leads this evolution through DigiFin, our proprietary Retail Finance Marketplace Platform. This state-of-the-art interface empowers customers and dealers with an end-to-end digital journey characterised by:

- **Autonomy and Transparency:** As a pioneer in the OEM space, DigiFin offers provisional sanctions from a consortium of 17 lenders, providing customers with transparency and the freedom of choice regardless of time or location.
- **Unparalleled Velocity:** Industry-leading Average Loan Sanction Turnaround Time.
- **Unparalleled Reach:** Over 1,000 primary dealers currently benefiting from the platform.
- **Unparalleled Scale:** More than 200,000 loan applications processed in FY 2025–26 alone.

Omni-Channel Financing Solutions

Beyond traditional loans, Hero MotoCorp continuously diversifies its fiscal offerings through lucrative alternative financing solutions. By leveraging credit and debit card offers across Hero MotoCorp touchpoints, we provide a multifaceted suite of payment solutions. These cater to the evolving preferences of the modern Indian consumer, ensuring that every Hero journey begins with financial ease.

Increase Market Share in the Deluxe 125cc motorcycles segment

In FY 2025-26, the Company achieved a significant recovery in the Deluxe 125cc motorcycles segment by aggressively filling untapped 'white spaces' with the launch of the Glamour X and the Xtreme 125R featuring Dual-Channel ABS. The 125cc motorcycle market has grown consistently as it services the rising aspirations of 100/110cc customers and benefits from consumers downtrading from more expensive, larger bikes.

Disruptive innovation served as the cornerstone of this revival, as the Glamour X was positioned as 'India's Most Futuristic 125cc' bike, utilising segment-first features like Cruise Control and Ride-by-Wire to revive volumes and gain substantial share from key competitor models in regions such as Bihar and Jharkhand. Simultaneously, the Xtreme 125R successfully engaged a new, young, and aspirational premium customer base, with 97% of buyers under the age of 25. This model's reputation for safety and performance was further cemented by the addition of Dual-Channel ABS, contributing 1/3rd of the Xtreme 125R retails by exit of FY 2025-26.

Strategic growth was further guided by a multi-pronged strategy to increase both volumes and market share, specifically focusing on the Sporty 125cc sub-segment. Key strategic priorities included 'National Expansion' to transform Glamour into a pan-India brand beyond its core markets and 'Youth Cult Building', targeting a 50% volume contribution from riders under 25 for the Xtreme brand. The Company also prioritised 'Active Lifecycle Management' through rigorous Standard Operating Procedure (SOP) adherence for all product interventions and 'Product Advocacy', focusing on superior quality to reduce CPTV (Complaints Per Thousand Vehicles). Furthermore, the success of these models extended beyond domestic borders, with the Xtreme 125R achieving significant market share growth in export markets like Bangladesh.

Targeted Brand Campaigns

- **Hero Glamour X ('Future Loves Glamour X'):** This 360-degree campaign highlighted our technological superiority in the 125cc segment. It showcased the futuristic Glamour X with segment-first innovations, including Cruise Control, Three Ride Modes, and Panic Brake Alert, to elevate brand love and consumer desire.
- **Hero Xtreme 125R ('Live Xtreme'):** Built around the launch of the Dual Channel ABS variant, this high-decibel campaign features cricket icon Abhishek Sharma. Spanning TV, Print, OOH, Digital, and Influencer platforms, it positions the machine as the perfect antidote to the ordinary, capturing a bold call to escape monotony, chase adrenaline, and reinforce product superiority.



Xtreme 125R

Market Impact

Driven by these initiatives, Hero MotoCorp concluded the year on a high note, expanding its market share in the Deluxe 125cc segment by 2.4% year-on-year to reach 19% in Q4 FY 2025-26. This performance reflects strong consumer acceptance of the company's new and differentiated launches in the segment.

Increase Share in ICE scooters

In the scooter segment, Hero MotoCorp pursued a multi-pronged growth strategy in FY 2025-26, focusing on premiumisation, sub-segment expansion, and deep community engagement. The strategy aimed to address 'white spaces' in the portfolio to capture demand across both Sporty and Commuter categories in the 110cc and 125cc segments. Recognising that the 110cc segment is primarily driven by Commuter models while the 125cc segment is led by Sporty variants, the Company prioritised product diversification. This expansion covered the distinct sub-segments by aligning with specific Key Buying Factors (KBF) and introducing best-in-class and first-in-segment features.

Sporty Segment: Performance Meets Innovation

We expanded our footprint in the high-performance category with two landmark launches designed for those who prioritise agility and modern aesthetics.

- **XOOM 125:** Engineered for 'Status & Modernity Seekers', the XOOM 125 set a new benchmark for speed with a fastest-in-class acceleration of 0–60 km/h in 7.6 seconds. It features segment-first 14-inch wheels with wider tires for superior stability, alongside an Advanced LED Light Package featuring sequential winkers and an illuminated start button.
- **XOOM 160:** Positioned as the 'SUV of Scooters', this flagship model redefined the premium adventure category. Beyond its Smart Key technology, it offers unrivalled ride comfort via twin rear suspension and best-in-class 14-inch wheels with block-pattern tires. Its performance credentials were solidified by setting a record in the Indian Book of Records for crossing 32 mountain passes in just seven days.

Commuter Scooter Segment: Elevating Everyday Utility

We augmented our presence in the commuter scooter space by enhancing the Destini brand, focusing on durability, fuel efficiency, and ergonomic design.

- **Destini 110:** Addressing the core KBFs of Mileage and Durability, the Destini 110 delivers a best-in-segment mileage of 56 km per litre. It prioritises rider convenience with the longest seat in its class (785mm) and spacious legroom, supported by 12/12-inch wheels for a balanced ride.

- **Destini 125:** Rebranded as the ultimate 'Urban Commuter', the Destini 125 blends high mileage with sophisticated design. To enhance the premium commuting experience, it features auto-cancel winkers, integrated DRLs and an illuminated start switch.

Targeted Marketing Campaign

- **Destini 125 ('Hero Ka Scooter, Scooter Ka Hero'):** Featuring legendary filmmaker S.S. Rajamouli, the ad film draws from Rajamouli's signature style: epic scale, magnificent visuals, and cinematic grandeur, positioning the Hero Destini 125 as the ultimate Hero of the scooter segment - 'Hero Ka Scooter, Scooter Ka Hero'
- **Hero Pleasure+ ('Why Should Boys Have All the Fun?'):** Re-energising our bond with young female riders. Through the revival of the iconic 'Why Should Boys Have All the Fun?' campaign, we successfully positioned the Pleasure+ as a stylish and empowering choice for the modern lifestyle consumer.
- **Xoom 125 ('Get. Set. Xoom' Campaign):** Launched a high-profile marketing campaign featuring youth icon Ishaan Khatter placed at the centre of the IPL season, maximising mainstream visibility through targeted TVCs across Digital and Cable TV and strategic placements in Post-Show and Highlights segments.

Market Impact

Through this portfolio expansion across three distinct sub-segments and targeted marketing campaigns, Hero MotoCorp achieved a market share of 6.0% in FY 2025-26, up from 5.5% in FY 2024-25.

Upgradation of Channel Network

We continued our Hero 2.0 channel network upgrades to provide an enhanced, premium experience characterised by a contemporary design and a more engaging customer environment, including a modernised after-sales network. As of FY 2025-26 end, we have more than 1,400 Hero 2.0 stores across the country, with 95% coverage in metro cities. The effectiveness of this initiative is confirmed by significantly higher NPS scores at Hero 2.0 outlets compared to legacy stores.

Further, in FY 2025-26, we achieved the highest secondary network growth in the history of Hero MotoCorp with 823 new appointments (240 activated), bringing our total base to over 6,100 touchpoints. We successfully scaled this network while optimising capital expenditure on visual identity elements, thereby reducing infrastructure costs for partners while maintaining our brand ethos. This allowed for the strategic reallocation of funds toward working capital.

To drive rapid penetration, we introduced the '1S Outlet' (Sales Only) format, specifically designed for multi-brand outlets (MBOs), low-potential markets, and challenging hilly terrains where traditional setups are less viable.



Pleasure+ Xtec

Global Business: Moving with Purpose

Hero MotoCorp is accelerating its journey from a regional leader to a definitive global force in mobility. Leveraging over four decades of engineering excellence, we are expanding our reach—from local village roads to the world's most demanding highways—delivering products that seamlessly combine uncompromising dependability with contemporary, expressive design. We build for the global 'doers'—the everyday heroes who power economic progress across continents.

We continued our strategic focus on top 10 identified markets while concurrently nurturing growth in other international regions and expanding in new geographies. Our key global focus markets include Bangladesh, Colombia, Türkiye, Mexico, Nepal, Guatemala, Nigeria, the Democratic Republic of Congo (DRC), Philippines and Sri Lanka.

FY 2025-26 marked a year of decisive transformation and accelerated growth for Hero MotoCorp's Global Business achieving record dispatches of 402,786 units, a 40% YoY increase. This was led by strategic market prioritisation, sharper portfolio alignment, and disciplined execution, which translated into meaningful expansion across key geographies. Our performance reflects a focused commitment to market-fit products, deeper customer engagement, and resilient distribution partnerships. Performance across key geographies:

Bangladesh: Strengthening Leadership

In Bangladesh, we delivered a significant 48% growth in dispatches, supported by a sharp product strategy and focused execution. The Xtreme 125R has proven to be a compelling market fit, successfully attracting younger riders and enhancing brand salience. Sustained marketing investments and retail activation further strengthened customer preference, enabling us to consolidate market leadership during the fiscal year.

Colombia: Youth-led Acceleration

Colombia emerged as a standout growth engine, recording a remarkable 98% increase in dispatches. The introduction of our youth-centric portfolio, spearheaded by the Hunk and Xoom series which resonated strongly with evolving consumer aspirations. By combining aspirational design with dependable performance, we strengthened our positioning as a preferred mobility partner in Colombia's dynamic two-wheeler landscape. Consequently, our market share in Colombia nearly doubled, climbing to approximately ~8%.

Nepal: Riding with Market-fit Portfolio

Nepal remained a strategically important market within South Asia, supported by steady recovery in demand and a pronounced shift towards the fast-growing 125cc motorcycle segment. Hero MotoCorp capitalised on this momentum with the strong performance of the Xtreme 125R, which continues to gain traction among young, aspirational riders seeking a differentiated blend of sporty design, performance and value.

In scooters, portfolio expansion through the launch of the Xoom 110 has strengthened our presence in urban mobility, while the planned introduction of the Xoom 125 is expected to further enhance competitiveness in the premium scooter category.

Additionally, Nepal's unique terrain and growing adventure preference provide a natural advantage in the on-off segment, where the XPulse 200 continues to reinforce Hero MotoCorp's differentiated positioning.

Sri Lanka: A Confident Comeback

Following the lifting of import restrictions, we re-entered Sri Lanka with agility and intent. A market-aligned portfolio-led by HF Deluxe, Hunk 125R, Xtreme 160R, and Xoom 125 — enabled us to swiftly regain a 13%+ market share. Our resurgence was powered by a disciplined customer-first strategy, rapid network reactivation, and strong channel engagement, rebuilding trust while reinforcing long-term brand equity.

Nigeria: Building Resilience at the Core

Our approach in Nigeria centres on maximising rider earning potential through superior value and operational efficiency. We strengthened our service and parts ecosystem, reinforcing uptime and long-term loyalty. Through technical capability-building, on-ground activations, and community-driven engagement, we established trusted last-mile infrastructure, laying a robust foundation for sustained growth in the coming fiscal year.

Brazil Operations and Future Readiness

Strengthening Hero MotoCorp's commitment to Latin America, we formally incorporated a wholly-owned subsidiary and branch office in Brazil. This entity is currently establishing the necessary infrastructure and supply chain networks, with full-scale commercial operations on track to commence in FY 2026-27.

Strategic Entry into Europe

HMCL officially commenced operations in the United Kingdom and European Union focusing on Italy, Spain, and France. To meet the demands of these markets, Hero MotoCorp introduced a Euro 5+ compliant portfolio. This was led by the premium products: the Hunk 440, tailored for European performance standards, and the flagship adventure motorcycles, the XPulse 200 4V & XPulse Pro.

Win in Premium

During FY 2025-26, the Company successfully reimagined its premium presence by shifting from 'Mass' to 'Cult and Aspirational' positioning through the following four focus areas:

Build Portfolio

The Company aggressively filled portfolio gaps by fast-tracking the introduction of high-performance models in higher displacement 'white spaces'. Key launches included the HD X440T and the Xtreme 250R, with the latter setting a new class benchmark by reaching 0–60 km/h in just 3.25 seconds. This expansion built upon the technological advancements demonstrated by prior launches such as the Karizma XMR and XPulse 210.

Focused Marketing

Marketing initiatives were strategically amplified to build premium imagery through lifestyle integration, performance, and technological attributes. Utilising the established 4C framework—Culture, Collaboration, Community engagement, and Content creation—the Company strengthened its brands to resonate with a distinct consumer demographic. Sophisticated digital marketing strategies, including targeted online advertising and compelling digital content, were implemented to engage tech-savvy contemporary customers. Additionally, active engagement with the motorcycle riding community established an influential presence in the greater than 200cc segment, fostering brand advocacy among performance enthusiasts.

Strategic Alliances: Harley-Davidson

During FY 2025-26, Hero MotoCorp in collaboration with Harley-Davidson launched the all-new H-D X440T, drawing inspiration from the iconic Harley-Davidson Sportster XR1200. Guided by the theme 'Beyond the Everyday', the launch presented a modern interpretation of Harley-Davidson's heritage—defined by freedom, confidence, and the pursuit of one's own path. The H-D X440T brought with it a feature-rich package, including Ride by Wire, Road and Rain modes, Rear Switchable ABS and Traction Control, and a Panic Braking Alert System.

Another key moment for the brand was the H-D X440 association with the blockbuster film 'Saiyaara', which went on to achieve national and global success. This strategic integration drove a significant rise in brand awareness and market interest, reflected in multi-fold growth in search trends, increased traffic across leading automobile aggregator platforms, and a sharp rise in customer enquiries at Harley-Davidson dealerships nationwide.

A further notable milestone was the introduction of the Harley-Davidson CVO Road Glide and CVO Street Glide in India, generating widespread coverage across leading automotive platforms, including TopGear, OverDrive, Autocar, and Car&Bike. The year also marked the launch of the H-D X merchandise store on Amazon.

Roll Out of Premia Stores

The Hero Premia network served as the physical manifestation of the Company's premium ambition, focusing on experiential selling through setups that deliver 'Phygital' customer journeys. These specialised retail establishments fast-tracked their rollout to reach 130 locations across 115 cities as of March 2026, utilising contemporary aesthetics and integrated digital technologies to optimise engagement. Within these stores, distinct zones were allocated for Hero MotoCorp's high-end models, Harley-Davidson motorcycles, and VIDA electric two-wheelers to cultivate a unique, unified brand experience. The Company further bolstered this network by striving for elite after-sales standards, targeting a Customer Satisfaction Index (CSI) of 90+ and same-day delivery for its premium clientele.



Harley-Davidson X440

Build EV Leadership

VIDA was founded with the purpose of driving a movement that prioritises both people and the planet, redefining mobility as a force for good. 'VIDA' meaning life in Spanish, aims to bring cleaner air and smarter journeys to every corner of the world by making sustainable mobility widely accessible and highly affordable. Backed by the legacy of Hero MotoCorp, the brand is committed to delivering a conscious, connected ecosystem that empowers meaningful progress and a better tomorrow for everyone.

In FY 2025-26, VIDA strategically focused on product innovation, brand building, and ecosystem development to drive both market share expansion and industry growth. These efforts resulted in record-breaking retails—growing approximately 190% YoY—and a significant increase in VAHAN market share from 4.2% to 10.2% in FY 2025-26.

Launched VIDA VX2 with Industry-first Battery-as-a-Service feature

The market share gains in VIDA in FY 2025-26 were primarily driven by the strategic launch of the VIDA VX2 'EVOOTER', introduced on the birth anniversary of our Founder and Chairman Emeritus, Dr. Brijmohan Lall Munjal. Joining our existing VIDA V2 series, the VX2 competes in the family scooter segment and currently has three variants—VX2 Go (2.2kWh), VX2 Go (3.4kWh), and VX2 Plus (3.4kWh). The price laddering ensured a strong presence across all EV industry segments, including the mass, mainstream, and premium categories.

Maintaining a differentiated industry offering, the VX2 features removable batteries that allow users to charge their vehicle anywhere using a standard 5A plug point. Additionally, the VX2 pioneered the 'Battery-as-a-Service' (BaaS) feature, a disruptive pay-per-kilometre subscription model that enables the separate ownership of the chassis and the battery. This initiative directly addresses the primary barriers to EV adoption by significantly lowering high upfront costs of owning an EV scooter and eliminating concerns regarding long-term battery replacement. Beyond its functional benefits, the BaaS model served as a powerful marketing tool that successfully increased customer footfalls and improved conversion rates across our retail stores.

Furthermore, the provision of a comprehensive 5-year or 50,000 km warranty, combined with access to the country's largest charging network of over 5,900 points as of March 2026, was specifically aimed at solving other key impediments to EV adoption.

Marketing Momentum: Driving Brand Resonance and Reach

Our marketing strategy for VIDA was centred on high-impact campaigns and strategic cultural integrations to drive mass-market awareness. We launched a disruptive 360-degree campaign for the VX2 EVOOTER featuring Bollywood icons Ranbir Kapoor and Anil Kapoor, which effectively communicated the blend of EV intelligence and scooter practicality. This was followed by a high-visibility showcase on premier television properties, including Kaun Banega Crorepati (KBC) and India's Got Talent, embedding VIDA into the heart of Indian household entertainment.

To further solidify our presence in the sports and lifestyle arena, VIDA partnered as a sponsor for the IPL with Kolkata Knight Riders (KKR). This association was amplified through the high-energy VIDA VAKA VOOM campaign, leveraging the scale of professional cricket to accelerate brand recall and position VIDA as a vibrant, mainstream choice for the next generation of riders. Collectively, these initiatives led to a significant lift across all key brand KPIs, driving higher levels of awareness, consideration, and preference among consumers.

Emerging Mobility & Off-Road Exploration

VIDA also entered the off-roading segment with the debut of the DIRT.E K3, the first product in its newly created off-road line, DIRT.E. Guided by the tagline 'Wild beyond the Ride', this electric vehicle is engineered for young riders aged 4 to 10 years. It brings a fresh approach to early motorcycling by combining electric performance with a unique, size-adjustable platform that transforms across Small, Medium, and Large configurations effortlessly using a single tool. This three-stage adjustable system addresses a long-standing gap in young riders' motorcycles, which are often quickly outgrown.

Conceptualised, designed, and developed at the Hero Tech Center, Germany (HTCG) and the Centre for Innovation and Technology (CIT) in Jaipur, production of the vehicle takes place at the green manufacturing facility in Tirupati, Andhra Pradesh. The DIRT.E K3 is powered by a 350W continuous/500W peak motor paired with a 360Wh removable battery that charges from 0 to 100% in approximately three hours. Safety is built into every detail, incorporating app-enabled parental controls to manage speed limits, a young rider-scaled brake lever, a single rear hydraulic disc brake designed to reduce front-wheel washout, and a magnetic lanyard-based kill switch.

Underscoring its pioneering design and engineering excellence on the global stage, the motorcycle has been internationally recognised with the Red Dot Design Award 2025 and the CES Innovation Award Honoree 2026.

Diversify revenue streams

Scale-up PAM business

The Parts, Accessories and Merchandise business remains a cornerstone of our financial health and customer loyalty strategy. In FY 2025-26, this segment achieved a landmark revenue of ₹ 6,147 crore, representing a 5% growth YoY. This success is rooted in our 'Customer-First' philosophy—identifying underserved needs and ensuring our products are available exactly where and when our customers require them.

Deepening Market Penetration

- **Rural Connectivity:** Recognising untapped potential in rural landscapes, we extended our distribution network down to the Taluka level. This hyper-local approach ensures that genuine parts are accessible even in the remotest regions.
- **Portfolio Breadth:** Our aftermarket ecosystem now provides a 360-degree solution, ranging from Engine Oils and Bike Care products to Tyres and Batteries.

Strategic Innovation: Introducing 'PROPARTS'

To capture the high-potential 'out-of-warranty' segment, we launched PROPARTS—a strategic second line of genuine parts. Designed specifically for vehicles older than five years, PROPARTS offers a 'value-plus' proposition. It provides price-sensitive owners with a reliable, high-quality alternative to unorganised market spares, ensuring that older Hero motorcycles continue to perform with the integrity of genuine engineering at a more accessible price point.

Infrastructure and Future-proofing

- **GPC 1.0 (Neemrana):** Our Global Parts Center remains a technological marvel, managing 30,000 SKUs with peak operational efficiency through advanced automation.
- **GPC 2.0 (Tirupati):** To bolster our Southern presence, we have committed a strategic investment of ₹ 770 crore over the next two years to establish a state-of-the-art facility in Andhra Pradesh. This 'GPC 2.0' will redefine our logistical agility and drastically reduce turnaround times for our dealers and customers, while simultaneously expanding our structural capacity to seamlessly meet long-term regional demand growth.

Exploring Product Adjacencies: Investment in Euler Motors

In a major step forward for our long-term vision of leading sustainable mobility across formats, Hero MotoCorp deepened its strategic partnership with Euler Motors in FY 2025-26 by deploying an additional ₹ 210 crore. This capital infusion follows our initial investment of ₹ 510 crore (which secured a 34.1% stake) and successfully elevates our equity shareholding.

In FY 2025-26, Euler extended its product portfolio into the four-wheeler (4W) Light and Small Commercial Vehicle segments with the launch of the Storm EV and Turbo EV 1000. Featuring segment-first technology and enhanced payload capacities, these new lineups are purpose-built to transform both intra-city and inter-city logistics.

This portfolio expansion acted as a powerful growth catalyst, driving an 81% YoY surge in combined 3W and 4W sales volumes to 7,576 units in FY 2025-26. Supported by strong market adoption, Euler Motors effectively doubled its top-line performance, with revenue surging to ₹ 402 crore in FY 2025-26 from ₹ 191 crore in the previous fiscal year.

Surge

During FY 2025-26, our in-house start-up Surge EV marked a pivotal transition from engineering validation to market-ready execution. Our first product under the platform, Surge S32, a first-of-its-kind convertible vehicle that transforms from an electric two-wheeler to a three-wheeler, received type approval from the Automotive Research Association of India (ARAI). It is the first in India to be certified under the L2-5 category by the Ministry of Road Transport & Highways (MoRTH), marking a significant step from validation to market readiness.

Subsequently, we optimised assembly processes at our manufacturing facility, scaling our specialised team to support the upcoming commercial ramp-up. Our first Surge S32 vehicle was produced in our plant in May 2026. Further, we have signed five MOUs with leading logistics providers in the country to integrate the platform into their fleets.

Freedo

Freedo rentals, also our in-house startup incubated under the 'Hero Hatch' innovation platform. Designed as an accessible, asset-light alternative to vehicle ownership, Freedo addresses rising urban congestion and high ownership costs by offering flexible, user-centric two-wheeler rentals and subscriptions. This innovative venture serves as a strategic lever for Hero MotoCorp, creating a highly scalable ecosystem that expands our market reach and drives incremental revenue from emerging, high-potential digital business streams.

In FY 2025-26, Freedo achieved exponential operational growth and significantly expanded its market presence. The platform successfully doubled its geographic footprint to 28 cities and expanded its active fleet size by 85% year-on-year to cross 10,000+ vehicles. This rapid physical scaling was mirrored by a massive surge in digital adoption, as mobile application downloads more than doubled to cross 1.5 million compared to FY 2024-25, validating Freedo's strong product-market fit and robust growth trajectory.

Digitalisation

In FY 2025–26, Hero MotoCorp achieved a structural shift in its technological landscape, transitioning from digital as a support function to a 'digital-first' engine powering our global expansion and operational excellence. By consolidating fragmented touchpoints into a unified, cloud-first ecosystem, we have harmonised the experience for customers, dealers, and employees alike.

Commercial Excellence and Customer Centricity

The year was defined by a significant leap in commercial efficiency. By deploying AI-driven lead propensity models, we successfully increased our lead conversion rates from 10% to 15%. Simultaneously, targeted Machine Learning (ML) marketing campaigns transformed our customer relationships from transactional to relational, driving repeat purchase growth from 3% to 12%.

Our 'Phygital' approach bridged the gap between online convenience and offline retail. Historically manual processes, such as Roadside Assistance (RSA) and Harley Owners Group (HOG) renewals, were migrated to 100% digital journeys, ensuring instantaneous service for our riders.

Manufacturing and R&D: The 'Single Source of Truth'

On the shop floor, the transformation moved from retrospective reviews to real-time control. The deployment of 'Smart Cells' and AI-assisted quality inspections enabled in-shift monitoring and standardised checks across our facilities.

In R&D, we unlocked borderless innovation. By migrating our Product Lifecycle Management (PLM) stack to a cloud-based SaaS model, our engineering teams in Germany, Jaipur, and Gurugram now collaborate on a 'Single Source of Truth' in real-time. This was supported by a 22% boost in processing speeds through the strategic repatriation of High-Performance Computing (HPC) to on-premise infrastructure.

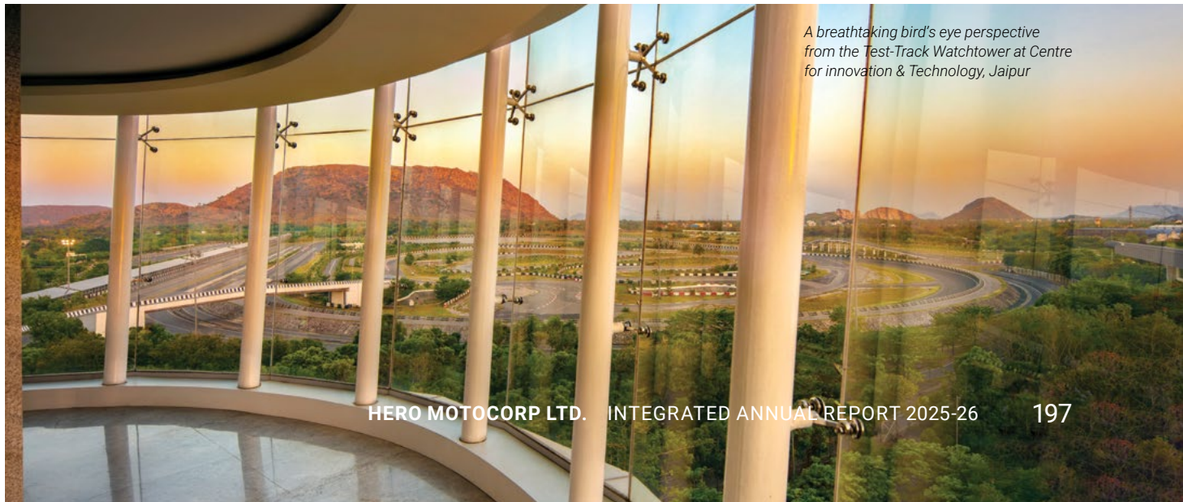
Operational Efficiency and Cost Optimisation

Data-driven decision-making scaled unprecedentedly this year, with analytics usage growing 3x. Despite this massive increase in consumption, we achieved a 30% reduction in data processing costs through the strategic optimisation of our cloud infrastructure. In our supply chain, the 'Cost It Right' digital platform now allows for real-time, zero-based costing simulations, providing SKU-level visibility into raw material and currency fluctuations.

Security, Privacy and Ethical AI

As our digital footprint expanded, so did our commitment to security. HMCL achieved 100% ISO 27001:2022 certification across all 12 facilities. Our 24/7 Security Operations Center (SOC) maintained a zero Priority 1 (P1) incident record, with a Mean Time to Response (MTTR) of 1.51 hours—five times faster than the industry benchmark.

Looking ahead, we have institutionalised an Ethical AI and Data Privacy framework. By prioritising 'explainable AI' and rigorous compliance with the DPDP Act and GDPR, we are mitigating risks related to algorithmic bias and data leakage. This resilient foundation ensures that as we scale, we do so with integrity, transparency, and a relentless focus on a high-performance, AI-led future.



A breathtaking bird's eye perspective from the Test-Track Watchtower at Centre for innovation & Technology, Jaipur

Build a Future-fit Organisation

Your Company is proactively advancing its strategic blueprint to build a "Future-fit Organisation." By institutionalising a holistic framework across financial, people, cultural, and process ecosystems, we are ensuring sustainable value creation and long-term organisational readiness.

Financially Fit

We are committed to maintaining robust margins, both overall and at the business unit level, while concurrently making strategic investments to facilitate sustained growth. To achieve this, we focus on driving the 'right margin shape' across all Strategic Business Units (SBUs)—including Global Business (GB), Domestic, Electric Vehicles (EV), Premium (PAM), and New Streams—ensuring each unit delivers profitable and resilient performance.

People Fit

To support our expanding ecosystem, we are establishing an efficient, agile Operating Model characterised by a horizontally structured, role-based framework with dedicated Centres of Excellence (CoE) and empowered, accountable BUs.

Crucially, Hero MotoCorp has prioritised the advancement of internal candidates to leadership positions, while simultaneously cultivating future leaders through robust talent pipeline and succession planning initiatives across various organisation layers. This is complemented by strategically strengthening our talent capabilities in future-critical domains and remaining open to onboarding external talent to further augment our leadership capabilities.

Culture Fit

Culture remains the bedrock of our transformation. We are fostering a value-based, inclusive, fluid, and responsive workplace designed to position your Company as a preferred employer of choice across sectors. This evolutionary mindset embeds 'First Time Right' quality and cutting-edge Innovation directly into our core organisational DNA.

Process Fit

Hero MotoCorp is strengthening its process capabilities across various critical domains, including product development, quality management, digital and AI landscape. To achieve this, we are systematically executing against key operational imperatives:

- **Lean & Digitised Operations:** Implementing lean methodologies to digitise end-to-end organisational workflows.
- **Resilient Supply Chain:** Building an innovative, data-driven, and highly responsive supply chain ecosystem.
- **Accelerated Time-to-Market:** Significantly compressing product development cycle times to stay ahead of market dynamics



New Joiner Induction

Drive ESG


Solar panels directly above thriving rooftop gardens at Neemrana plant

ESG (Environmental, Social, and Governance) has evolved from a moral obligation into a core strategic requirement. It is the primary lens through which investors, regulators, and consumers judge a company's long-term viability.

- **Global Importance:** ESG is the universal standard ('Triple Bottom Line'). Poor ESG scores risk divestment from major investors. Regulations like the EU's CSRD demand transparency, increasing climate litigation risk and requiring global supply chain compliance.
- **Importance in India:** India mandates strict ESG disclosures. The SEBI BRSR Core requires assurance for top listed companies. Meeting international ESG standards is vital for attracting Foreign direct investments and the 'Make in India' initiative. New Companies Act amendments tighten CSR and focus on governance/diversity.
- **Automobile Industry:** As a major CO_2 contributor, the sector faces intense scrutiny. The shift to EVs requires reporting 'cradle-to-grave' carbon footprint, including battery manufacturing. Focus is on Circular Economy and Product Recyclability (recovering lithium, cobalt). Companies must ensure ethical value chain including human rights and responsible sourcing.
- **Specific Impact:** In FY 2025-26, Hero MotoCorp—the world's largest manufacturer of motorcycles and scooters—reached a pivotal juncture in its 'Re-imagining Mobility' mission. The Company had completed 25 consecutive years of global market leadership, a milestone it leveraged to accelerate its transition toward a sustainable and technology-driven future.
- **Environmental:** The Transition to Green Mobility: Hero MotoCorp's FY 2025-26 environmental strategy includes Sustainable mobility and sustainable operations.
  - **Sustainable Mobility:** VIDA's market share grew from 4.2% to 10.2% in FY 2025-26, driven by the launch of VIDA VX2. The DIRT.E K3, a size-adaptive electric vehicle, won the CES 2026 Innovation Award. The 'Class-Shifting' Surge S32, developed by Hero Hatch's Surge Future Mobility, progressed from concept to regulatory pioneer, central to the 'Re-imagining Mobility' strategy.
  - **Sustainable Operations:** The Company aims for carbon-neutral operations by 2030, achieving 32% Renewable energy share and 45% Carbon Neutrality in FY 2025-26. Sustained the 500% Water positivity and 100% Zero Waste to Landfill operations. Life Cycle Assessments were completed for 80% of products (by sales value).
- **Social:** Hero MotoCorp's FY 2025-26 social focus centered on rural empowerment and road safety. It boosted financial inclusion by providing easier credit access, including specialised financing for rural women entrepreneurs. Road safety was promoted via the 'Be a Safe Hero' campaign, utilising digital videos and training centres. The company introduced Hero.Life built on the philosophy of People @ Centre, represents the complete employee journey, fostering a human-centric and growth-oriented culture that strengthens emotional connections and ensures 'One Hero' experience. Aggressively targeting 30% female representation by 2030, Hero MotoCorp supports DEI through 'SheLeads' and fostering inclusion via sensitisation workshops, earning consecutive recognition for workplace culture.
- **Governance:** FY 2025-26 was a year of external validation for Hero MotoCorp's corporate governance and sustainability reporting. Hero MotoCorp achieved significant recognition and innovation in the past year, being the sole Indian two-wheeler on the Dow Jones Sustainability Index (DJSI) for the second year. Further solidifying its ESG standing, the Company was named an ESG Leader among automotive companies by NSE Sustainability Ratings & Analytics Limited in early 2026.

The Company closed the year not just as a sales leader, but as a recognised benchmark for ESG integration in the automotive sector.

Ignite a Culture of Racing: A Landmark Year for Hero MotoSports

FY 2025-26 marked a defining chapter of global and domestic success for Hero MotoSports. On the international stage, the team solidified its position amongst the world's elite rally teams by securing a historic, remarkable double top-10 finish at the Dakar Rally 2026. Following this, Hero MotoSports ended the FIM World Rally-Raid Championship on a strong note with a prestigious 3rd place finish (Manufacturer Ranking) for the season, with Nacho Cornejo finishing in 6th place and Ross Branch finishing in 9th place in the World Championship standings. Further reinforcing this global success, team Hero secured a strong Runner-Up position in the FIM Rally-Raid World Cup (Rally2) standings.

On Indian soil, the team delivered a standout performance across the domestic circuit. Team celebrated a clean sweep at the Indian National Rally Sprint Championship (INRSC) 2025 Grand Finale, delivering a dominant performance with brilliant category victories for Somyya Chaudhary in the Women's Class (up to 260cc) and Kathiroli across Group B and Group D (165–260cc). In the Indian National Rally Championship (INRC). The team maintained strong consistency with key wins at Chikkamagaluru, wrapping up the season as Runner-Ups in two categories with Karan Kumar in Group B (up to 260cc) and Somyya Chaudhary in Women's class.

Read more page **86-87**.

Hero For Startups

Driven by a shared vision to reshape the global automotive landscape, the Hero Innovation Vertical experienced a milestone year of strategic expansion. A cornerstone of this initiative is the Hero For Startups (HFS) programme, which established itself as a premier destination for industrial innovation by reviewing over 492 applications. The programme's inaugural cohort selected four high-impact startups tasked with engineering critical solutions for infrastructure and technical challenges within the EV ecosystem.

This corporate-led momentum is mirrored across our external, internal, and partner ecosystems to cultivate multi-generational innovation pipelines. Celebrating a decade of academia-led engagement, Season 10 of the Hero Campus Challenge (HCC) witnessed a record-breaking 200,000+ registrations from over 8,000 campuses—a staggering 106% increase over last year, further solidifying Hero MotoCorp as an aspirational employer of choice. Internally, the Idea Contest acted as a powerful engine for bottom-up innovation, attracting over 1,400 ideas from the employees with top solutions driving advancements in Rider Safety, Customer Experience, and Manufacturing Quality while boosting inclusivity and diversity participation from 6% to 23%.

This culture of co-creation was extended to the next generation through the Hero Young Innovators Programme (YIP) across 27 schools, and to the frontline via the Hero Dealer Innovation Community (HIDC), which scaled intensive field engagements and multiple in-person residency visits to ensure a premium, seamless, and integrated customer journey.



Hero MotoSports Team Rally at the Indian National Rally Championship



Xclan rides

Customer Outreach Programmes

The Company significantly stepped up its consumer outreach by executing high-impact marketing campaigns to support new launches and refreshes this fiscal year. This aspiration-led strategy seamlessly engaged contemporary youth and digitally native audiences, making Hero MotoCorp the most visible brand in the two-wheeler category with an industry-leading share of voice. Key digital, experiential, and community-driven highlights from the year include:

- **High-Impact Media & Sports Properties:** Capitalised on massive cricket viewership through robust on-ground and on-air partnerships with the Men's Asia Cup and Men's T20 World Cup. Additionally, a digital integration with Kaun Banega Crorepati's 'Fastest Finger First' segment successfully cemented the attributes of speed and agility for the Hero Xtreme 125R.
- **GenAI & Digital Ecosystem Transformation:** Deployed an industry-first, WhatsApp-integrated GenAI platform enabling dealers to create localised, brand-compliant marketing assets. We also launched the all-new Integrated Hero Customer App featuring GenAI manuals, boosting digital bookings by 35% as part of our 'Hero 2.0' connected ownership strategy.
- **Targeted Influencer & Corporate Outreach:** Cultivated a dedicated Creator Ecosystem with 250+ specialised influencers, generating over 350 million views to reach digital-first consumers. On-ground demand was further accelerated by taking premium test rides directly to professionals across 40+ corporate parks in 8 major metros.
- **Premium Communities & Purpose-led Activation:** Expanded our premium XClan rider network to over 3,600 active members, institutionalising 360-degree engagement via Premia outlets. This was supported by unique experiential initiatives: the Xpulse 'Hero Prayers for Safety' campaign, which comprised of distribution of first-aid kits styled as prayer flags in the Himalayas, and the 'Hero Tiranga Trails', a civil-military platform promoting border tourism and honouring the armed forces.

Financial Performance

₹ crore

Particulars	FY 2025-26	FY 2024-25
Motorcycles and Scooters Sold (No. of units in lakhs)	64.69	58.99
Income		
- Revenue from Operations	46,830	40,756
- Other Income	1,041	1,056
Total Income	**47,871**	**41,812**
Expenses		
- Cost of Materials Consumed & Changes in Inventories	31,563	27,069
- Employee Benefit Expenses	2,711	2,595
- Other Expenses	6,626	6,021
Total expenses	40,899	35,684
Profit Before Tax	6,972	6,128
Tax Expense	1,704	1,518
Profit After Tax	5,268	4,610
Other Comprehensive Income	(16)	(12)
Total Comprehensive Income	**5,252**	**4,598**
Earning per Equity Share on Profit After Tax	263	231

Key Financial Ratios

Particulars	FY 2025-26	FY 2024-25
Trade Receivables Turnover Ratio	19.00	16.28
Inventory Turnover Ratio	19.04	18.66
Interest Coverage Ratio	316.91	324.20
Current Ratio	1.98	1.87
Debt Equity Ratio	0.01	0.01
Operating Profit Margin (%)	12.97	12.49
Net Profit Margin (%)	11.00	11.03
Return On Equity (%)	25.46	24.40

COMMENTARY

Trade Receivables Turnover Ratio: The debtor turnover ratio increased from 16.28 times in FY 2024-25 to 19.00 times in FY 2025-26. This improvement is primarily attributable to lower receivables outstanding in relation to revenue from operations.

Inventory Turnover Ratio: The inventory turnover ratio has witnessed an increase from 18.66 times in FY 2024-25 to 19.04 times in FY 2025-26. This improvement in inventory turnover is mainly on account of lower inventory levels in relation to cost of goods sold.

Interest Coverage Ratio: The interest coverage ratio has marginally decreased by 2.25% primarily due to higher interest cost increase in comparison to profit growth.

Current Ratio: The current ratio has increased from 1.87 times to 1.98 times, which has seen as positive change on account of a higher increase in current assets. The current ratio is a measure of a company's ability to meet its short-term obligations using its current assets.

Operating Profit Margin (%): Operating profit margin for the year has increase from 12.49% to 12.97%. This improvement is primarily due to better realisation, effective cost control & value engineering.

Net Profit Ratio/Margin (%): The Company maintained a stable net profit margin of 11.00%, compared with 11.03% in the previous year, supported by healthy operating margins and robust other income.

Return on Net Equity/Net Worth (%): The increase in profits has resulted in a notable improvement in the Return on Net Worth, which has increased from 24.40% to 25.46%. This improvement highlights our increased efficiency in utilising the Company's resources to generate profits.



Destini 125



Diversity, Equity & Inclusion (DE&I) workshop for leaders

Risk Management

Our Enterprise Risk Management (ERM) framework is an essential pillar of our operational resilience, safeguarding Hero MotoCorp against external headwinds while minimising internal risks through a robust, multi-tiered governance structure. At the execution level, dedicated Functional Risk SPOCs work closely with the Central Risk Team to manage and mitigate functional vulnerabilities. Strategic direction is provided by the Risk Steering Committee (Risk SteerCo), comprising CXOs, provides strategic direction, while the Risk Management Committee (RMC), a specialised sub-committee of the Board of Directors, maintains ultimate oversight and governance. By consistently providing the governing committees with proactive risk assessments, trend data, and targeted mitigations, we continuously enhance our Business Continuity Planning (BCP) capabilities. This allows us to effectively navigate complex challenges, ensure uninterrupted operations, protect stakeholder trust, and solidify market confidence in our brand.

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Internal Controls

The Company maintains a robust, digitally advanced internal controls framework validated by the Audit and Assurance function, which provides independent oversight to the Board and strategic, forward-looking risk counsel to management. Formulated in tandem with management and statutory requirements, our audit plan targets high-priority risks aligned with corporate objectives, with key findings and action plans reviewed quarterly by the Audit Committee. By extensively embedding cutting-edge technologies like data analytics, artificial intelligence, and machine learning, the Company has transitioned to continuous, real-time automated monitoring, establishing a highly pre-emptive and data-driven risk management architecture across the organisation.

Cost Savings

Our teams continuously drive operational excellence and margin resilience through our flagship cost-transformation engine, LEAP. Under this structured framework, we have intensified our focus on streamlining manufacturing workflows, lowering variable production costs by advancing tooling performance, curbing consumable waste and optimising raw material yields across our facilities. Concurrently, our manufacturing plants have aggressively adopted sustainability-driven initiatives to sharpen focus on reducing energy consumption.

By scaling these design-to-cost and structural efficiency measures, the LEAP programme resulted in cost-savings of over ₹ 534 crore in FY 2025-26, translating directly into a ~1.1% as percentage of revenue from operations.

Human Resources: Building a Future-ready Organisation

Guided by our 'People@Center' philosophy, Hero MotoCorp transitioned its human capital strategy into Hero.Life, an integrated lifecycle framework that unifies the employee journey across five strategic pillars: Hero.Embark, Hero.Belong, Hero.Learn, Hero.Thrive, and Hero.Tribe.

Hero.Embark focuses on becoming an 'Employer of Choice' and creating a 'WOW' experience for all new hires. Initiatives under this pillar this year focused on revamping the new joiner experience, Hero Campus Challenge Season 10, driving innovation and talent through participation as Gold Sponsor at BAJA SAE 2026 and focus on diversity. We are proud to report that 36% of our latest campus intake are women.

Hero.Belong ensures a workplace where everyone feels heard, valued, and comes together as 'One Hero Family'.

Hero.Learn targets building a learning culture through academies & defined learning pathways. Key development programmes under this pillar in FY 2025-26 included First Time People Manager Programme, Hero MBA,

Women in Leadership Programme and Hero B.Tech. Total training hours in FY 2025-26 stood at 8,09,116.

HeroThrive enables employees to grow in meaningful careers supported by best-in-class and transparent people policies & practices, promoting a culture of meritocracy, powered by a robust and agile performance management framework.

Hero.Tribe focuses on continuing with the Hero family for life – 'Once a Hero, Always a Hero' by providing post-retirement retention programmes.

Read more page **141-145**.

Corporate Social Responsibility

Corporate Social Responsibility is integral to our commitment towards inclusive and sustainable growth. Guided by the pillars of greener, safer, and equitable communities, the Company continues to drive impactful initiatives across environmental conservation, road safety, healthcare, education, skill development, sports promotion, and community well-being. In FY 2025-26, Hero MotoCorp's CSR initiatives positively impacted over 5.28 lakh people across India.

Under its 'Greener' pillar, the Company continued to strengthen its environmental stewardship through initiatives focused on water conservation, biodiversity restoration, ecological preservation, and sustainable resource management. Through its 'Equitable' pillar, Hero MotoCorp advanced initiatives aimed at expanding access to education, healthcare, livelihood opportunities, and sports development. Under the 'Safer' pillar, Hero MotoCorp continued to promote responsible road usage and safer mobility practices through nationwide awareness and training programmes.

Through these focused interventions, Hero MotoCorp continues to create meaningful social impact while contributing towards nation-building and the achievement of the United Nations Sustainable Development Goals (SDGs).

Read more page **152-157**.

Sports: Empowering Youth, Elevating India

We consider sports the power to move people, transform lives and propel a nation forward, much like our belief towards mobility. During FY 2025-26, we took significant strides across sports to inspire millions to dream bigger, aim higher and rise together.

Golf

Hero MotoCorp proudly anchors some of the world's most prestigious tournaments, including the Hero Indian Open, Hero Women's Indian Open, Hero Dubai Desert Classic, and Hero World Challenge. To strengthen the professional ecosystem in India, the Company supports the Hero Women's Pro Golf Tour, governed by the Women's Golf Association of India.

Our long-standing global partnership with Tiger Woods continues to amplify our stature, while we actively nurture a new wave of talent, including Pranavi Urs, Tvesa Malik, Diksha Dagar, Akshay Bhatia, Sahith Theegala, and Rayhan Thomas.



Hockey

Hero MotoCorp continues its long-standing role as a Global Partner of the International Hockey Federation since 2010, alongside its association with the Asian Hockey Federation. Locally, the Company has strengthened the domestic ecosystem through the Hero Hockey India League, spanning both men's and women's competitions to create a comprehensive platform for talent development. This mission is further supported by hockey legend and Brand Ambassador, Sardar Singh, whose legacy continues to inspire the next generation.



Cricket

During FY 2025-26, Hero MotoCorp supported both the Indian Men's and Women's National Teams through bilateral series, while maintaining a strong presence across marquee global tournaments, including the IPL, ICC events and the Asia Cup. This year, the brand expanded its future-focused momentum by associating with rising star and emerging cricket talent, Abhishek Sharma.

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Board's Report

Dear Members,

Your Directors are pleased to present this Integrated Annual Report, together with the Company's audited financial statements for the financial year ended March 31, 2026.

FINANCIAL RESULTS – STANDALONE & CONSOLIDATED

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

(₹ in crore)

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Total Income	47,871.15	41,812.29	48,469.37	41,967.50
Profit before Finance cost, Depreciation and amortisation expense	7,911.77	6,923.59	8,103.26	6,989.92
Finance cost	22.76	19.92	78.27	70.65
Depreciation and amortisation expenses	798.00	775.86	854.99	824.59
Profit before share of profit / (loss) of associates, exceptional & tax	**7,091.01**	**6,127.81**	**7,170.00**	**6,094.68**
Share in net profit / (loss) of associates (net of tax)	-	-	384.58	(161.12)
Exceptional items	(119.00)	-	(119.00)	-
Profit before tax	**6,972.01**	**6,127.81**	**7,435.58**	**5,933.56**
Tax expense				
a) Current tax	1,630.25	1,443.10	1,638.11	1,448.02
b) Deferred tax	73.55	74.76	21.77	109.73
Total tax expense	**1,703.80**	**1,517.86**	**1,659.88**	**1,557.75**
Profit after tax	**5,268.21**	**4,609.95**	**5,775.70**	**4,375.81**
Other comprehensive income /(loss) (net of tax)	(15.98)	(12.03)	56.61	(39.04)
Total comprehensive income (net of tax)	**5,252.23**	**4,597.92**	**5,832.31**	**4,336.77**
Net Profit / (loss) attributable to				
a) Owners of the Company	5,268.21	4,609.95	5,741.73	4,378.48
b) Non-controlling interests	-	-	33.97	(2.67)
Other comprehensive income/(loss) attributable to				
a) Owners of the Company	(15.98)	(12.03)	43.90	(32.10)
b) Non-controlling interests	-	-	12.71	(6.94)
Total comprehensive income/(loss) attributable to				
a) Owners of the Company	5,252.23	4,597.92	5,785.63	4,346.38
b) Non-controlling interest	-	-	46.68	(9.61)
Balance of profit brought forward	16,979.51	15,181.42	16,428.19	14,870.51
Dividend				
a) Interim	2,200.99	2,000.11	2,200.99	2,000.11
b) Final	1,300.10	799.72	1,300.10	799.72
Adjustment on account of change in Controlling interest	-	-	34.51	3.99
Other comprehensive income/(loss) (net of tax)	-	-	15.44	(24.96)
Balance carried to Balance Sheet	**18,730.65**	**16,979.51**	**18,718.78**	**16,428.19**
Earnings per equity share on Net Profit from ordinary activities after tax (face value ₹ 2/- each) (In Rupees)				
- **Basic**	263.34	230.53	287.01	218.96
- **Diluted**	263.07	230.25	286.72	218.69

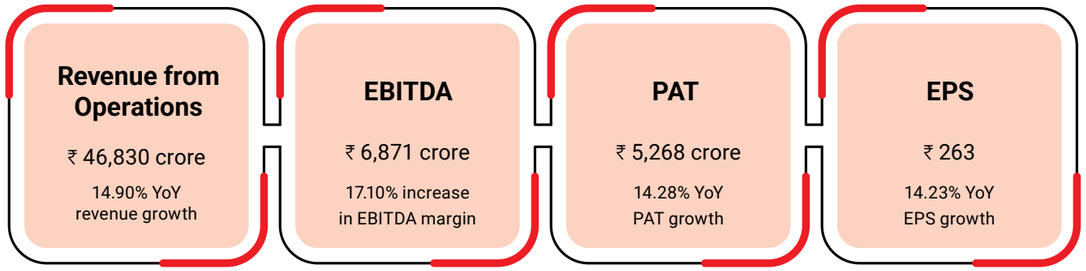
FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

During FY 2025-26, your Company clocked sales of 64.69 lakh units over 58.99 lakh units in the previous FY. Revenue from Operations was ₹ 46,830.14 crore as compared to ₹ 40,756.37 crore in FY 2024-25, registering an increase of 14.90%.

Profit before tax (PBT) in FY 2025-26 was ₹ 7,091.01 crore as compared to ₹ 6,127.81 crore in FY 2024-25, reflecting an increase of 15.72%. Profit after tax (PAT) in FY 2025-26 was ₹ 5,268.21 crore as against ₹ 4,609.95 crore in FY 2024-25, an increase of 14.28% from the previous year.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) stood at ₹ 6,870.76 crore as compared to ₹ 5,867.67 crore in FY 2024-25, reflecting an increase of 17.10% from the previous year.

Standalone Performance Highlights FY 2025-26



The financial results, operations, major developments, and the Company's Statement of affairs are discussed in details in the Management Discussion and Analysis Report.

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 financial year ended March 31, 2026 along with the Auditor's Report are provided in this Integrated Annual Report.

UPDATE ON SIGNIFICANT MATTERS

The Income Tax Authorities had disallowed certain expenses incurred in prior periods and made a demand of ₹ 27 crore (previous year ₹ 178 crore). The Company is in the process of filing an appeal with the Income Tax Appellate Tribunal (ITAT). The Company has evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information had concluded that no provision is required for this demand as it is probable that the Company's position will be accepted upon ultimate resolution.

Further, there were investigations initiated by government agencies in the past and certain of those investigations have been concluded favorably. Based on the developments in favour of the Company's position and external legal advice, the Company after considering available information and facts, as of the date of approval of the financial statements, has not identified any material adjustments, disclosures or any effect to financial statements or financial information.

These facts have also been disclosed in the note no. 34 of the standalone financial statements and note no. 36 in the consolidated financial statements. The Statutory Auditor's Report (standalone and consolidated) remains unmodified.

CAPITAL STRUCTURE

The authorised share capital of the Company as on March 31, 2026 is ₹ 58,00,00,000/- divided into 25,00,00,000 equity shares of face value of ₹ 2/- each and 8,00,000 preference shares of face value of ₹ 100/- each.

During the year under review, 78,941 equity shares of ₹ 2/- each were allotted on exercise of Employee Stock Options, Restricted Stock Units and Performance Restricted Stock Units, by the employees of the Company, issued under the Employee Incentive Scheme-2014. Consequently, the issued and paid-up share capital of the Company as on March 31, 2026 was ₹ 40,01,79,554/- divided into 20,00,89,777 equity shares of ₹ 2/- each.

The Company has not issued any equity shares with differential voting 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

Considering the good performance of the Company and a strong cash flow, your Directors are pleased to recommend for your approval a final dividend of ₹ 75/- per equity share (3,750%) of face value of ₹ 2/- each, in addition to an overall Interim Dividend of ₹ 110/- per share (5,500%), aggregating a total dividend payout of ₹ 185/- per equity share (9,250%) out of the profits for the Financial Year 2025-26. In the previous year, total dividend payout of ₹ 165/- per equity share (8,250%) 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. The Company has fixed Friday, July 24, 2026 as the record date for the purpose of determining the entitlement of Members to receive the final dividend for FY 2025-26.

The dividend recommended (including interim dividend paid) is in accordance with the Dividend Distribution Policy of the Company.

Pursuant to the amendment in the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("the Listing Regulations"), the provisions pertaining to payment of dividend through "payable-at-par" warrants and cheques have been discontinued, effective from November 19, 2025. Accordingly, the dividend, if declared, shall be paid only through electronic mode of payment, where the bank account details of the members are available.

Further, the SEBI has mandated that the shareholders, holding shares in physical form, whose folio(s) are not updated with the KYC details (viz., PAN, contact details, mobile number and bank account details and signature etc., if any) shall be eligible for dividend payment only upon furnishing of above-mentioned details.

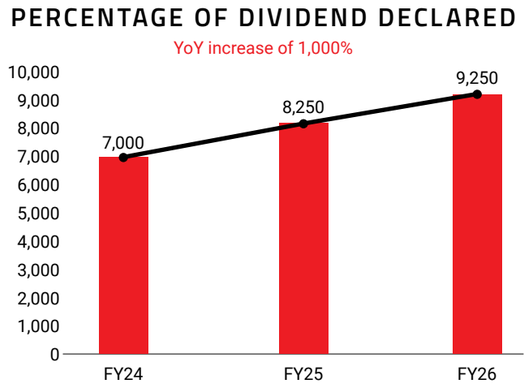
The dividend, if declared, will be taxable in the hands of the shareholders subject to Tax Deducted at Source (TDS), as per the applicable rates. The TDS rate would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company. A notice detailing the process and documents required for the TDS shall be sent separately via email to the shareholders whose email address is registered with the Depository Participant/ RTA. Further, the formats of declaration are also available on the Company's website at https://www.heromotocorp.com/en-in/company/investors/shareholder-resources.html?key1=downloads.

Scan the QR code to view formats of declaration:

Dividend Distribution Policy of the Company as per Listing Regulations is available at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/dividend_distribution_policy_2024.pdf

Scan the QR code to view the Dividend Distribution Policy:

Your Company's dividend distribution trend of the previous three financial years' is illustrated below:



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 2025-26, there was no change in the nature of Company's business.

CAPACITY EXPANSION, NEW PROJECTS & STRATEGIC ALLIANCES

Transformative Manufacturing Strategies & Synergies: Redefining Mobility for FY26

Fiscal Year 2026 has been a year of decisive transformation for your Company. As we pivot toward a future defined by high-performance mobility and sustainable technology, our manufacturing philosophy has evolved. We are not only getting ourselves ready for a strategic expansion, but we are re-engineering our core to harmonise traditional excellence with next-generation innovation.

Capacity Augmentation & Future-Readiness

In FY26, the Company successfully initiated a sophisticated transition of its legacy manufacturing footprints to make it more agile and future ready. Our capacities are being meticulously optimised to favour a high-yield portfolio concentrated on Premium Motorcycles, Scooters, and Electric Vehicles (EVs), while ensuring the continued expansion of our market share in commuter motorcycles.

This strategic augmentation is not merely about scale; it is about better capacity utilisation and ecosystem readiness. By redesigning our manufacturing footprint strategy, we are ensuring that the infrastructure and capacity required for next-generation mobility are firmly in place ahead of the demand.

GPC 2.0: Elevating Supply Chain Resilience & Customer Centricity

A critical pillar of our customer satisfaction strategy and a testament to our supply chain resilience is the strategic capacity expansion to meet the demand of our parts and accessories business. In FY26, the Board of Directors approved an additional investment of ₹ 170 crore for the development of Global Parts Center (GPC) 2.0 in Tirupati, Andhra Pradesh. This approval is in addition to the initial investment approval of ₹ 600 crore. GPC 2.0 is engineered to exponentially increase operational efficiency through a suite of advanced and diverse cyber-physical innovations like Automated Storage and Retrieval Systems (ASRS), Centralised Order Management System, and Automated Sorters etc. —all designed to work in perfect synchronisation. Our objective is steadfast: ensuring that no customer has to wait for the components they need.

Unlocking the Unparalleled Operational Efficiency

The New Global Part Centre is redefining the vertical storage and retrieval standards. Featuring a high-tech conveyor network spanning over 5 km, the facility significantly augments much beyond our existing logistical capabilities at Neemrana. This hub will serve as a strategic pillar for our "Parts, Accessories & Merchandise" (PAM) business, supporting our expanding global footprint. Positioned strategically in Southern India, the Tirupati facility optimises lead times for domestic sales and accelerates our responsiveness in international export markets. Beyond operational gains, this expansion will also serve as a catalyst for regional growth, creating significant new employment opportunities and fostering a specialised talent pool in the region.

GLOBAL FORAYS

Redefining Global Mobility: Precision, Purpose, and Performance

In FY 2025–26, the Company solidified its standing as a powerhouse in the global mobility sector, achieving a historic export milestone of 4,02,786 units. This represents a significant 40.13% YoY growth, a feat driven by new product launches, network expansion, and operational excellence across its international footprint.

Key Growth Drivers in FY 2025-26

1. Market-focused strategy: Driving growth through hyper-local execution

Throughout FY 2025–26, the Company accelerated its global momentum by adopting an insight-led, hyper-local strategy tailored to the specific nuances of diverse international markets. By integrating deep consumer analytics with agile planning and robust on-ground execution, the Company achieved substantial gains across key territories, including Mexico, Argentina, Guatemala, Nepal, and Sri Lanka. Your Company's strategic joint ventures emerged as primary growth engines, delivering standout results:

Colombia: Achieved a phenomenal 103.62% YoY retail growth. This surge was propelled by the successful rollout of new products, aggressive retail footprint expansion, and high-impact brand activations.

103.62%
YoY retail growth in Colombia

Bangladesh: Recorded a 16.73% increase in retail sales, underpinned by unwavering brand trust, the introduction of refreshed product lineup, and the implementation of precision-targeted channel strategies.

2. Product portfolio enhancement: elevating brand relevance

To stay ahead of evolving consumer preferences and strengthen its competitive edge, the Company strategically expanded its global line-up with the introduction of high-impact models such as the Xoom 125, Hunk 440, and Hunk 250. These additions effectively bridge the gap between premium performance aspirations and daily commuting efficiency. By diversifying its offerings, the Company has enhanced its value proposition across international markets, ensuring a robust presence in both high-growth and established segments.

3. Scaling and elevating brand Hero in global markets

The Company has successfully expanded its brand reach in Europe and elevated its presence across markets through innovative, product-specific localised campaigns.

High-impact market launch campaigns for the Xoom 110, Xoom 125, Xtreme 125, Hunk 250, and Xtreme 160 were central to this growth. These efforts, combined with strategic on-ground consumer engagements and strong influencer associations have been instrumental in building a stronger brand.

4. Strategic market expansion and key Re-entries

The Company reached significant milestones in its global journey by expanding its footprint and revitalising presence in high-potential regions:

Revival of strategic markets: The Company successfully re-launched operations in Sri Lanka clocking ~48K units of dispatch and started dispatches to Ecuador, with a refreshed, consumer-centric product lineup.

European market entry: Marking a bold step into advanced economies, the Company officially commenced operations across Europe, establishing a presence in the UK, Italy, France, and Spain, with a Euro 5+ compliant portfolio.

Brazil operations & future readiness: Solidifying its commitment to Latin America, the Company incorporated a wholly-owned subsidiary in Brazil. This entity is currently building the vital infrastructure and supply chain networks required for a full-scale commercial launch scheduled for FY 2026–27.

5. Accelerating digital transformation

In FY 2025–26, the Company strengthened its global agility by accelerating digital transformation and expanding its digital presence to deliver a seamless customer experience.

Key FY'26 initiatives included:

Global digital presence: Revamped global websites and enhanced hyper-local presence to deliver a seamless experience and drive high-intent, location-based engagement.

Data-driven decision making: Leveraged social listening and competitive intelligence to drive data-led strategies and more informed decision-making across markets.

Ecosystem integration: Deployed Lead Management System (LMS) and Dealer Manager System (DMS) to ensure seamless data governance, improved visibility, and enhanced operational and channel partner efficiency.

Together, these initiatives enabled an integrated customer and dealer ecosystem, driven by customer-centricity, enhanced convenience, and intelligent cognition.

INNOVATION

Hero Innovation: Building a Culture of Co-Creation for a Future-Ready India

FY 2025-26 marked a transformative period of expansion for the Hero Innovation Vertical, reinforcing our commitment to an inclusive, forward-thinking innovation culture. Guided by the Executive Chairman's vision, this vertical has emerged as a strategic enabler of change—seamlessly bridging the gap between visionary entrepreneurial ideas and large-scale corporate integration.

Empowering Entrepreneurial Ecosystems - Hero For Startups (HFS)

What began as a visionary concept from our Chairman has evolved into a thriving engine of innovation. In 2026, the Hero For Startups (HFS) programme solidified its position as a premier catalyst for the future of mobility by connecting agile startups with corporate expertise.

- **Inaugural Cohort:** From a competitive pool of over 492 start-up applications, a rigorous multi-stage evaluation identified four high-impact start-ups.
- **Strategic Focus:** These start-ups are developing high-impact solutions that directly address critical technical and infrastructure challenges within the EV ecosystem.
- **Resource Access:** Selected start-ups gain access to the Company's world-class resources, mentorship, and business development opportunities to scale solutions.
- **Seamless Integration:** By transitioning these Proof of Concepts (POCs) into our Business Units, we are moving towards a smarter, more reliable, and sustainable electric future.

Celebrating a Decade of Academia-Led Innovation- Hero Campus Challenge (HCC)

Season 10 of the Hero Campus Challenge (HCC) marks a monumental decade of engagement, cementing its status as India's premier platform for fostering professional excellence and student-led innovation.

- **Extraordinary Scale:** This milestone edition witnessed a record-breaking 200,000+ registrations from over 8,000 campuses, representing a staggering 106% increase in participation compared to the previous year.

200,000+
Registrations in Hero Campus Challenge Season 10

- **Employer of Choice:** Such exponential growth underscores the deep trust and aspiration the student community associates with your Company, further solidifying our position as a preferred employer in a highly competitive corporate landscape.
- **Bridging the Gap:** By providing direct mentorship from senior leadership and exposure to high-stakes, real-world business challenges, HCC serves as a vital launchpad for the next generation of industry leaders and problem solvers.

Fostering Internal Innovation: The Idea Contest

The FY 2025-26 edition of our Idea Contest demonstrated immense creative potential within your company, serving as a powerful engine for bottom-up innovation.

- **High Participation:** With over 1,400 ideas submitted, the programme reflects a widespread enthusiasm among employees to actively shape the Company's innovation agenda.
- **Strategic Impact:** The top 10 finalists pitched directly to the leadership team, with the Top 5 winning solutions driving advancements in Rider Safety, Customer Experience, Manufacturing Quality, and Operational Efficiency.
- **Inclusivity:** We continue to prioritise inclusivity, sustaining a significant leap in diversity participation—which has grown from 6% to 23%. This ensures that our innovation pipeline benefits from a wide range of perspectives across the entire organisation.

Nurturing Tomorrow: Hero Young Innovators Programme (YIP)

Now in its third season, the programme has evolved into a vital mission to ignite the creative spirit of the next generation, fostering a mindset of innovation from an early age.

- **Strategic Engagement:** The programme expanded its reach across the Delhi/NCR region, evaluating over 250 applications from 27 schools.
- **Experiential Learning:** By providing a dedicated platform for Design Thinking, we equip students with critical problem-solving skills and strategic experiential learning.
- **Fresh Perspectives:** These youthful insights allow us to view the future of mobility through a unique lens, helping us imagine more inclusive and imaginative solutions for decades to come.

Empowering the Partner Network: Hero Dealer Innovation Community (HIDC)

Building upon the strategic foundation established by Executive Chairman, Dr. Pawan Munjal, the Hero Dealer Innovation Community significantly scaled its operations in FY 2025-26, bridging the gap between corporate strategy and frontline execution.

- **Strategic Outreach:** The year was marked by intensive field engagement, including 28 in-person residency visits, collaborative brainstorming sessions, and specialised workshops designed to harvest insights directly from the market.
- **Collaborative Solutioning:** The platform serves as a peer-learning hub, encouraging localised innovation where dealer partners share best practices and co-create solutions tailored to diverse regional needs.
- **Elevating the Customer Journey:** By synchronising physical, digital, and service touchpoints, this initiative ensures a seamless and premium experience for every Hero customer, reinforcing brand loyalty at the point of sale.

ETHICAL PRACTICES

Pledged to ethical and responsible conduct, the Company believes in acting in the best interest of the customers, public, employees, business partners and all other stakeholders. Successful business and reputation is built on prioritising the interest of stakeholders and establishing a strong foundation of trust. Your Company follows rigorous product safety and quality standards to fulfil its fundamental responsibility to build the faith of the customers in the quality of products. Supplier selection and purchases are based on need, quality, service, price and other terms and conditions. Supplier relationships are conducted by way of appropriate written contracts and are based on high standards of ethical business behaviour. Duty to the Company requires its employees to avoid and disclose actual and apparent conflicts of interest. No employee shall appropriate corporate business opportunities for themselves and use the Company's information or position for personal gains. The Company is committed to transparency in disclosures and public communications except where the need of business security dictates otherwise. The Company is committed to make full, fair, accurate, timely and understandable disclosure on all material aspects of its business including periodic financial reports that are filed with or submitted to regulatory authorities.

QUALITY

Hero MotoCorp is driven by the foundational belief that quality is not a fixed goal but a relentless journey towards perfection. This commitment to excellence is

the core principle guiding all our operations, shaping our perspective on every challenge we face. We ensure this pursuit of quality is practical and actionable through a comprehensive quality architecture that governs every facet of our global value chain.Our NABL-accredited labs, 100% ISO 9001:2015-certified manufacturing plants, and annual internal quality audits supported by continuous employee compliance training, further demonstrate our unwavering dedication to superior quality.

Central to our operational philosophy is the understanding that quality constitutes a dynamic ecosystem, one that is continuously enhanced through visionary leadership, international expansion, and digital maturation. Under the strategic direction of the Chief Executive Officer (CEO), we are preparing for the next phase of growth by strengthening the Quality Organisation Structure. Central to this evolution is the Corporate Quality function, which is led by Mr. Manish Srivastava as the Chief Quality Officer (CQO) and focus primarily on the institutionalisation of quality systems, practices, and governance. The team is dedicated to strengthening new product readiness and systematically translating market intelligence—including reliability metrics and customer feedback surveys—into quantifiable product and process enhancements.

To proactively prevent product defects and recalls, we enforce a strict quality framework spanning both our supply chain and internal operations. We are already on the path of fundamentally overhauling our internal systems. This formalised methodology prioritises precision and innovation throughout the entire development lifecycle, guaranteeing that new models meet our exacting standards before their introduction to the production line. A vital component of this endeavor is the elevation of Perceived Quality to a premium level; to institutionalise this, we have shared 150+ comprehensive guidelines with our R&D teams, focusing on meticulous refinements in aesthetics, haptics, and auditory attributes. Central to this transformation is a new subject-matter-based structure within Supplier Quality Assurance (SQA), which emphasises holistic supplier enhancement and deep-tier collaboration to address chronic issues. At the supplier level, this includes robust New Model processes, Production Part Approval Processes (PPAP), and Quality Assurance Verifications (QAV). Internally, HMCL utilises layered incoming inspections, functional testing, Poka-Yoke error-proofing methods, and exhaustive final vehicle dock audits, ensuring zero defective products reach our customers while minimising environmental impact. These initiatives have yielded demonstrable success, resulting in a 20% reduction in unscheduled service visits (0-4k km) and a 16% reduction in two-year warranty costs. Critically, we have systematically resolved key concerns identified in the JD Power market surveys, ensuring our internal benchmarks align with external customer expectations. As we strengthen the Advanced Product Quality Planning (APQP) methodology for forthcoming new models, we provide a structured framework for every development phase, while our Safe Launch protocols—most notably within the Harley series—ensure absolute supplier readiness and stability during initial production phases.

Concurrently, we have initiated a significant digital transformation to fortify our value chain. We have enhanced existing control plans, digital supplier & internal manufacturing process audits while launching integrated platforms such as integrated Poka Yoke system at your Company assembly line, the Quality Flash Report- Corrective Action and Preventive Action (QFR-CAPA) system and a Change Management portal for suppliers. With the pilot phases of Self Certified Supplies, Digital Pre Dispatch Inspection (PDI) and Traceability 2.0 nearing conclusion, we are now capable of capturing critical Critical to Quality (CTQs) of functional components with unprecedented accuracy, ensuring that data-driven integrity is seamlessly integrated into the structure of our digital future.

SAFETY AND WELL BEING OF EMPLOYEES

Your Company is committed to building a robust Occupational Safety & Health culture by implementing high safety standards and leveraging technological advancements. Central to this mission is the empowerment of our workforce through active participation and consultation. The Company has an Occupational Health & Safety Policy with a focus to prevent any work related injury and ill health of employees, permanent & non-permanent workers, contractors, community and all interested parties by eliminating hazards and reducing risks. The Company believes in building inherent safety mechanisms in its machines, equipment's and processes and put in the best efforts to provide safe and comfortable working conditions.

The management initiated a safety culture transformation journey across all plants during the year. The project is dedicated to elevate the safety and wellbeing of every employee through a multi-layered, proactive strategy. This initiative focuses on strengthening our internal oversight by reinforcing inter-plant safety audits and establishing a robust governance mechanism that tracks both lead and lag safety indicators across all plants. We are bridging the gap between perception and practice by conducting safety perception surveys. To ensure we remain at the cutting edge, we are benchmarking external best practices, developing e-learning modules, and cultivating shopwise Hazard Identification and Risk Assessment (HIRA) Subject Matter Experts (SMEs) supported by Cross-Functional Teams.

We have the integration of advanced AI and IoT-based solutions to monitor and mitigate unsafe practices and behaviour on the shop floor in real-time. AI-based safety capturing is no longer just a "futuristic concept"—it is a core driver of financial and operational resilience by shifting from reactive (learning from accidents) to predictive (preventing them before they happen. Core objectives of the AI-based safety system are as follows:

- **Total Compliance:** Ensure 100% alignment with the Occupational Safety, Health and Working Conditions (OSH) Code 2025.
- **Incident Prevention:** Shift from learning from accidents to preventing them via real-time automated surveillance.
- **Cultural Transformation:** Creating a Just and Fair Safety Culture.
- **Operational Resilience:** Reduce the 12–24 hours of line stoppage typically caused by major safety incidents.
- **Efficient security surveillance:** optimise security work force, prevent illegal intrusions at the perimeter, and predict information about IR threats.

To protect our employees from the potential risk of accidents during material handling and traffic movement within the plant premises, the following protective measures have been implemented and are currently being practiced:

- Engineering controls in Material Handling Equipment (MHE) like biometric sensors for controlled access, speed control governors and reverse horns.
- Administrative controls in MHE like mandatory induction and refresher training, alongside an authorisation system for MHE operators, implementation of an MHE audit system.
- Infrastructure upgradation like provision of comfortable driver rest areas, strengthening of road safety equipment (e.g., cones, barriers, traffic lights, high-visibility clothing).

Emergency preparedness remained a focus area across all the plants where mock drills were conducted in coordination with the State Disaster Response Force (SDRF) and National Disaster Response Force (NDRF) with different mock scenarios, based on easy to understand emergency mitigation protocols were developed.

Safety training remained a key focus area for employee awareness on safety procedures, work instructions through a structured safety induction programme. The process safety addressed through on the job safety training of the employees for awareness on specific hazards/ risk and safety controls during operations. A behaviour observation system was deployed for controlling the unsafe behaviours on the shop floor.

DIVERSITY, EQUITY & INCLUSION

Sustaining Momentum, Deepening Impact

Your Company's Diversity, Equity and Inclusion (DEI) continues to be a strategic priority, deeply embedded in our culture and people practices. Building on the strong foundation established over the past years, FY26 reflects our continued commitment to sustaining progress, strengthening representation and fostering an inclusive workplace where every individual feels valued and empowered to belong.

Your Company's DEI approach is anchored in creating equitable opportunities, inclusive leadership and a culture of respect and dignity for all.

Our Continued focus areas

- **Strengthening representation:** We remained committed to improving Gender diversity across levels, with a focused effort on increasing women participation in leadership and managerial roles and building robust pipelines through targeted hiring and development initiatives of women in manufacturing roles.
- **Advancing inclusion through culture:** Inclusion remains at the heart of DEI strategy and through sustained interventions of DEI sensitisation: Fine balance workshop and creating inclusive policies for all.

Greens Shoots : Our growing impact

- 14.6% women representation in our workforce
- 40% of women in executive leadership
- 36% women joined through our Campus programme

22.6%
Increase in the total number of women in workforce

Empowering Women in Leadership

We continue to invest in programmes that support women at different life and career stages.

- **Women in Leadership Programme (in partnership with BML University):** This programme, tailored for women employees aspiring to managerial and leadership positions, has successfully concluded its 9th batch this year. We are proud to see the continued impact of this programme in empowering women to advance their careers.
- **SheLeads: Leaders without Limit:** Building on the success of Batch 1 of our leadership development initiative- "SheLeads: Leaders without Limit," a transformative journey designed to empower women employees to embrace their "Power of Self." FY 26 successfully marked the launch of Batch 2,

with a more determined and focused journey. The continued investment reflects our focus on creating strong future-ready women leaders.

- **MOMentum:** We continued celebrating "Return to Work" for new mothers transitioning to work post their maternity leave.

#GivetoGain: A month of Purposeful Action

This year's International Women's Day, themed #GivetoGain was designed to go beyond celebration and create meaningful impact. The initiative brought together women employees across locations through a thoughtfully curated calendar of engagement focused on Learn & Grow, Inspire & Connect, Gain Creative Expressions and Give Back. From virtual sessions to in-person activities, the whole month captured the different perspectives and life experiences.

- Financial literacy and independence
- Elder care awareness and support
- Menopause and holistic development
- Community engagement and volunteering

Through the strong participation and cross-functional involvement, #GivetoGain reinforced our commitment of collective growth, allyship, and giving back to the community, while fostering deeper conversations around inclusion and equity.

Recognition of DEI efforts

- **"Best Companies for Women in India, Manufacturing 2024-25"** by Avtar and Seramount for the second time in a row. The Award recognises the Company's strategic and progressive policies and practices to scale up the number of women in its workforce contributing to a larger systemic change in the participation of women in the automotive workforce.

We believe that your Company's strength lies in its diverse workforce and inclusive culture. As we sustain our efforts, we remain committed to creating an environment where everyone can contribute, grow and truly belong.

Best Companies
for Women in India, Manufacturing 2024-25

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As on March 31, 2026, your Company has 7 subsidiaries including step down subsidiaries and 3 associate companies. The performance of these companies are regularly monitored.

The annual accounts of these 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 and associate companies.

In compliance with the provision of Section 129(3) of the Act, a separate statement containing the salient features of financial statements of subsidiaries and associates of the Company in the prescribed Form AOC-1 is annexed to the consolidated financial statement excluding Clean Max Karakoram Private Limited.

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 manufacturing, 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 2025-26, HTCG has reported unadjusted revenue of ₹ 238.17 crore and a net profit of ₹ 12.84 crore.

HMCL Netherlands B.V. ('HNBV')

HNBV is a wholly owned subsidiary of your Company, incorporated in the Netherlands as a private company with limited liability under the laws of The Netherlands with the primary objective of promoting overseas investments. During FY 2025-26, HNBV has reported net loss of ₹ 2.86 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 58.79% equity in HMCLC and 41% equity is held by Woven Holdings LLC, on a fully diluted basis. The main business of HMCLC is to manufacture and sell two-wheelers in Colombia. It has a manufacturing facility with a production capacity of 1,20,000 units per annum. During FY 2025- 26, the Company has reported unadjusted revenue of ₹ 1,655.91 crore and a net profit of ₹ 73.05 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 Niloy Motors Limited, 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 units per annum. During FY 2025-26, HNBL reported unadjusted revenue of ₹ 825.82 crore and a net profit of ₹ 5.13 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 FY 2025-26, HMCLA has reported unadjusted revenue of ₹ 1.09 crore and a net profit of ₹ 0.40 crore.

HMC MM Auto Limited ('HMCMMA')

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 HMCMMA. During FY 2025-26, HMCMMA has reported unadjusted revenue of ₹ 482.42 crore and a net profit of ₹ 13.64 crore.

Hero MotoCorp Do Brasil Ltda ('HMDB')

Your Company formed a wholly owned subsidiary in Brazil in April 2025 for the purpose of manufacturing and distribution of two-wheeler vehicles including parts and accessories thereof. This subsidiary has not commenced its operations yet.

Associate Companies

Hero FinCorp Limited ('HFCL')

HFCL is an associate of your Company. Your Company holds 40.45% in the 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. HFCL filed its Draft Red Hearing Prospectus (DRHP) on July 31, 2024 and a subsequent addendum on November 17, 2025 with the Securities and Exchange Board of India , BSE Limited and National Stock Exchange of India Limited in connection with the Initial Public Offering of its equity shares comprising of a fresh issue of Equity Shares and an offer for sale of Equity Shares by certain existing and eligible shareholders.

The Offer is subject to receipt of regulatory approvals, market conditions and other considerations.

During FY 2025-26, HFCL's Loss attributable to the Company is ₹ 60.04 crore.

Ather Energy Limited ('AEL')

AEL is a public limited listed company, focused on developing, designing and selling premium electric two-wheelers. The equity shares of AEL were listed and admitted on BSE Limited and National Stock Exchange of India Limited, effective from May 6, 2025. The shareholding of your Company in AEL is 30.07% as on March 31, 2026. During FY 2025-26, AEL's loss attributable to the Company is ₹ 157.22 crore.

Euler Motors Private Limited ('Euler Motors')

Your Company holds 34.12% shareholding of Euler Motors. Euler Motors is engaged in the business of designing, manufacturing, selling and servicing of electric three and four-wheeler vehicles. During FY 2025-26, Euler's Loss attributable to the Company is ₹ 107.79 crore.

In October 2025, your Company acquired 26% equity shareholding in Clean Max Karakoram Private Limited (Special Purpose Vehicle(SPV)) from Clean Max Enviro Energy Solutions Limited (formely know as Clean Max Enviro Energy Solutions Private Limited). The SPV was set under the Green Energy Open Access Regulations, 2023 of Haryana Electricity Regulatory Commission, to increase renewable footprint through group captive mechanism.

During the period under review, no company ceased to be the subsidiary/associate of the Company.

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 for determining material subsidiaries can be viewed on the Company's website at the following link:

https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_on_material_subsidiaries_06_02_2025.pdf

Scan the QR code to view the Policy for determining material subsidiaries:

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Director's Appointments & Re-appointments

During the FY 2025-26, the shareholders of the Company approved the re-appointment of Air Chief Marshal Birender Singh Dhanoa (Retd.) (DIN: 08851613) as an Independent Director for a second term of five (5) consecutive years, with effect from October 1, 2025 to September 30, 2030.

Acting on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved the re-appointment and terms and conditions of re-appointment of Dr. Pawan Munjal (DIN: 00004223) as a Whole-time Director, designated as 'Executive Chairman'. This re-appointment is for a five-year term starting from October 1, 2026 and concluding on September 30, 2031, subject to the approval of the Members.

The Board's decision recognises Dr. Munjal's exceptional leadership, deep business insight, and extensive experience in the automobile industry. His significant contributions have been instrumental in establishing the Company's current prominent market position. Furthermore, the Independent Directors of the Audit Committee have reviewed and granted their approval for Dr. Munjal's proposed remuneration for this upcoming term.

Your Company has received a notice in writing from the members u/s 160 of the Act, signifying their intent to propose the candidature of Dr. Munjal for re-appointment as Executive Chairman at the forthcoming Annual General Meeting.

Further, Mr. Suman Kant Munjal (DIN: 00002803), Non-Executive Director will retire by rotation at the ensuing Annual General Meeting and being eligible he has offered himself for re-appointment.

Brief resume and other details of the aforesaid Directors has been furnished in **Annexure A** of the notice of Annual General Meeting.

None of the Directors on the Board of the Company has 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 other statutory authority.

(ii) Declaration by Independent Directors

Your Company has received declarations from all the Independent Directors confirming that

a. they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting the status as Independent Directors of the Company.

b. they are not aware of any circumstances or situations, which exist or may be anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence and they are independent to the management.

c. Pursuant to Section 150 of the Act, their individual details have been registered with the databank maintained by the Indian Institute of Corporate Affairs (IICA). Further, they have passed the online proficiency self-assessment test conducted by IICA except those who have been exempted in compliance with the provisions of this Act.

d. they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

The Board of Directors have taken on record the declarations received from the Independent Directors after undertaking the due assessment and veracity of the same.

In the opinion of the Board, the Independent Directors of the Company are persons of high repute, integrity and possess the relevant expertise and experience in the respective fields. They fulfil the conditions specified in the Act, Rules made thereunder and Listing Regulations and are independent to the management.

Key Managerial Personnel

Chief Executive Officer:

Mr. Niranjan Gupta tendered his resignation from the position of Chief Executive Officer (CEO) of the Company, effective from April 30, 2025. Subsequently, the Board appointed Mr. Vikram Sitaram Kasbekar to assume the role of Acting Chief Executive Officer, effective from May 1, 2025.

On September 8, 2025, the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Harshavardhan Chitale as the Chief Executive Officer of the Company, effective from January 5, 2026. Consequently, the office of the Acting Chief Executive Officer held by Mr. Vikram Sitaram Kasbekar stood re-linquished as on January 5, 2026.

Company Secretary & Compliance Officer:

Mr. Dhiraj Kapoor, tendered his resignation from the position of Company Secretary & Compliance Officer of the Company, effective from November 14, 2025. On February 5, 2026, the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Prabhat Singh as the Company Secretary & Compliance Officer of the Company.

As on March 31, 2026, Dr. Pawan Munjal, Executive Chairman, Mr. Harshavardhan Chitale, Chief Executive Officer, Mr. Vivek Anand, Chief Financial Officer and Mr. Prabhat Singh, Company Secretary and Compliance Officer were the Key Managerial Personnel of the Company, in compliance with Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

None of the KMPs are debarred by the SEBI from being associated as a KMP of the Company.

BOARD MEETINGS

During FY 2025-26, six (6) meetings of the Board of Directors were held. For details of these Board meetings, please refer to the section on Corporate Governance of this Integrated Annual Report.

All the Directors were present at the all the meetings.

100%
Board attendance

COMMITTEES OF THE BOARD

Audit Committee
- Ms. Tina Trikha (Chairperson)
- Air Chief Marshal Birender Singh Dhanoa (Retd.)
- Prof. Jagmohan Singh Raju
- Mr. Vikram Sitaram Kasbekar

Stakeholders' Relationship Committee
- Mr. Pradeep Dinodia (Chairperson)
- Air Chief Marshal Birender Singh Dhanoa (Retd.)
- Mr. Rajnish Kumar
- Ms. Vasudha Dinodia

Nomination and Remuneration Committee
- Air Chief Marshal Birender Singh Dhanoa (Retd.) (Chairperson)
- Prof. Jagmohan Singh Raju
- Ms. Tina Trikha

Risk Management Committee
- Mr. Vikram Sitaram Kasbekar (Chairperson)
- Ms. Camille Miki Tang
- Mr. Pradeep Dinodia
- Mr. Rajnish Kumar

Sustainability and Corporate Social Responsibility Committee
- Ms. Vasudha Dinodia (Chairperson)
- Ms. Camille Miki Tang
- Prof. Jagmohan Singh Raju
- Ms. Tina Trikha

Chairperson | Member

COMMITTEE MEETINGS

During FY 2025-26, various committee meetings were conducted by the Company. For details of these Committee meetings, please refer to the section on Corporate Governance of this Integrated Annual Report.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Sustainability: Your Company aims for carbon-neutral operations by 2030, achieving 32% Renewable energy share and 45% Carbon Neutrality in FY 2025-26. Sustained the 500% Water positivity and 100% Zero Waste to Landfill operations. Life Cycle Assessments were completed for 80% of products (by sales value). FY 2025-26 was a year of external validation for your Company's Corporate Governance and sustainability reporting. Your Company achieved significant recognition , as the sole Indian two-wheeler on the Dow Jones Sustainability Index (DJSI) for the second year, and recognised as a top 10% global ESG performer . Further solidifying our ESG standing, the Company was named an ESG Leader among automotive companies by NSE Sustainability Ratings & Analytics Limited.

Corporate Social responsibility (CSR): Your Company's commitment to the people, planet, and communities has been its foundation. The CSR initiatives are structured around a philosophy of being Greener, Safer, and Equitable. Your Company received the Champions of CSR 2025 award by ET Now Champions of CSR Conclave 2025.

During the year under review, your Company spent ₹ 97.30 crore on its CSR activities which is over 2% of the average net profits of preceding 3 financial years. The implementation and monitoring of the CSR is in compliance with the CSR objectives & policy of the Company. The CSR initiatives undertaken by your Company, along with other details, form part of the annual report on CSR activities for FY 2025-26, which is annexed as **Annexure - VI**. The overview of CSR activities carried out in FY 2025-26 is provided in the CSR section in this Integrated Annual Report. Mr. Vivek Anand, the Chief Financial Officer of the Company has also provided a certificate to the Board of Directors stating that the CSR amount of ₹ 97.30 crore has been utilised for the activities specified in the CSR Policy.

₹97.30 crore
Invested in CSR initiatives

Sustainability and Corporate Social Responsibility (SCSR) Committee:

During the year, the SCSR Committee of your Company comprised of the following Directors:

Name of Directors	Designation
Ms. Vasudha Dinodia	Chairperson
Ms. Camille Miki Tang	Member
Prof. Jagmohan Singh Raju	Member
Ms. Tina Trikha	Member

For the details of the SCSR Committee, please refer to the section on Corporate Governance report of this Integrated Annual Report.

The CSR policy can be viewed at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/csr_policy_2024.pdf

Scan the QR code to view the CSR Policy:

The salient features of the Company's CSR Policy are as under:

a) The Company's success is evaluated not only on economic growth but also on contributions to social, environmental, and governance aspects. The CSR projects of Hero MotoCorp focus on creating a greener, safer, and equitable society.

b) Greener initiatives include sustainable resource management and environmental conservation.

c) Safer initiatives focus on road safety and community safety through awareness programs and training.

d) Equitable initiatives promote diversity, inclusion, and community development, with a focus on supporting armed forces veterans and their families.

e) Implementation of CSR activities can be done directly by the company or through an implementing agency, with a focus on clear objectives, timelines, and employee engagement.

f) A robust monitoring system tracks progress and ensures optimal benefits for stakeholders, with regular reports submitted to the Committee.

g) An annual action plan is formulated by the Committee and approved by the Board, detailing CSR projects, implementation, funding, and monitoring mechanisms.

AUDIT COMMITTEE

During the year, the Audit Committee of your Company comprised of the following Directors:

Name of Directors	Designation
Ms. Tina Trikha	Chairperson
Air Chief Marshal Birender Singh Dhanoa (Retd.)	Member
Prof. Jagmohan Singh Raju	Member
Mr. Vikram Sitaram Kasbekar	Member

For the details of the Audit Committee and its terms of reference, etc., please refer to the section on Corporate Governance report of this Integrated Annual Report.

During the year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company and therefore no explanation is required.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

A formal annual evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2025-26 in accordance with the provisions of the Act and the Listing Regulations.

Manner of Evaluation

The Nomination and Remuneration Committee conducted a comprehensive review of the evaluation framework based on which the Board carried out the evaluation. The evaluation process employed structured questionnaires covering various aspects for the assessment. The Company uses a secure digital interface to ensure the streamlined distribution and submission of evaluation questionnaires by the Directors, maintaining the highest standards of confidentiality and data integrity throughout the board effectiveness review.

Evaluation of the Board

The evaluation criteria for the Board and Directors includes among other factors, composition of Board, balance of expertise, experience and diversity, engagement in strategic planning process, business plans, capital expenditure, pro-activeness in monitoring business challenges, constructive discussions on business matters, established robust frameworks for statutory compliance, risk management, and internal financial controls. In line with the emerging trends, the Board of Directors were also evaluated on the parameters like Company's preparedness for future, Environment, Social and Governance, information security and Corporate Social Responsibility.

Evaluation of Non-Executive Directors (including Independent Directors)

The Non-Executive Directors and the Independent Directors were evaluated on various factors including intellectual independence, understanding of the Company's vision, mission, strategies, inputs on issues of strategy, performance, risk management, key appointments, quality of their contributions, their reliance on factual information and awareness with latest developments in the areas of financial reporting, technology, industry trends, etc. contribution in Corporate Governance practices, etc.

Evaluation of Committees

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, update to the Board on key developments, major recommendations and action plans, stakeholder engagement, devoting sufficient time and attention on its key focus areas with open, impartial and meaningful participation and adequate deliberations before approving important transactions and decisions.

Evaluation of the Chairman and Executive Director

The performance evaluation of the Chairman and Executive Director was based on various criteria, *inter-alia,* including their intellectual independence and the quality of inputs on issues of strategy, performance, risk management, key appointments and standards of conduct, their ability to concentrate on strategic matters, engage constructively with board members and key stakeholders and comprehend the governance, regulatory, and oversight functions of the Board. They were also evaluated on their capacity to balance the interests of shareholders, customers, employees, and other stakeholders, as well as their understanding of the regulatory, legislative, and political landscape. Furthermore, their judgement in handling sensitive issues, skills in analysing and addressing uncertainties, adversities, and conflicts, willingness to present divergent viewpoints and commitment to fulfilling their obligations and fiduciary responsibilities as directors, were also taken into account.

Quality, Quantity and Timeliness of Flow of Information Between the Company, Management and the Board

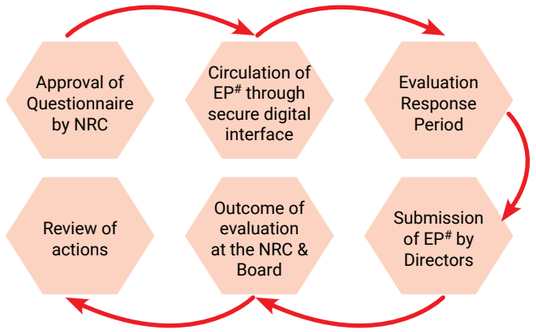
All directors expressed their overall satisfaction with the support received from the management. The information provided for the meetings were clear, concise and comprehensive to facilitate productive and detailed discussions. Periodic external presentations on specific areas well supplemented the management inputs, providing a well-rounded perspective for strategic decision-making.

Outcome of Evaluation

The actions emerging from the Board evaluation process were collated and presented before the Nomination and Remuneration Committee as well as the Board. The Directors expressed their strong affirmation of the Executive Chairman's exemplary leadership and commended the Board's proactive engagement. Highlighting the Board's collective independence, diversity and technical expertise and a commitment to rigorous governance standards, the Directors noted that these attributes continue to drive sustainable long term value creation for all stakeholders.

The performance of individual directors was found satisfactory. Further, the Board committees have been functioning well and contributing effectively. Suggestions/ feedback concerning strategic growth, market share, global expansion, product development, diversity & skills, regulatory compliances, emerging risks, innovation & R&D, supply chain, succession planning, etc. were informed to the respective functional team. Review of actions is conducted to understand the implementation and progress of the steps taken in response to the suggestions/feedback.

Performance Evaluation Process:



#EP – Evaluation Papers

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, 2026, 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, 2026 and of the profit and loss of your Company for the financial year ended March 31, 2026;
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, 2026 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 (NRC) of your Board has formulated a Remuneration and Board Diversity Policy. To align with best Corporate Governance practices, the Company conducts a comprehensive review of its policies every three years. During the FY 2025-26, the Board amended the Remuneration and Board Diversity Policy to broaden its scope and ensure full alignment with evolving governance standards. The changes made in the policy are provided below.

The 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 Employees Stock Options (ESOPs), Restricted Stock Units (RSUs) and Performance Restricted Stock Units (PRSU), etc. Further, the compensation package of the Directors, Key Managerial Personnel, Senior Management and other employees is 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 Executive Officer, 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**. The Remuneration and Board Diversity Policy of your Company can be viewed at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_remuneration_and_board_diversity_policy.pdf

Scan the QR code to view the Remuneration and Board Diversity Policy:

Policy

During FY 2025-26, the Remuneration and Board Diversity Policy of the Company was amended to include the following changes:

- **Expanded scope and detail:**
  The policy was enhanced to provide more detailed and explicit provisions for the appointment, remuneration, evaluation, and succession planning of Directors, KMPs, and SMPs.
- **Broadened Board appointment criteria:**
  The revised policy elaborates on criteria for Board of Directors appointments, now including age, educational background, ethnicity and specific expertise.
- **Formalised remuneration evaluation:**
  While maintaining a similar remuneration structure for Executive Directors, the revised policy now formalises remuneration evaluation metrics for all leadership levels.
- **Dedicated Succession Planning:**
  A distinct and detailed section on succession planning has been carved out in the Policy.
- **Board Diversity framework:**
  The policy expands on Board Diversity like promoting diverse perspectives, ensuring merit-based evaluation, assessing induction and training programmes etc.

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

1. **Appointment criteria for the Board of Directors, KMPs and SMPs:**
   Identify persons who are qualified to become Directors and consider factors such as competence, integrity, qualification, expertise, skills, diversity and experience while evaluating a candidate for appointment as KMP and SMP.
2. **Appointment process for the Board of Directors, KMPs and SMPs:**
   For Board Members, the Nomination and Remuneration Committee (NRC) is responsible for identifying suitable candidates, who are then reviewed by the Board and require final approval from shareholders. For Key Managerial Personnel (KMPs) suitable candidates are identified by the Executive Chairman and the NRC Chairman. Following recommendation by the NRC, the Board officially approves the appointment. For Senior Management Personnel (SMPs) candidates are shortlisted by the Executive Chairman and the NRC Chairman and are thereafter appointed as per the internal policies.
3. **Remuneration:**
   - 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.
   - The Non-Executive and/or Independent Directors will also be entitled to remuneration by way of commission aggregating upto 1% of net profits of the Company pursuant to the provisions of Section 197 and 198 of the Act, in addition to sitting fees. 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/PRSUs or such other means as may be decided by the NRC.
   - 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.
   - Remuneration evaluation metrics of Directors, KMPs and SMPs include factors such as financial and non-financial metrics, level of involvement, independence of judgement, strategic guidance, participation in meetings, etc.
4. **Performance Evaluation of the Board, its Committees and individual directors:**
   The NRC shall establish criteria for performance evaluation, which shall be carried out either by the Board or the NRC or the external agency. The Board shall oversee the conclusions of the evaluation process.
5. **Succession plan:**
   Succession plan for the Board of Directors, KMPs and SMPs. The Board of Directors and the NRC shall be responsible for overseeing and monitoring the Company's succession planning initiatives.
6. **Removal:**
   If a Director or KMP is subject to any disqualification as outlined in the applicable laws or due to violation of Company's policies, the NRC may propose to the Board, with reasons recorded in writing, the removal of Director or KMP. Removal of SMPs shall be dealt with by human resources policies of the Company.

7. **Board diversity:**
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. For appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and prepare a description of role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have capabilities identified in such description. The NRC plays a crucial role in fostering Board Diversity by promoting diverse perspectives, merit based evaluation, compliance with regulations, etc.

SUCCESSION PLANNING

The Company has a robust succession planning process for the Board, Key Managerial Personnel (KMPs) and Senior Management Persons (SMPs) which is overseen by the Nomination and Remuneration Committee and the Board of Directors.

PARTICULARS OF EMPLOYEES

The statement of disclosure of remuneration under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is appended as **Annexure – I** and forms an integral part of this Integrated Annual Report. Pursuant to Section 136 of the Act read with Rule 5 of the Rules, this report is 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 & Compliance Officer at the registered office of the Company.

EMPLOYEES' INCENTIVE SCHEME

In terms of the provisions 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 ('SBEB Regulations'), the NRC of your Board, *inter-alia,* administers and monitors the Employees' Incentive Scheme, 2014 (Scheme) of your Company.

Applicable disclosures as stipulated under the SBEB Regulations with regard to the Employees' Stock Option Scheme are available on the Company's website at the following link: https://www.heromotocorp.com/en-in/company/investors/annual-report.html?key1=annual-report&key2=2024-25. Further during the year under review, there has been no amendment / modification to the Scheme and the Scheme remains in compliance with the SBEB Regulations.

Scan the QR code to view the ESOP Disclosure:

Your Company has received a certificate from M/s. SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600), the Secretarial Auditors' of the Company that the Employees' Incentive Scheme, 2014 for grant of ESOPs, RSUs and PRSUs has been implemented in accordance with the SBEB Regulations and the resolution passed by the members through postal ballot. This certificate would be placed/ made 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.

This is demonstrated by the Company's FY26 ESG rating score of 75 from NSE Sustainability Ratings & Analytics Ltd., which places it firmly in the "Leader" category. This performance was anchored by the Governance pillar, which achieved the highest score of 77 by consistently outperforming regulatory benchmarks through exemplary Corporate Governance. This leading Governance score is driven by several key structural strengths:

- The presence of women directors on the board is more than the compliance requirement.
- Percentage of independent directors in Nomination and Remuneration Committee is better than the compliance requirements.
- The Audit Committee's independent director representation is better than the statutory guidelines.
- The composition of the Risk Management Committee is better than the required threshold of independent directors, ensuring regulatory compliance.
- The percentage of independent directors in the CSR Committee is better than the regulatory requirements.

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Governance Pillar Score

In terms of Listing Regulations, a report on Corporate Governance is enclosed as **Annexure - II** and a certificate from M/s. SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600) confirming compliance of the conditions of Corporate Governance is annexed as **Annexure – III** to this report. Further, the certificate on Non-disqualification of Directors and compliance certificate pursuant to regulation 17(8) and 34(3) of Listing Regulations are enclosed as **Annexure – IV** and **Annexure – V**, respectively.

CORPORATE GOVERNANCE INITIATIVES

The Company remains steadfast in its commitment to upholding the highest standards of Corporate Governance. In pursuit of this objective, it has undertaken a series of structured initiatives to foster a culture of compliance, transparency and ethical conduct across the organisation. These initiatives include:

1. **In-house Investor Education and Protection Fund (IEPF) Tool:**
The Company has implemented a tool to manage the processes associated with the IEPF, ensuring efficient tracking and compliance with statutory requirements.
2. **Insider Trading Awareness Sessions:**
The Company engages internal and external experts to conduct awareness programmes on prevention of insider trading for Designated Persons (DPs) and other employees.
3. **Annual Affirmation to Code of Conduct:**
All employees including Directors affirmed their adherence to the Company's Code of Conduct, reinforcing a shared commitment to ethical behaviour and corporate integrity.
4. **Annual Affirmation on Prevention of Sexual Harassment (POSH) Policy:**
To promote a safe and respectful workplace, the Company mandates annual affirmations from all employees regarding their understanding and compliance with the POSH policy. All employees affirmed their adherence to the Company's POSH policy.
5. **In-House Insider Trading Compliance Tool:**
The Company has developed and deployed the structured digital database (SDD) internally, designed to manage and monitor insider trading disclosures, thereby safeguarding against any misuse of UPSI.
6. **Centralised access to policies:**
All corporate and governance policies are centrally hosted on the Company's internal systems, ensuring easy access for employees at all levels.
7. **Shareholders' Referencer:**
The Company has issued a Shareholders' Referencer covering rights of shareholders, grievance redressal framework, timelines for various procedures, processes, etc. followed by the Company, to empower them through facts and information. The reference is available on the website of the Company at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf

Scan the QR code to view the Shareholder's Referencer:

8. **Independent Directors:**
During FY 26, two Independent Directors' meeting were held, without the presence of other Board members and the members of the management. During the above said two meetings all the Independent Directors were present.
9. **Internal Auditors:**
The Internal Auditors report to the Audit Committee
10. **Separate post of Chairman and Chief Executive Officer (CEO):**
Your Company has a separate post of the Executive Chairman and the CEO. Both the Executive Chairman and the CEO are not related to each other.
11. **Shareholders' right:**
Your Company has sent the quarterly financial performance and the summary of the significant event to all those shareholders, whose email address are registered with the Depository Participant/ RTA.

TRANSFER TO GENERAL RESERVE

During the year under review, no amount has been transferred to the 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 ₹ 2.80 crore for the FY 2017-18 (Final Dividend) & FY 2018-19 (Interim Dividend). Further, 25,648 corresponding shares on which

dividends were unclaimed for seven consecutive years were transferred, pertaining to FY 2017-18 (Interim & Final Dividend) & FY 2018-19 (Interim Dividend). The Company also transferred ₹ 13.35 crore (after deduction of tax) as corporate benefits (dividend) on shares already lying with the IEPF. Accordingly, the total amount of dividend transferred by the Company to IEPF Authority during FY 2025-26 was ₹ 16.15 crore. Further, the cumulative amount of unpaid/ unclaimed dividend lying in various unpaid dividend account(s) of the Company, as on March 31, 2026, is ₹ 30.26 crore.

The IEPF details, unclaimed dividend details and information related to Nodal Officer of the Company are available at the Company's website at the following link: https://www.heromotocorp.com/en-in/company/investors/unclaimed-dividend-and-shares.html#unclaimed-dividends

Scan the QR code to view the information:

MATERIAL CHANGES AND COMMITMENTS

No material change and/or commitment affecting the financial position of your Company has occurred between the end of financial year and the date of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During FY 2025-26, 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:

(₹ in crore)

	Principal Amount (Shares)	Principal Amount (Bonds/ Debentures)	Total
Opening	4,885.18	1,727.88	6,613.06
Addition	720.98	202.56	923.54
Reduction	-	511.14	511.14
Closing Balance	**5,606.16**	**1,419.30**	**7,025.46**

DEPOSITS

Your Company has neither accepted nor renewed any deposits during FY 2025-26 in terms of Chapter V of the Act.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During FY 2025-26, all contracts/arrangements/transactions entered into by your Company were in compliance with the applicable provisions of the Act and the Listing Regulations.

Further, during FY 2025-26, there were no materially significant related party transactions entered into by your Company with the Promoters/Promoter Group, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

In accordance with the established procedure, relevant information regarding each related party transaction(s), along with the necessary justifications, is submitted to the Audit Committee as mandated by the SEBI Circular. All related party transaction(s) are placed before the Audit Committee and are approved only by independent non-conflicted members. During FY 2025-26, your Company has obtained prior omnibus approval of the Audit Committee for related party transaction(s) which were repetitive in nature and are in ordinary course of business and at arm's length. All related party transaction(s) entered during the year were in ordinary course of business and at arm's length basis. Further, all the related party transaction(s) are quarterly reviewed by the Audit Committee and the Board. During FY 2025-26, your Company has not entered into any contract/ arrangement/transaction with related parties which could be considered 'material' in accordance with the provisions of Listing Regulations and the Company's Policy on Materiality of Related Party Transactions. Thus, there are no transactions required to be reported in e-Form AOC-2.

Related party transactions were disclosed to the Audit Committee and the Board on a regular basis as per the Act, Listing Regulation & IND AS-24. Details of related party transactions as per IND AS-24 may be referred to in note no. 36 of the Standalone Financial Statements.

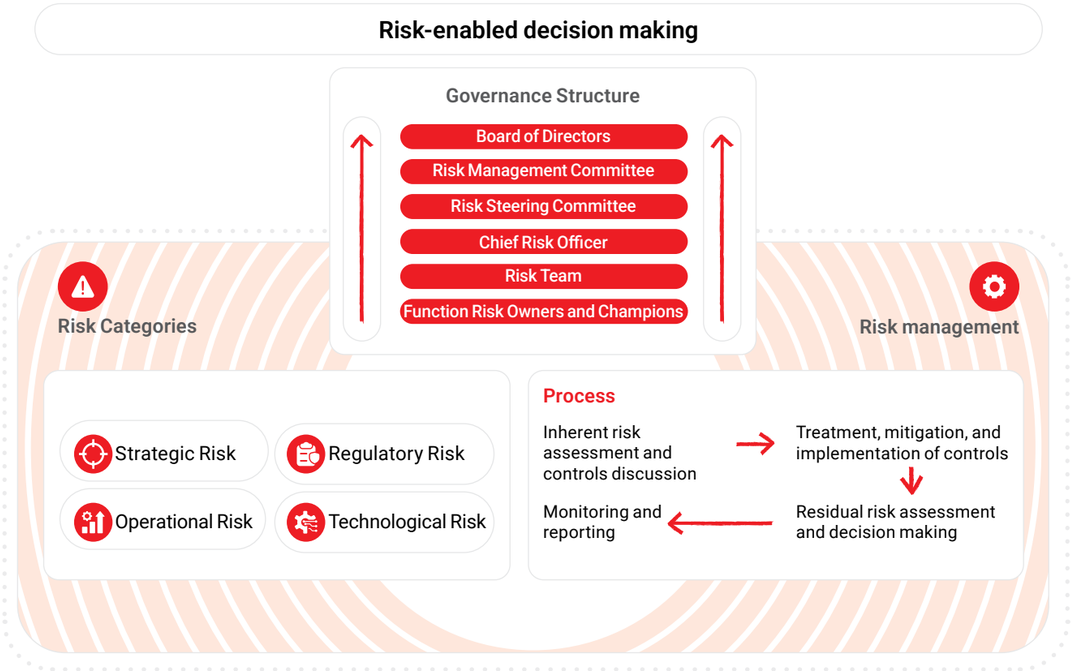
In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Related Party Transactions Policy (RPT). The RPT Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties. During the year, the Board approved amendment to the RPT Policy, based on the Audit Committee's recommendation. These changes were made to incorporate the amendments to the Listing Regulations primarily related to the classification of material related party transactions.

The RPT policy is available at the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/related_party_transactions_policy_feb_2026_website.pdf

Scan the QR code to view the RPT Policy

RISK MANAGEMENT FRAMEWORK

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The salient features of the Risk Management Policy is provided in the Corporate Governance Report section of this Integrated Annual Report. Our Enterprise Risk Management (ERM) framework is built on a proactive and structured approach to identify, assess, and mitigate risks that could affect our operations and business resilience. The foundation of this framework is deeply rooted in our core values, culture, and our commitment to all stakeholders - including employees, customers, investors, regulatory bodies, and the wider community. By integrating risk management into every decision, we not only aim to protect our objectives but also to cultivate a strong culture of risk awareness throughout the organisation.



Risk Resilience Culture

We are committed to cultivating a company-wide risk culture and strengthening our risk management capabilities through a wide range of initiatives. Key among these are training programmes for new joiners, regional teams, and first-time people managers to enhance risk-awareness and support informed decision-making across the organisation. The risk team also continues to conduct refresher training for response teams enabling them to remain resilient in an ever-changing risk landscape. The organisation also employs proactive risk identification and mitigation by having the Risk team work closely with business functions to create prioritised risk registers using a bottom-up approach. These functional risk registers follow a monthly review cycle to ensure effective oversight and timely risk reduction.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY/ CODE OF CONDUCT

Your Company is committed to the 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 an independent third party, which can be used by employees, directors, vendors,

suppliers, dealers, etc. to report any violations to the Code of Conduct. Specifically, stakeholders 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 without any fear of retaliation.

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, 110 complaints were received through various reporting channels and 4 complaints were carried forward from the previous year. Out of these, 112 complaints have been investigated and remaining 2 complaints received in March 2026 are under investigation.

During FY 2025-26, no individual was denied access to the Audit Committee for reporting concerns, if any. Further, the Vigil Mechanism/Whistle Blower Policy prescribes adequate safeguard against victimisation.

The Vigil Mechanism/Whistle Blower Policy of the Company is available on the Company's website at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/whistle_blower_policy_2024.pdf

Scan the QR code to view the Vigil Mechanism/Whistle Blower Policy

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 at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Code%20of%20conduct.pdf

Scan the QR code to view the Code of Conduct

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018),a peer reviewed firm, were appointed as the Statutory Auditors of the Company from the conclusion of the 39th Annual General Meeting held in the year 2022 until the conclusion of the 44th Annual General Meeting of the Company to be held in the year 2027. They have audited the financial statements of the Company for the financial 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 Statutory Auditors' Report is unmodified and does not contain any qualification, reservation or adverse remark. Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

M/s. Deloitte Haskins & Sells LLP have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company and satisfy the prescribed eligibility criteria. The statutory auditors are a peer reviewed firm, independent of the management and the Company and are professionals appointed to ensure objectivity and impartiality in the audit process. The auditors have extensive experience and technical competence in auditing practices, financial reporting and regulatory compliance. Their independence coupled with their professional expertise enables them to carry out their duties effectively, providing a fair assessment of the Company's financials.

Cost Auditors

The Board had appointed M/s. R.J. Goel & Co., Cost Accountants (Firm Registration No. 000026), as Cost Auditors for conducting the audit of cost records of the Company for the Financial Year 2025-26. The Cost Auditors will submit their report for the FY 2025-26 on or before the due date. Your Company filed its FY 2024–25 Cost Audit Report within the statutory timeline. The report confirmed full compliance with Section 148(1) of the Act regarding cost records and contained no qualifications, reservations, or adverse remarks Further, there were no frauds reported by the Cost Auditors to the Audit Committee or the Board under Section 143(12) of the Act. The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. R.J. Goel & Co., Cost Accountants, as Cost Auditors for the FY 2026 - 27. M/s. R.J. Goel & Co. have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and have also certified that they are free from any disqualifications specified under Section 141(3) of the Act. In accordance with the provisions of Section 148 of the Act read with Companies (Audit and 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 AGM.

In the opinion of the Board, considering the scope of the audit, the proposed remuneration payable to the Cost Auditors would be reasonable and fair and commensurate with the scope of work carried out by them. The notice of AGM includes the required resolution for members to ratify the Cost Auditor's remuneration.

Secretarial Auditors

M/s. SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600), a peer reviewed firm, were appointed as Secretarial Auditors of your Company for a term of five (5) consecutive years commencing from FY 2025-26. The Secretarial Audit Report for the said financial year is annexed herewith as **Annexure - VII**. The Report does not contain any qualification, reservation or adverse remark and therefore does not require any further explanation. Further, there were no frauds reported by the Secretarial Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

M/s. SGS Associates LLP is a leading corporate advisory firm based in New Delhi, having extensive experience in the field of audit, advisory and legal matters.

M/s. SGS Associates LLP have confirmed that it is not disqualified from continuing as Secretarial Auditors of the Company and satisfy the prescribed eligibility criteria.

Internal Audit

At the start of each financial year, a three year rolling Internal Audit calendar is prepared and presented to the Audit Committee outlining the planned audit coverage across business units, processes and risk areas. The calendar serves as a proactive tool for prioritising audit activities, ensuring alignment with the Company's risk profile and strategic objectives. The Audit Committee approves the comprehensive audit plan designed to evaluate the adequacy and efficacy of the Company's internal controls. This plan assesses the robustness of internal processes, policy adherence, and compliance with statutory regulations. The Company engages external agencies for carrying out the comprehensive audit during the year. Following each audit, process owners implement corrective actions based on the findings. All significant observations and subsequent remediation efforts are reported periodically to the Audit Committee to ensure continuous oversight. The Internal Audit Charter is available at the following link of the website: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/internal_audit_charter.pdf

Scan the QR code to view the Internal Audit Charter

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company maintains a sound and well-integrated system of internal controls. Comprehensive policies, guidelines, and procedures that are embedded in our IT systems govern all significant business processes. The internal control system is designed to provide reasonable assurance regarding the reliability of financial and other records for the preparation of statements and the safeguarding of assets. The Company employs a comprehensive Internal Financial Controls (IFC) framework encompassing control design, testing, and the remediation of identified weaknesses. Risk and Control Matrices (RCMs), aligned with materiality, are established for all key processes, detailing control descriptions, associated risks, control ownership, operating frequency, relevant financial assertions, and fraud risk indicators. Recognising evolving business dynamics and organisational changes, new RCMs and updates to existing controls are implemented annually. The design and operating effectiveness of controls are assessed annually. Based on our assessment during the year, no material weaknesses in the design or operation of internal controls were identified.

PROHIBITION OF INSIDER TRADING

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), your Company has in place the Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons (Code). The Code lays down guidelines providing the necessary procedure to be followed and disclosures required while dealing with the

shares of the Company and while sharing UPSI. The Code also includes the Company's obligation to maintain the Structured Digital Database (SDD), obligation of Designated Persons, mechanism for prevention of insider trading and handling of UPSI. To ensure alignment with evolving statutory requirements, the Code was revised during the year to reflect all relevant regulatory amendments. Further, the Company has complied with the standardised reporting of violations related to the code of conduct under PIT Regulations. The Company has also in place its Code of Practices and Procedures of Fair Disclosure of UPSI along with policy for determination of legitimate purposes, an institutional mechanism for prevention of insider trading and a policy for inquiry in case of leak of UPSI or suspected leak of UPSI.

The Company has developed and maintains its own in-house SDD without procuring or integrating any external software or tool from third-party vendors. The database along with its server is entirely hosted and secured within the Company's internal IT ecosystem, ensuring that no sensitive information flows outside the organisation. SDD is seamlessly integrated with the internal systems enabling the automatic identification and recognition of Designated Persons (DPs) according to the criteria established in the code. All unpublished price sensitive data shared, internally or externally, are recorded in the SDD and a notice is concurrently shared informing the recipient to maintain confidentiality and refrain from trading in the securities of the Company. At the end of each quarter, confirmations are obtained from respective functional heads or SPOCs to confirm whether any UPSI was generated during the quarter and if so, whether requisite details have been entered into the SDD and the notice has been issued to the recipient. Further, pre-clearance applications and their corresponding approvals are also processed directly through the SDD. Annual/half-yearly disclosures from DPs, intimations of closure of trading window and all other necessary information/reports are maintained in the SDD. The SDD is access restricted and governed by a justification-based access protocol. Any user attempting to access the database must provide a valid reason, which is recorded automatically within the SDD. The system maintains a complete audit trail of all entries and modifications, enabling transparent monitoring and future inspection by auditors.

The Company has set up a mechanism for weekly tracking of the dealings in the equity shares of the Company by the DPs and their immediate relatives. A report covering trading by DPs and their immediate relatives under the PIT Regulations is placed before the Audit Committee on a quarterly basis.

The Company periodically circulates informatory e-mails along with the code and policies on prohibition of Insider Trading, Do's and Don'ts, etc. to the employees to familiarise them with the provisions of the Code. The officials of the secretarial department conduct an induction programme for all the employees joining the organisation and various other workshops/training sessions to educate and sensitise the employees/designated persons.

As part of this awareness programme, campaigns are run across the organisation, in the form of desktop wallpapers and posters on the Company's employee application providing important information on the provisions of the Code. The Company maintains a robust compliance framework by conducting periodic training sessions on the provisions of the PIT Regulations. These periodic programmes are designed to ensure that all relevant stakeholders remain updated on regulatory requirements, ethical standards, and their individual obligations regarding the handling of UPSI.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Keeping up the commitment to sustainability, your Company has prepared the Business Responsibility & Sustainability Report ('BRSR'). The BRSR provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

In compliance with the provisions of the SEBI Master Circular dated January 30, 2026, Bureau Veritas (India) Private Limited has provided a reasonable assurance on the BRSR Core, which consists of the Key Performance Indicators (KPIs) under Environment, Social and Governance (ESG) attributes. The BRSR Core is a subset of the BRSR. The BRSR along with the reasonable assurance statement forms part of the Integrated Annual Report as **Annexure - VIII**.

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, 2026, total number of permanent employees on the rolls of the Company were 9,177 as against 9,527 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.

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 at the following link: https://www.heromotocorp.com/en-in/company/investors/shareholder-resources.html?key1=downloads

Scan the QR code to view the Annual Return:

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**.

DESPATCH OF ANNUAL REPORT

The Integrated Annual Report for FY 2025-26 will be sent by e-mail to those members who have registered their e-mail address with the Registrar and Share Transfer Agent/their respective Depository Participants.

In compliance with the amended provisions of Regulation 36 of the Listing Regulations, a letter providing the QR Code and the web-link, mentioning the exact web path, where complete details of the Integrated Annual Report 2025-26 is available, will be sent to those members, who have not registered their email address.

STATUTORY DISCLOSURES

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

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 ESOP referred to in this report.
4. Receipt of any remuneration or commission by the Whole-time Director of the Company from any of the subsidiary companies.
5. Receipt of any significant or material orders from the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future.
6. Buy-back of shares under Section 67(3) of the Act.
7. Any application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
8. Any settlement has been done with the banks or financial institutions.
9. Corporate action pertaining to buy back of securities, mergers and de-mergers, delisting, split and issue of any securities.
10. Loans from banks or financial institutions.
11. Amendment in the Memorandum of Association & Articles of Association.

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

Your Company aims to promote a safe and secure working environment and has adopted a gender neutral policy towards prevention of sexual harassment at workplace. This policy is framed in accordance with the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act").

Your Company aims to build and promote work environments which are safe and free from any form of harassment and has a zero-tolerance stance towards any form of harassment. To achieve this objective, training and sensitisation is the key and your Company regularly organises training and awareness sessions at all locations and across functions.

Your Company has complied with the provisions of POSH Act relating to constitution of an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. The ICC gets reconstituted from time to time in accordance with the provisions of the POSH Act. Following is the summary of complaints received to the ICC during FY 2025-26:

- **Number of complaints of sexual harassment received in the year:** 19
- **Number of complaints disposed off during the year:** 18
- **Number of cases pending for more than 90 days:** 1

Your Company has submitted the annual report for the calendar year 2025 to the District Officers in accordance with the provisions of the POSH Act and is in compliance with the POSH Act.

COMPLIANCE WITH THE PROVISIONS OF MATERNITY BENEFIT ACT, 1961

The Company remains committed to fostering a supportive environment for working mothers, ensuring full compliance with the Maternity Benefit Act, 1961, and its subsequent amendments. Recognising the vital importance of neonatal care and maternal well-being, the Company has implemented policies that exceed statutory mandates:

- **Enhanced Maternity Leave**: To provide new mothers with ample time to care for their newborns, the Company offers an extended maternity leave of 210 days, surpassing the statutory requirement of 26 weeks.

210 days
Maternity leave

- **Flexible Nursing Breaks**: In addition to providing a conducive work environment, the Company offers nursing mothers two dedicated breaks of 45 minutes each. To prioritise work-life integration, these breaks may be utilised to facilitate a late arrival, an early departure, or a consolidated 90-minute early exit, providing mothers with the flexibility needed during this transition.

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.

FACILITATION TO SHAREHOLDERS

Your Company has always endeavored to keep its shareholders informed of all relevant, sufficient and reliable information on a timely and regular basis pertaining to the business, its processes and regulatory affairs to enable them to make informed decisions. As a voluntary initiative, the Company emails the quarterly and annual financial results along with the summary of significant events; to all the shareholders whose email addresses are registered with the Depository Participant/RTA to keep them updated with the financial position and performance of the Company. The Company sends periodic intimations to shareholders, urging them to update their KYC information. Shareholders are also encouraged to convert their shareholdings into dematerialised form.

The Company has issued a Shareholders' Referencer covering rights of shareholders, grievance redressal framework, procedure to claim refund from IEPF, timelines for various procedures, processes, etc. followed by the Company, to empower them through facts and information. During the year, the referencer was updated to align with new developments and amendments issued by the Regulators. The website of the Company has a dedicated section which serves as a knowledge bank for shareholders to keep them sufficiently informed of the statutory changes as well as other pertinent information. All the queries of the shareholders are responded within the prescribed timelines and the Company ensures timely and accurate disclosure on all material matters. Your Company has always encouraged effective shareholder participation in key Corporate Governance decisions and exercise of voting rights by the shareholders.

CENTRALISED COMPLIANCE MANAGEMENT

The Company has an automated Compliance Framework that monitors and updates all applicable laws and compliance obligations on a regular basis. Automated alerts are sent to compliance owners to ensure that they are complying with regulations within the set timeframe. This proactive measure helps keep everyone on track and avoid any penalties or other legal issues that could arise from non-compliance. The compliance owners certify the compliance status which is reviewed by compliance approvers. A certificate of compliance of all applicable laws and regulations along with exceptions report and mitigation plan, if any, is placed before the Board of Directors on a quarterly basis. During the year, the Company has integrated Regulation 30 module for reporting of material events by the respective departments into the Compliance tool itself, thereby ensuring timely and adequate reporting to ensure compliance with SEBI LODR Regulations.

AWARDS AND RECOGNITION

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

1. Dr. Pawan Munjal, Executive Chairman, honored as the "Global Statesman of Mobility" and a "Champion of Sustainable Innovation."
2. Dr. Pawan Munjal, Executive Chairman, named to the prestigious 2025 TIME100 Climate list, recognising him among the world's top 100 influential leaders driving transformative business climate action.
3. The International Punjabi Society has conferred Dr. Pawan Munjal, Executive Chairman, with the Punjab Ratan Award.
4. Xtreme 250R - Entry-level Performance Motorcycle of the Year by BBC TopGear India Awards 2026.
5. Hero Xoom 160- Best Design Award - Acko Drive Awards 2026.
6. VIDA VX2- Two Wheeler EV Brand of the Year - Carbike 360 Auto Excellence Awards 2026.
7. VIDA VX2- EV Scooter of the Year - ACKO Drive Awards 2026.
8. VIDA EVooter VX2- 2026 Honoree in Vehicle Tech and Advanced Mobility - CES Innovation Awards.
9. Hero Glamour X 125- Bike of the Year - Carbike 360 Auto Excellence Awards 2026.
10. Hero Glamour X125 - Entry Motorcycle of the Year at BBC TopGear India Awards 2026.
11. The Dow Jones Sustainability World Index (DJSI World)- Improved score from 69 to 75: Ranking No.1 in the 2-wheeler industry in India.
12. Responsible Business of the Year - SABERA 2025.
13. Manufacturer of the year 2025 (Two wheeler): BBC TopGear India Awards 2026.
14. ET Now Champions of CSR 2025- CSR Conclave by Global Sustainability Alliance.
15. Best Use of AI in Marketing/Sales: Acko Drive The One That Matters 2025.
16. Harley-Davidson - Best Phygital or Social Media Innovation (Bike): Acko Drive The One That Matters 2025 : World's Best Job.
17. Gold Medal in Best Learning Culture in an Organisation (Large Scale Enterprises): Economic Times Future Skills Awards.
18. Hero Xtreme 125R- Design of the Year- Motoring World Awards 2025.
19. Destini 125- Scooter of the Year - Zee Media Auto Summit Awards 2025.
20. VIDA VX2 - Star EV Scooter of the Year - Entrepreneur India EV Awards 2025.
21. National Water Awards (Best Industry) 2025 - Hero MotorCorp for raising awareness and enabling communities to adopt water conservation methods.
22. Timesgroup Ecopreneur Summit 2025 - Honored for accelerating the sustainability across operations.
23. Procurement Team of the Year 2025: Procurement Excellence Awards 2025 (14th edition) by UBS Forums Pvt. Ltd.
24. Investor Relations Team ranked among the Top 3 Asia Executive Teams in 2026 by Extel.

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

Date: May 5, 2026
Place: New Delhi

Dr. Pawan Munjal
Executive Chairman
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) Rule, 2014:

1. The remuneration and the percentage increase in remuneration of each Director & Key Managerial Personnel, along with their ratio of remuneration to the median remuneration of the employees of the Company for the financial year:

Name of Directors/ KMP and	Remuneration of Director/KMP for Financial Year 2025-26 (₹ crore)	% increase in Remuneration in Financial Year 2025-26	Ratio of the remuneration to the median remuneration of employees
Executive Directors			
Dr. Pawan Munjal- Executive Chairman	122.31	11.79	789
Mr. Vikram Sitaram Kasbekar	17.47	24.08	113
Non-Executive Directors*			
Mr. Pradeep Dinodia	1.00	(49.24)	6
Mr. Suman Kant Munjal	0.36	(25.00)	2
Ms. Vasudha Dinodia	0.69	(4.17)	4
Non-Executive and Independent Directors*			
Prof. Jagmohan Singh Raju	1.52	29.36	10
Ms. Tina Trikha	1.37	(6.80)	9
Air Chief Marshal Birender Singh Dhanoa (Retd.)	1.29	(17.83)	8
Ms. Camille Miki Tang	1.26	88.06	8
Mr. Rajnish Kumar	0.60	7.14	4
Key Managerial Personnels (KMPs)			
Mr. Harshavardhan Chitale - Chief Executive Officer**	3.59	-	23
Mr. Niranjan Kumar Gupta - Chief Executive Officer***	8.72	(51.37)	56
Mr. Vivek Anand - Chief Financial Officer	5.64	(27.21)	36
Mr. Dhiraj Kapoor - Company Secretary & Compliance Officer****	1.45	(11.59)	9
Mr. Prabhat Singh - Company Secretary & Compliance Officer*****	0.09	-	1

*Includes sitting fees, commission and expense reimbursement

**Appointed as Chief Executive Officer w.e.f January 05, 2026

***Stepped down as Chief Executive Officer w.e.f April 30, 2025

****Stepped down as Company Secretary & Compliance officer w.e.f November 14, 2025

*****Appointed as Company Secretary & Compliance officer w.e.f February 05, 2026

2. The median remuneration of employees of the Company during the financial year was ₹ 15.51 lakh.
3. Median salary of employees in current year has increased by 8.4% in comparison to the previous year.
4. The number of permanent employees on the rolls of Company as on March 31, 2026 was 9,177 (previous year 9,527) including workers defined under the Occupational Safety, Health and Working Conditions Code, 2020.
5. Average percentage increase made in the salary of employees other than the managerial personnel in financial year 2025-26 was 9.00% whereas increase in the managerial remuneration for the same financial year is 11.9%.
6. 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.
7. It is hereby affirmed that remuneration paid is as per the Remuneration Policy of the Company.

ANNEXURE - II

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company always emphasises 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.

Your Company always understands its responsibility toward its shareholders and all stakeholders. Your Company 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 also places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding its plants, transparency in decision-making process, fair and ethical dealings with all and accountability to all the 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 to.

Effective Corporate Governance requires a clear and thorough understanding of the distinct roles of the Board, its Committees and the Senior Management Team. The Company reinforces this framework through robust internal controls, transparent disclosures and regular evaluation of Board and committee performance to ensure accountability, ethical conduct and alignment with stakeholder interests. 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 attracts a sound financial status, brand value, sustainability and reliability.

GOVERNANCE STRUCTURE

Your Company's robust governance philosophy is executed through a three-tier governance structure with clearly defined roles and responsibilities for every constituent of the governance system.

The Board of Directors – Your Company has a balanced mix of eminent Executive, Non-Executive and Independent Directors on the Board. The Board exercises strategic oversight over business operations, ensures compliance with the legal framework, integrity of financial accounting and reporting systems and ensures that a good corporate culture and strong ethical environment is followed across the organisation, which consequently leads to long term success of the Company.

Committees of Directors – The Committees of the Board such as Audit Committee, Risk Management Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee, Sustainability and Corporate Social Responsibility Committee (SCSR), etc. are focused on financial reporting, risk management framework, appointment and remuneration of Directors and senior management employees, auditing and internal controls, legal & compliance issues and oversight of SCSR activities.

Executive Management – The entire business including the support functions are managed with clearly demarcated responsibilities and authorities at different levels. The Chief Executive Officer ('CEO') is responsible for achieving the Company's vision and mission, business strategies, significant policy decisions and providing strategic guidance. The CEO is supported by the leadership team, which comprises of functional heads.

The Company has taken various initiatives in practices of Good Corporate Governance. Following are some key highlights of Company's Corporate Governance:

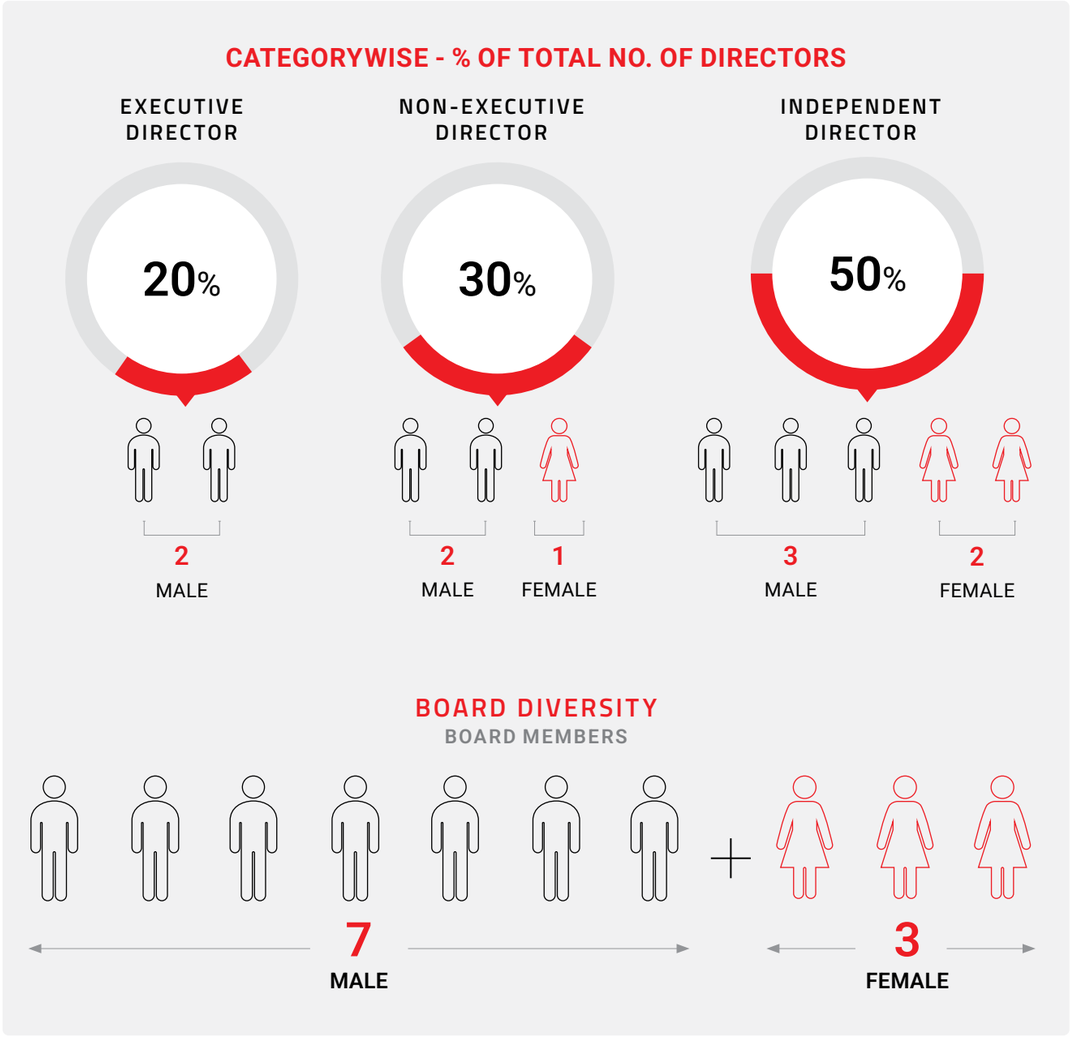
- Separation of posts of the Chairperson and the Chief Executive Officer.
- Board is comprised of a balanced mix of appropriate skills, expertise, experience and knowledge which brings fairness in decision making and provides appropriate guidance.
- 80% of the total strength of the Board comprises of Non-Executive Directors.
- 30% of the total strength of the Board comprises of Woman Directors, Independent Women Directors represents 20% of the Board's strength.
- Participation of Women Directors and Independent Directors in all statutory committees
- Establishment of the Sustainability and Corporate Social Responsibility Committee to integrate sustainability principles into the business strategy, driving long-term value creation and advance CSR initiatives.

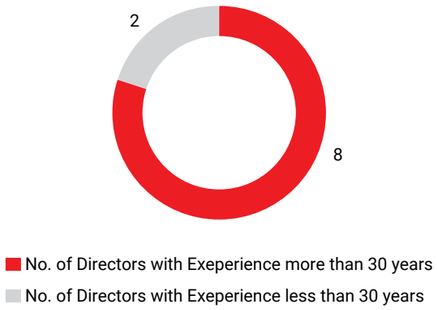
BOARD OF DIRECTORS

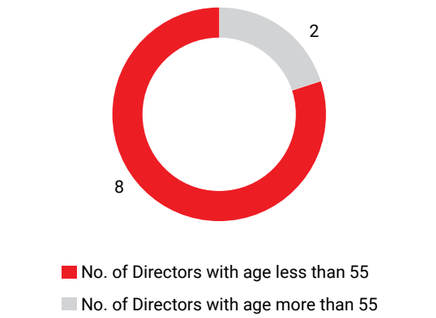
Your Company believes that a diversified, active and well-informed Board is necessary to ensure highest standards of Corporate Governance. The statutory and other significant and material information is placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all the stakeholders and the Company's Corporate Governance philosophy. In the context of Company's business and the industry in which the Company operates, the Board members have the appropriate skills/area of expertise/competencies.

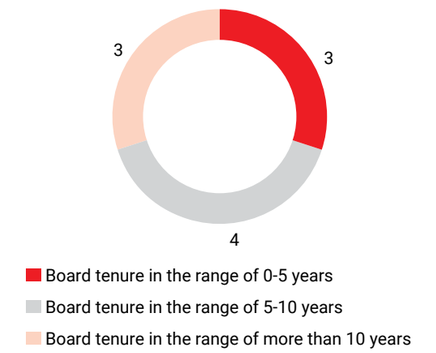
Board Composition

The Board of Directors ('Board') has an optimum combination of Executive and Non-Executive Directors, having appropriate knowledge, expertise and experience. The Company professes 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') and the Companies Act, 2013 ('Act'). As on March 31, 2026, the Company's Board comprised of ten Directors, with two Executive Directors, one of them being the Chairman and Promoter, three Non-Executive Directors (including one Woman Non-Executive Director), five Non-Executive Independent Directors, including two Women Non-Executive and Independent Directors, i.e. 80% of total strength of Board comprises Non-Executive Directors.









During the year, Air Chief Marshal Birender Singh Dhanoa (Retd.) was re-appointed as a Non-Executive and Independent Director for a second term of five (5) consecutive years with effect from October 1, 2025 to September 30, 2030. Further, Ms. Vasudha Dinodia, who was liable to retire by rotation, being eligible, was re-appointed as a Non-Executive 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, Executive Chairman, 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.

Fifty percent of the Board comprises of the Independent Directors. None of the Directors of the Company are serving as an Independent Director in more than 7 listed entities and no Executive Director of the Company is serving as an Independent Director in any other listed entity. 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 20 companies including 10 public companies or is a member in more than 10 Committees or acting as a Chairperson of more than 5 Committees in all public limited companies in which he/she is appointed as director.

All Independent Directors have confirmed in accordance with Listing Regulations and Section 149(6) of the Act 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 fulfil the conditions of Independence as specified in the Act and Listing Regulations and are independent of the management The details of all Independent Directors are registered in the Independent Directors' data bank maintained by Indian Institute of Corporate Affairs (IICA) and all Independent Directors have successfully qualified the proficiency test except those exempted.

The Board framework balances exceptional industry capability with dedicated leadership focus. Currently, 60% of the Board Members possess extensive professional experience within the automotive sector, bringing deep domain insights to our strategic decisions. This deep domain knowledge strengthens the Corporate Governance, equips leadership to deliver rigorous oversight, and ensures strategic alignment with a rapidly transitioning industry landscape. Concurrently, the Directors maintain high availability to execute their fiduciary duties, as no Director serves on more than four other listed entity boards (excluding the Company).

The name and category of Directors, DIN, the number of Directorships including list of Listed Entities where he/she is a Director along with the category of their Directorships, Committee positions held by them in the companies and other details like area of expertise, etc., as on March 31, 2026, are given hereafter.



DR. PAWAN MUNJAL
Executive Chairman
(DIN: 00004223)

Nationality - **Indian**

Age - **71**

Initial date of Appointment - **October 01, 1986**

Shareholding

Self - **43,364**
As a Karta of HUF - **32,500**
On behalf of Brijmohan Lal Om Parkash, Partnership Firm (BMOP):
Self - **51,76,740**
Jointly with Mrs. Renu Munjal and Mr. Suman Kant Munjal - **1,23,96,842**
On behalf of Pawan Munjal Family trust - **2,01,100**

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited - **Executive Chairman**

Other Directorships

Unlisted Public Companies - **2**
Other Companies** - **6**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **Nil**
Member - **Nil**

Skills/Area of Expertise/Competencies

Automotive/ Mobility/ Beyond Mobility	Strategy & Business Model Transformation	Global Perspective - Markets & Partnerships	Manufacturing / Product Development	AI, Autonomous & Software-Defined Vehicles	Corporate Governance, Regulatory & Public Policy	Entrepreneurship
Sustainability & ESG	Sales & Marketing	Brand Evolution & Positioning	Premiumisation	Customer Experience & Lifecycle Strategy	Enterprise Risk	



MR. SUMAN KANT MUNJAL
Non-Executive
Non-Independent Director
(DIN: 00002803)

Nationality - **Indian**

Age - **73**

Initial date of Appointment - **July 29, 2010**

Shareholding

Self - **91,250**
As a Karta of HUF - **10,833**
On behalf of Brijmohan Lal Om Parkash, Partnership Firm (BMOP):
Self - **51,76,738**
Jointly with Mrs. Renu Munjal and Dr. Pawan Munjal - **1,23,96,842**

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited - **Non-Executive Non-Independent Director**

Other Directorships

Unlisted Public Companies - **3**
Other Companies** - **10**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **Nil**
Member - **1**

Skills/Area of Expertise/Competencies

Automotive/ Mobility/ Beyond Mobility	Manufacturing / Product Development	Entrepreneurship	Sales & Marketing	Enterprise Risk

*Indian Listed entity includes Equity Listed Entity and High Value Debt Listed Entity.

** Includes Private Limited Companies, Foreign Companies and Companies Registered under Section 8 of the Act.

*** As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee of all public limited companies and high value debt listed entities, including that of your Company.



MR. PRADEEP DINODIA

Non-Executive
Non-Independent Director
(DIN: 00027995)

Nationality - **Indian**

Age - **72**

Initial date of Appointment - **March 31, 2001**

Shareholding

160 shares (Shares are held either by himself or jointly with relative(s))

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Non-Executive Non-Independent Director

DCM Shriram Limited -
Non-Executive Non-Independent Director

SPR Auto Technologies Limited (formerly known as Shriram Pistons and Rings Limited) -
Chairman & Non-Executive Non-Independent Director

Other Directorships

Unlisted Public Companies (including deemed public company) - **4**

Other Companies** - **Nil**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **3**

Member - **3**

Skills/Area of Expertise/Competencies

Automotive/ Mobility/ Beyond Mobility	Strategy & Business Model Transformation	Manufacturing / Product Development	Corporate Governance, Regulatory & Public Policy	Finance, Capital Allocation & M&A	Sustainability & ESG	Enterprise Risk



MS. VASUDHA DINODIA

Non-Executive Non-Independent Director
(DIN: 00327151)

Nationality - **Indian**

Age - **44**

Initial date of Appointment - **November 25, 2021**

Shareholding

32,500 shares

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Non-Executive Non-Independent Director

Other Directorships

Unlisted Public Companies - **Nil**

Other Companies** - **2**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **Nil**

Member - **1**

Skills/Area of Expertise/Competencies

Automotive/ Mobility/ Beyond Mobility	Human Capital & Talent Strategy	Entrepreneurship	Sustainability & ESG	Sales & Marketing	Premiumisation	Customer Experience & Lifecycle Strategy	Brand Evolution & Positioning

*Indian Listed entity includes Equity Listed Entity and High Value Debt Listed Entity.

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PROF. JAGMOHAN SINGH RAJU

Non-Executive
Independent Director
(DIN: 08273039)

Nationality - **USA**

Age - **71**

Initial date of Appointment - **November 15, 2018**

Shareholding

Nil

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Non-Executive Independent Director

Other Directorships

Unlisted Public Companies - **Nil**

Other Companies** - **Nil**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **Nil**

Member - **1**

Skills/Area of Expertise/Competencies

Strategy & Business Model Transformation	Global Perspective - Markets & Partnerships	Human Capital & Talent Strategy	Finance, Capital Allocation & M&A	Sustainability & ESG	Sales & Marketing	Brand Evolution & Positioning	Premiumisation	Customer Experience & Lifecycle Strategy



MS. TINA TRIKHA

Non-Executive
Independent Director
(DIN: 02778940)

Nationality - **Indian**

Age - **50**

Initial date of Appointment - **October 23, 2019**

Shareholding

Nil

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Non-Executive Independent Director

Oberoi Realty Limited -
Non-Executive Independent Director

C.E. Info Systems Limited -
Non-Executive Independent Director

SPR Auto Technologies Limited (formerly known as Shriram Pistons and Rings Limited) -
Non-Executive Independent Director

Other Directorships

Unlisted Public Companies (including deemed public company- **1**

Other Companies** - **Nil**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **2**

Member - **1**

Skills/Area of Expertise/Competencies

Strategy & Business Model Transformation	Global Perspective - Markets & Partnerships	Human Capital & Talent Strategy	Finance, Capital Allocation & M&A	Sustainability & ESG	Enterprise Risk

*Indian Listed entity includes Equity Listed Entity and High Value Debt Listed Entity.

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AIR CHIEF MARSHAL BIRENDER SINGH DHANOA (RETD.)

Non-Executive Independent Director
(DIN: 08851613)

Nationality - **Indian**

Age - **68**

Initial date of Appointment - **October 01, 2020**

Shareholding

Nil

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Non-Executive Independent Director

InterGlobe Aviation Limited -
Non-Executive Independent Director

Other Directorships

Unlisted Public Companies - **1**

Other Companies** - **Nil**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **1**

Member - **4**

Skills/Area of Expertise/Competencies

Strategy & Business Model Transformation	Technology, R&D & Innovation	Human Capital & Talent Strategy	Finance, Capital Allocation & M&A	Information Security & Data Governance	Customer Experience & Lifecycle Strategy



MR. RAJNISH KUMAR

Non-Executive Independent Director
(DIN: 05328267)

Nationality - **Indian**

Age - **68**

Initial date of Appointment - **November 25, 2021**

Shareholding

Nil

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Non-Executive Independent Director

Larsen & Toubro Limited -
Non-Executive Independent Director

Ambuja Cements Limited -
Non-Executive Independent Director

Credila Financial Services Limited (Formerly known as HDFC Credila Financial Services Limited) -
Non-Executive Nominee Director

Other Directorships

Unlisted Public Companies - **3**

Other Companies** - **5**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **3**

Member - **3**

Skills/Area of Expertise/Competencies

Strategy & Business Model Transformation	Human Capital & Talent Strategy	Corporate Governance, Regulatory & Public Policy	Finance, Capital Allocation & M&A	Enterprise Risk	Customer Experience & Lifecycle Strategy

*Indian Listed entity includes Equity Listed Entity and High Value Debt Listed Entity.

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MS. CAMILLE MIKI TANG

Non-Executive Independent Director
(DIN: 09404649)

Nationality - **USA**

Age - **70**

Initial date of Appointment - **November 19, 2021**

Shareholding

Nil

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Non-Executive Independent Director

Other Directorships

Unlisted Public Companies - **Nil**

Other Companies** - **Nil**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **Nil**

Member - **Nil**

Skills/Area of Expertise/Competencies

Automotive/ Mobility/ Beyond Mobility	Global Perspective - Markets & Partnerships	Electrification & Energy	AI, Autonomous & Software-Defined Vehicles	Technology, R&D & Innovation	Sustainability & ESG	Information Security & Data Governance



MR. VIKRAM SITARAM KASBEKAR

Executive Director
(DIN: 00985182)

Nationality - **Indian**

Age - **71**

Initial date of Appointment - **August 08, 2016**

Shareholding

42,587 shares

Board Memberships - Indian Listed entity*

Hero MotoCorp Limited -
Executive Director

Other Directorships

Unlisted Public Companies - **1**

Other Companies** - **1**

Committee details as per Regulation 26 of Listing Regulations***

Chairperson - **Nil**

Member - **1**

Skills/Area of Expertise/Competencies

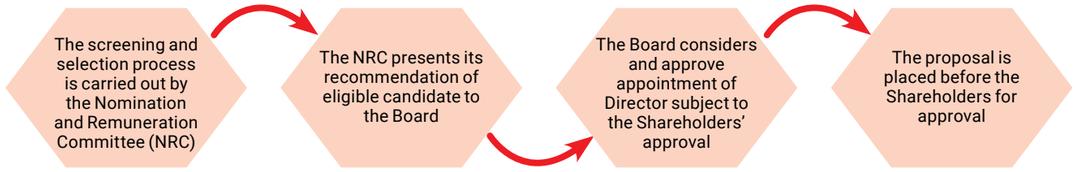
Automotive/ Mobility/ Beyond Mobility	Human Capital & Talent Strategy	Electrification & Energy	Manufacturing / Product Development	Technology, R&D & Innovation
Corporate Governance, Regulatory & Public Policy	Finance, Capital Allocation & M&A	Sustainability & ESG	Enterprise Risk	

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SELECTION AND APPOINTMENT OF NEW DIRECTORS



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 independent from management and act as trustees of the shareholders. They actively participate in Board and Committee meetings, seek answers to questions, analyse proposals from the perspective of small shareholders, review current information flow, evaluate the performance of Non-Independent directors and suggest necessary changes wherever required. The NRC, *inter alia*, considers various metrics and adheres to defined processes for selection of Independent Directors. The Board considers the NRC's recommendations and takes appropriate decisions regarding the appointment of the Independent Directors. None of the Independent Directors holds more Directorships than the permissible limits under the Act and Listing Regulations.

The Board of Directors have taken on record the declarations received from the Independent Directors after undertaking the due assessment and veracity of the same.

In the opinion of the Board, the Independent Directors of the Company are persons of high repute, integrity and possess the relevant expertise and experience in the respective fields. They fulfil the conditions specified in the Act, Rules made thereunder and Listing Regulations, and are Independent to the management.

During the year under review, none of the Independent Directors of the Company has resigned before the expiry of their tenure.

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 ensure that sufficient time is spent on matters involving governance and of strategic importance. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

The Board meets at regular intervals to assess financial reports presented by the Chief Financial Officer (CFO), compliance updates from the Company Secretary and business reports from other executive management teams, along with discussions on potential risks and strategies for risk mitigation. These comprehensive meetings, along with individual interactions, help shape the agenda and outline the strategic direction for the Company. Additionally, the Board has formed several Committees to fulfil its responsibilities efficiently and effectively. The Chief Executive Officer (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 role of Company Secretary broadly encompasses around ensuring compliance, acting as an advisor to the Board of Directors and sustaining the high standards of Corporate Governance.

The Company Secretary plays a pivotal role in ensuring that the Board procedures are followed and regularly reviewed, investors' queries are handled promptly. The Company Secretary also reports to the Board regarding compliance with applicable statutory requirements and laws. The Company Secretary convenes and attends Board, Committee, and General Meetings of the Company, and ensures the collation, review, and distribution of all papers and documents required for effective decision-making.

Apart from ensuring compliance with applicable statutory and regulatory requirements, the Company Secretary also acts as an institutionalised interface between the Board, management and external stakeholders. The Company Secretary reports to the Whole-time Director of the Company.

With a view to leveraging technology and reducing paper consumption, the Company provides the agenda papers for Board/Committee meetings through a web-based application. Directors of the Company receive agenda papers in electronic form through this application. This application meets high standards of security and integrity required for storage and transmission of Board/Committee papers 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.

SENIOR MANAGEMENT

The Senior Management of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personal interest and which could have potential conflict of interest with the Company at large.

The Senior Management of the Company as on March 31, 2026 includes the following:

Sl. No	Name	Designation
1	Mr. Harshavardhan Madhav Chitale[1]	Chief Executive Officer (CEO)
2	Mr. Vikram Sitaram Kasbekar[2]	Executive Director & Chief Technology Officer
3	Mr. Vivek Anand	Chief Financial Officer (CFO)
4	Mr. Sanjay Bhan	Executive Vice President – Global Business, Global Product Planning and Global Market Insights
5	Mr. Ram Kuppuswamy	Chief Operations Officer – Plant Operations
6	Ms. Kausalya Nandakumar[3]	Chief Business Officer – Emerging Mobility Business Unit (EMBU)
7	Mr. Ashutosh Varma[4]	Chief Business Officer – India Business Unit
8	Ms. Madhuri Mehta[5]	Chief Human Resources Officer
9	Ms. Latika Taneja[6]	Head of Corporate Communications, Corporate Affairs, and Corporate Social Responsibility (CSR)
10	Ms. Pooja Yadava	General Counsel
11	Mr. Prabhat Singh[7]	Company Secretary & Compliance Officer

[1]Appointed as CEO w.e.f. January 5, 2026.

[2]Served as Acting CEO w.e.f. May 1, 2025 till January 5, 2026. He shall cease to be the Chief Technology Officer of the Company upon appointment of Mr. Sachin Agrawal w.e.f. May 21, 2026. He will continue as the Executive Director of the Company.

[3]Appointed as Chief Business Officer - Emerging Mobility Business Unit (EMBU) w.e.f. July 10, 2025.

[4]Assumed the position of Chief Business Officer – India Business Unit w.e.f. May 1, 2025.

[5]Appointed as Chief Human Resource Officer w.e.f. October 1, 2025.

[6]Appointed as Head of Corporate Communications, Corporate Affairs, and Corporate Social Responsibility (CSR) w.e.f. August 19, 2025.

[7]Appointed as Company Secretary & Compliance Officer w.e.f. February 5, 2026.

Cessations during the year:

- Ms. Reema Jain ceased to be Chief Information and Digital Officer w.e.f. April 17, 2025
- Mr. Niranjan Gupta ceased to be Chief Executive Officer w.e.f. April 30, 2025
- Mr. Ranjivjit Singh ceased to be Chief Business Officer – India Business Unit w.e.f. April 30, 2025
- Mr. Swadesh Kumar Srivastava ceased to be Chief Business Officer - Emerging Mobility Business Unit w.e.f. July 10, 2025
- Mr. Dhiraj Kapoor ceased to be Company Secretary & Compliance Officer w.e.f. November 14, 2025.

Change in the Senior Management Personnel after the end of reporting year:

Mr. Manish Srivastava, Chief Quality Officer was included in the Senior Management team w.e.f April 1, 2026.

Mr. Sachin Agrawal will assume the role of Chief Technology Officer w.e.f. May 20, 2026 and will form part of the Senior Management team.

BOARD MEETINGS

During FY 2025-26, the Board met six (6) times viz. on May 13, 2025, August 6, 2025, September 8, 2025, November 13, 2025, February 5, 2026 and March 17, 2026.

Directors' attendance record during FY 2025-26 at Board Meeting(s) and 42nd Annual General Meeting are mentioned below:

Name of Director	Number of Board Meetings		Attendance at Previous AGM
	Held	Attended	
Executive Directors			
Dr. Pawan Munjal	6	6	Yes
Mr. Vikram Sitaram Kasbekar	6	6	Yes
Non-Executive Directors			
Mr. Pradeep Dinodia	6	6	Yes
Mr. Suman Kant Munjal	6	6	Yes
Ms. Vasudha Dinodia	6	6	Yes
Non-Executive and Independent Directors			
Air Chief Marshal Birender Singh Dhanoa (Retd.)	6	6	Yes
Ms. Camille Miki Tang	6	6	Yes
Prof. Jagmohan Singh Raju	6	6	Yes
Mr. Rajnish Kumar	6	6	Yes
Ms. Tina Trikha	6	6	Yes

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

Induction process: The process of onboarding a new Director begins with the delivery of a Director's kit that includes information on the Company, Memorandum and Articles of Association, Annual Report, Code of Conduct of the Company, Code for Independent Directors, policies of the Company and familiarisation with relevant provisions of law, etc.

All new Directors are given an orientation programme that includes a plant tour, sessions on Corporate Governance, finance, Indian and global business, emerging mobility, research & development, sales & marketing, etc. During the orientation programme the newly appointed Director is informed about his/her roles, rights, and responsibilities within the Company through comprehensive presentations developed using both internal resources and external experts or consultants.

Subsequent updation: The Company consistently provides orientation and a comprehensive business overview to its Directors by way of detailed presentations by the various business and functional heads at Board meetings. Such meetings/programmes include briefings on the culture, values, business model/plan, house of strategy, emerging mobility business unit, quality, risk management, R&D, new projects, domestic and global business of the Company, the roles and responsibilities of Directors and senior executives.

The Directors are periodically briefed about the economic/industry outlook, strategy, operations, functions, future plans, expansion projects, etc. of the Company.

Strategy meet: During FY 2025-26, a two-day strategy and familiarisation programme was exclusively conducted for all Board Members. The CEO, CFO, and Leadership Team (functional heads) were engaged in deliberations with the Board Members concerning various aspects of the business and strategy. The programme was designed to provide deeper insights into the Company's business model, industry dynamics, emerging opportunities and potential challenges. The initiative aimed to enhance the Board's understanding of the business, strengthen strategic alignment and enable informed decision-making.

Furthermore, the Company Secretary and Compliance Officer periodically gives presentations to the Board of Directors on the amendments/circulars/FAQs/notifications issued by the Securities & Exchange Board of India, Ministry of Corporate Affairs, National Financial Reporting Authority, etc., along with its implication to the Company.

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

The details of Company's familiarisation programmes for Directors are posted at the Company's website and can be viewed at the following link- https://www.heromotocorp.com/en-in/company/investors/investor-relations/familiarisation-of-independent-directors.html

Scan the QR code to view the Company's familiarisation programmes for Directors

CODE OF CONDUCT FOR THE BOARD MEMBERS AND EMPLOYEES

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

The Company's code was formulated in the year 2010 and incorporates eight (8) principles viz. Fiduciary, Property, Reliability, Transparency, Dignity, Fairness, Citizenship and Responsiveness.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2025-26. An annual declaration signed by the 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/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Code%20of%20conduct.pdf

Scan the QR code to view the Code of Conduct

Supplier Code of Conduct

Your Company has also developed a "Supplier Code of Conduct" to ensure that the suppliers/vendors operate in full compliance with the laws, rules and regulations and it's Compliance Framework. The Code guides the Suppliers to engage in ethical, responsible and legal business practices in their operations around the world. This Code is applicable to all 'Suppliers' i.e. domestic and international. The Code is available on the website of the Company at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Supplier_Code_of_Conduct_v2_06_Dec_2023.pdf

Scan the QR code to view the Supplier Code of Conduct

Conflict of Interest Policy

Your Company has a "Conflict of Interest Policy" which is applicable to all Directors, Employees and Suppliers of the Company. The policy is available on the website of the Company at the following link https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Conflict_of_Interest_Policy_v2_06_Dec_2023.pdf

Scan the QR code to view the Conflict of Interest Policy

Anti-Bribery and Anti-Corruption Policy

The "Anti-Bribery and Anti-Corruption Policy" ensures compliance with applicable laws prohibiting improper payments, gift(s) or incentives of any kind or donations or otherwise, offered to or received from any person. This includes third parties and government or public officials in the private sector, as well as customers, to obtain favors, influence business decisions, or secure any form of unfair advantage. The policy is available on the website of the Company at the following link https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Anti_Bribery_and_Anti_Corruption_Policy_v2_06_Dec_2023.pdf

Scan the QR code to view the Anti Bribery and Anti Corruption Policy

Ethical Marketing Policy

The policy governs the conduct of the internal stakeholders and guides interactions with customers, suppliers, partners, and regulatory bodies, ensuring that all marketing activities adhere to principles of integrity, transparency and fairness as outlined by applicable statutory bodies and industry standards to ensure marketing efforts in line with core values of the Company. The policy is available on the website of the Company at the following link https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/ethical-marketing-policy.pdf

Scan the QR code to view the Ethical Marketing Policy

Quality Policy

The policy sets forth the framework of guidelines adopted by the Company to consistently ensure and uphold the highest standards of product quality across all stages of design, development, manufacturing and delivery. The policy is available on the website of the Company at the following link https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Quality%20Policy.pdf

Scan the QR code to view the Quality Policy

BOARD/COMMITTEE MEETINGS & PROCEDURES

Frequency of meetings and information supplied

A well-defined system of convening at least four (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 via physical presence and video conferencing (VC), wherever required in compliance with the Act and pursuant to the circulars issued by Ministry of Corporate Affairs from time to time. Wherever it is not possible to convene a Board and other committee meeting, resolutions are passed by circulation in order to meet the business exigencies.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to Directors, to facilitate convening of Meetings and acts as interface between the Management and Regulatory Authorities for Governance related matters of the Company.

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

The Company ensures disciplined follow-up on action items arising from Board and Committee meetings. Relevant departments execute these tasks under clear directives and timelines, with progress reviewed at subsequent meetings. This proactive framework strengthens organisational accountability and ensures the timely completion of critical tasks.

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;
- Capital budget and any updates;
- Quarterly results of the Company and its operating divisions;
- 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, if any, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any;
- 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, if any;
- 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 if any, 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, if any, 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 Company uses a web-based application/portal which is accessible to all Directors. The agenda and corresponding notes to agenda for all Board and Committee meetings are circulated to Directors in advance through this portal. This portal meets the high standards of security and integrity required for storage and transmission of Board/Committee documents in electronic form. 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 the Act, Secretarial Standard on meetings of the Board issued by The Institute of Company Secretaries of India and the Listing Regulations.

Prior approval of Board is obtained for Unpublished Price Sensitive Information (UPSI) related matters. In compliance with the provisions of Secretarial Standard-1 issued by The Institute of Company Secretaries of India, your Company obtains consent of the Board for providing any agenda item involving UPSI, at a short notice.

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 the meeting. The inputs, if any, of the Board & Committee members are duly incorporated in the minutes after which these are entered in the respective minutes book within 30 days from the date of the meeting.

THOSE CHARGED WITH GOVERNANCE (TCWG)

In compliance with the National Financial Reporting Authority, circular dated January 7, 2026, your Company has identified the members of TCWG and established the effective two-way communication framework between the Auditors' and TCWG

MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met twice during FY 2025-26, i.e. on May 13, 2025 and February 5, 2026.

COMMITTEES OF THE BOARD

Board Committees as on March 31, 2026, includes the following:

Audit Committee

- Ms. Tina Trikha (Chairperson)
- Air Chief Marshal Birender Singh Dhanoa (Retd.)
- Prof. Jagmohan Singh Raju
- Mr. Vikram Sitaram Kasbekar

Stakeholders' Relationship Committee

- Mr. Pradeep Dinodia (Chairperson)
- Air Chief Marshal Birender Singh Dhanoa (Retd.)
- Mr. Rajnish Kumar
- Ms. Vasudha Dinodia

Nomination and Remuneration Committee

- Air Chief Marshal Birender Singh Dhanoa (Retd.) (Chairperson)
- Prof. Jagmohan Singh Raju
- Ms. Tina Trikha

Risk Management Committee

- Mr. Vikram Sitaram Kasbekar (Chairperson)
- Ms. Camille Miki Tang
- Mr. Pradeep Dinodia
- Mr. Rajnish Kumar

Sustainability and Corporate Social Responsibility Committee

- Ms. Vasudha Dinodia (Chairperson)
- Ms. Camille Miki Tang
- Prof. Jagmohan Singh Raju
- Ms. Tina Trikha

Chairperson Member

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.

During the year, the Audit Committee was reconstituted on May 13, 2025. On this date, Prof. Jagmohan Singh Raju and Mr. Vikram Sitaram Kasbekar were appointed as members. Mr. Pradeep Dinodia simultaneously ceased to be a member of the Committee. Ms. Tina Trikha remains the Chairperson, and Air Chief Marshal Birender Singh Dhanoa (Retd.) continues his role as a member. The Company Secretary acts as the Secretary of the Audit Committee.

As on March 31, 2026, the Audit Committee comprises four Directors viz., Ms. Tina Trikha, Prof. Jagmohan Singh Raju, Air Chief Marshal Birender Singh Dhanoa (Retd.) and Mr. Vikram Sitaram Kasbekar, all learned and eminent personalities in their respective fields. Ms. Tina Trikha is the Chairperson 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 nomenclature, constitution and the terms of reference of the Audit Committee are in consonance with the provisions of the Section 177 of the Act, Regulation 18 (3), Para C of Schedule II of 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.
- 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;
  - Qualification 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 issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
- 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;
- To review the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% 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;
- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee;
- To review, statement of deviation(s), if any, in terms of SEBI Listing Regulations.

Upon invitation, the CEO, CFO, internal auditors and statutory auditors of the Company attend meetings of the Audit Committee.

During FY 2025-26, six (6) meetings of the Audit Committee were held, viz., on May 12, 2025, August 6, 2025, September 1, 2025, November 13, 2025, February 5, 2026 and March 9, 2026, in due compliance with the provisions of the Act and Listing Regulations. Apart from the above, two resolutions by way of circulation, were approved by the Audit Committee on January 9, 2026 and March 20, 2026, respectively.

Details of Audit Committee Members and Number of Meetings Attended:

Name of Committee Members	Position held	No. of meetings held during tenure	No. of meetings attended
Ms. Tina Trikha	Chairperson	6	6
Air Chief Marshal Birender Singh Dhanoa (Retd.)	Member	6	6
Prof. Jagmohan Singh Raju*	Member	5	5
Mr. Vikram Sitaram Kasbekar*	Member	5	5
Mr. Pradeep Dinodia#	Member	1	1

*Appointed as a member w.e.f. May 13, 2025

#Ceased to be a member w.e.f. May 13, 2025

Role and reporting of Internal Auditors

Internal Audit function operates under the authority of the Board and the Audit Committee, as per the Internal Audit Charter.

The Company possesses a comprehensive internal controls framework that is firmly established within its operational processes. The Audit and Assurance function furnishes strategic counsel to management regarding the evolving risk environment, thereby enabling the proactive identification and mitigation of potential risks.

The Head of Internal Audit is responsible for establishing the Internal Audit framework and methodologies to ensure the consistent execution and reporting of internal audit results, adhering to principles aligned with International Internal Auditing Standards. He reports functionally to the Chair of the Audit Committee and is a regular attendee at Audit Committee meetings. Internal audit findings are reported directly to the Audit Committee.

The annual Internal Audit Plan covers all functions, risks, subsidiary/group entity governance, compliance requirements, and the overall assurance landscape. This plan is approved by the Audit Committee at the beginning of each financial year.

The role of Internal Audit is to provide an objective and independent assessment of the adequacy of design and operational effectiveness of risk management, control, and governance processes across the Company including:

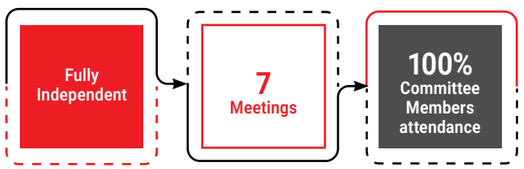
- The reliability and integrity of financial and operating information.

- The effectiveness and efficiency of operations.
- The safeguarding of assets.
- Compliance with applicable laws, regulations, contracts, and the delivery of major programmes;
- Quality and continuous improvement initiatives.
- Reviewing the design of and adherence to established policies and procedures,
- Assisting in the mitigation of significant risks identified at various organisational levels,
- Supporting improvement initiatives, and
- Conducting specific reviews related to risk and controls as needed.

Technological advancements are leveraged to optimise internal audit processes. Automation and sophisticated analytical tools, including data analytics and artificial intelligence are implemented to gain deeper insights, facilitate continuous monitoring, identify patterns, anomalies, and trends, thereby ensuring a pre-emptive approach to risk management throughout the organisation.

Additionally, Audit and Assurance adds value by offering recommendations to management for process and automation enhancements.

NOMINATION AND REMUNERATION COMMITTEE ('NRC')



The Company has a duly constituted NRC which, *inter-alia*, identifies and recommends persons who are qualified to become directors or who can be 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 Incentive Scheme-2014.

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 Para D of Schedule II of the Listing Regulations.

The NRC has the following terms of reference:

- 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 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 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 the Employees Incentive Scheme of the Company as approved by the 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 the Board, its Committee 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.

The NRC was reconstituted on May 13, 2025. On this date, Air Chief Marshal Birender Singh Dhanoa (Retd.) was appointed as the Chairman (previously he was a member) and Ms. Tina Trikha was appointed as a member of the Committee. Prof. Jagmohan Singh Raju, who previously served as the Chairman, continues to be a member of the Committee. Mr. Pradeep Dinodia simultaneously ceased to be a member effective the same date.

As on March 31, 2026, the NRC comprised three (3) Directors viz., Air Chief Marshal Birender Singh Dhanoa (Retd.), Prof. Jagmohan Singh Raju and Ms. Tina Trikha as members. Air Chief Marshal Birender Singh Dhanoa (Retd.) is the Chairman of the NRC. The Company Secretary acts as the Secretary of the NRC.

During FY 2025-26, seven (7) meetings of the NRC were held on May 12, 2025, May 23, 2025, June 25, 2025, August 5, 2025, September 8, 2025, November 12, 2025 and February 4, 2026.

Details of Nomination and Remuneration Committee Members and Number of Meetings Attended during FY 2025-26.

Name of Committee Members	Position held	No. of meetings held during tenure	No. of meetings attended
Air Chief Marshal Birender Singh Dhanoa (Retd.)*	Chairman	7	7
Prof. Jagmohan Singh Raju#	Member	7	7
Ms. Tina Trikha**	Member	6	6
Mr. Pradeep Dinodia##	Member	1	1

*Appointed as Chairman w.e.f. May 13, 2025

#Ceased to be Chairman (continues as a member) w.e.f. May 13, 2025

**Appointed as a member w.e.f. May 13, 2025

##Ceased to be a member w.e.f. May 13, 2025

Remuneration and Board Diversity Policy (Remuneration 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.

During the year under review, the Board, based on the recommendation of the NRC, revised the Remuneration Policy to broaden its scope and ensure full alignment with evolving governance standards.

The policy is available on Company's website at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_remuneration_and_board_diversity_policy.pdf

Scan the QR code to view the Remuneration Policy

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 the 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 qualifications, 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 Act, generally consists of fixed salary, perquisites, allowances, retiral benefits, a performance-linked bonus (by whatever name called), the grant of employee stock options as decided by the NRC and such other benefits in accordance with market practices.

The details of remuneration paid to Executive Directors are mentioned below:

(₹ in crore)

Name of Directors	Basic Salary u/s 17(1) of Income Tax Act	Perquisites, Allowances & Retiral	Profits in lieu of salary under Section 17(3) of the Income Tax Act	Stock option	Commission	Others (PF & Gratuity)	Total
Dr. Pawan Munjal	21.37	31.85	-	-	65.50	3.59	122.31
Mr. Vikram Sitaram Kasbekar	3.80	10.55	-	2.48	-	0.64	17.47

Note: No severance fee is payable to Executive Directors and there is no notice period for the Executive Directors.

Remuneration paid to Non-Executive Directors

The Non-Executive Directors of the Company are paid sitting fee 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 the 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. Non-Executive Directors do not have any other pecuniary relationship with the Company except as stated above. The details of the remuneration paid to Non-Executive Directors are available at the Company's website at https://www.heromotocorp.com/en-in/company/investors/disclosures-under-regulation-46-of-the-lodr.html and are also provided below:

(₹ in crore)

Names of Directors	Sitting fees	Commission	Total
Air Chief Marshal Birender Singh Dhanoa (Retd.)	0.23	1.06	1.29
Ms. Camille Miki Tang	0.20	0.54	0.74
Prof. Jagmohan Singh Raju	0.25	1.10	1.35
Mr. Pradeep Dinodia	0.16	0.84	1.00
Mr. Rajnish Kumar	0.12	0.48	0.60
Mr. Suman Kant Munjal	0.06	0.30	0.36
Ms. Tina Trikha	0.26	1.11	1.37
Ms. Vasudha Dinodia	0.27	0.42	0.69

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

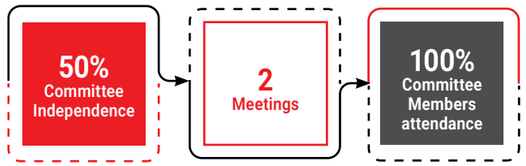
During FY 2025-26, the Company did not advance any loans to any of its Directors. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company, other than the details provided above and the sitting fees and commission drawn by the Non-Executive and Independent Directors.

Directors commission were approved by the Board of Directors following due recommendation from the Nomination and Remuneration Committee. Further, in compliance with the related party norms, the members of the Audit Committee, who are Independent Directors, formally approved the FY26 commission payable to the Promoter/Promoter Group 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 for FY 2025-26, details of which are provided in the Board's Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE ('SRC')



This Committee looks into investors' grievances arising from 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 SRC cover the areas as contemplated under Regulation 20(4) 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 SRC are available on the Investor section of the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/board-committee/cg-StakeRelationCommitte.pdf.

Scan the QR code to view the Term of Reference of SRC

During the year, two (2) meetings of the SRC were held on May 12, 2025 and November 12, 2025.

During the year, the SRC was reconstituted on May 13, 2025. On this date, Air Chief Marshal Birender Singh Dhanoa (Retd.), Ms. Vasudha Dinoda and Mr. Rajnish Kumar were appointed as members. Mr. Vikram Sitaram Kasbekar and Prof. Jagmohan Singh Raju simultaneously ceased to be the members of the Committee. Mr. Pradeep Dinodia continues to serve as the Chairman of the Committee.

As on March 31, 2026, the SRC comprised four Directors viz. Mr. Pradeep Dinodia (Chairman), Air Chief Marshal Birender Singh Dhanoa (Retd.), Ms. Vasudha Dinoda, and Mr. Rajnish Kumar. The Company Secretary acts as the Secretary to the SRC. Mr. Prabhat Singh is the Company Secretary & Compliance Officer. The details of the SRC are mentioned below:

Details of Stakeholders' Relationship Committee Members and Number of Meetings Attended

Name of Committee Members	Position held	No. of meetings held during tenure	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	2	2
Air Chief Marshal Birender Singh Dhanoa (Retd.)*	Member	1	1
Ms. Vasudha Dinodia*	Member	1	1
Mr. Rajnish Kumar*	Member	1	1
Mr. Vikram Sitaram Kasbekar#	Member	1	1
Prof. Jagmohan Singh Raju#	Member	1	1

*Appointed as a member w.e.f. May 13, 2025

#Ceased to be a member w.e.f. May 13, 2025

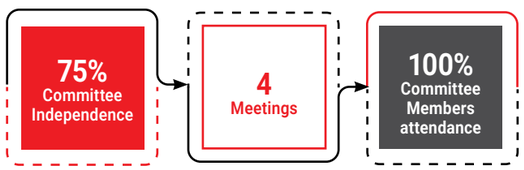
Investors' Grievance Redressal

The details of investor grievances received and resolved to the satisfaction of shareholders during the FY 2025-26 are detailed below:

Sl. No.	Particulars	No. of Complaints
1	Complaints pending at the beginning of the year	7
2	Complaints received during the year	2,656
3	Complaints resolved during the year	2,493
4	Complaints pending at the end of the year*	170

*All complaints were subsequently resolved by April, 2026.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY ('SCSR') COMMITTEE



As a matter of prudent governance, the Board has entrusted the oversight of Environmental, Social and Governance (ESG) matters to the Corporate Social Responsibility (CSR) Committee by formally integrating sustainability within its mandate. While the Company is not statutorily

required to constitute a separate Sustainability Committee, this integrated framework enables robust supervision, strategic alignment, and effective implementation of its sustainability agenda.

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

The detailed terms of reference of the Committee are available on the Investor section of the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/board-committee/cg-CSR.pdf

Scan the QR code to view the Term of Reference of SCSR Committee

The policy is reviewed periodically or at least once in three years and updated accordingly with the approval of the Board of Directors. The policy was amended during the year and the key changes have been outlined in the Board's Report. Further, the Corporate Social Responsibility policy is disclosed on the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/csr_policy_2024.pdf

Scan the QR code to view the Corporate Social Responsibility Policy

The SCSR Committee was reconstituted effective May 13, 2025. On this date, Ms. Vasudha Dinodia, was appointed as the Chairperson and Ms. Camille Miki Tang was appointed as a member of the Committee. Prof. Jagmohan Singh Raju and Ms. Tina Trikha, continue to be the members of the Committee. Dr. Pawan Munjal and Mr. Pradeep Dinodia simultaneously ceased to be a member.

As on March 31, 2026, the SCSR committee comprised of four (4) Directors viz. Ms. Vasudha Dinodia as Chairperson, Prof. Jagmohan Singh Raju, Ms. Tina Trikha and Ms. Camille Miki Tang as members. The Company Secretary acts as the Secretary of the SCSR Committee.

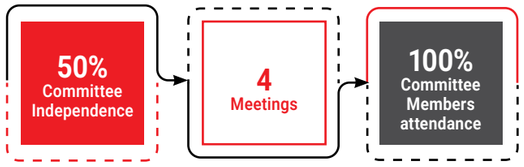
During the year, four (4) meetings of the Committee were held on May 12, 2025, August 5, 2025, November 12, 2025 and February 4, 2026. Apart from the above, one resolution by way of circulation, were approved by the SCSR Committee on March 16, 2026.

Details of Sustainability and Corporate Social Responsibility Committee Members and Number of Meetings Attended during FY 2025-26

Name of Committee Members	Position held	No. of meetings held during tenure	No. of meetings attended
Dr. Pawan Munjal*	Chairman	1	1
Ms. Vasudha Dinodia#	Chairperson	3	3
Prof. Jagmohan Singh Raju	Member	4	4
Ms. Tina Trikha	Member	4	4
Mr. Pradeep Dinodia**	Member	1	1
Ms. Camille Miki Tang##	Member	3	3

*Ceased to be a member and the Chairman w.e.f. May 13, 2025
#Appointed as a Chairperson w.e.f. May 13, 2025
**Ceased to be a member w.e.f. May 13, 2025
##Appointed as member w.e.f. May 13, 2025

RISK MANAGEMENT COMMITTEE ('RMC')



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

The role and terms of reference of the Committee cover the following:

- Formulate a detailed risk management policy which shall include:
  (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
  (c) Business continuity plan;
- Monitor and oversee implementation of the risk management policy including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company along with implementation of appropriate mitigation plan;
- Ensuring the sustainability of risk management framework and process through continuous review mechanism;
- Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any;
- Delegation of any of the aforesaid tasks as the Risk Management Committee may deem fit.

The detailed terms of reference of the RMC are available on the Investor section of the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/board-committee/cg-RMC.pdf

Scan the QR code to view the Terms of Reference of RMC

The Risk Management Policy of the Company, *inter alia*, includes purpose and objective of the policy, governance framework, key elements and scope including identified risks and imperatives. The Risk Management Policy of the Company is available on the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/risk_management_policy_06_02_2025.pdf

Scan the QR code to view the Risk Management Policy

During the year, the RMC was reconstituted on May 13, 2025. On this date, Mr. Rajnish Kumar and Ms. Camille Miki Tang were appointed as members. Air Chief Marshal Birender Singh Dhanoa (Retd.) simultaneously ceased to be a member of the Committee. Mr. Vikram Sitaram Kasbekar (previously he was member) was appointed as the Chairman of the Committee effective from this date. Mr. Pradeep Dinodia, who previously served as the chairman continues to be a member of the Committee.

As on March 31, 2026, the RMC comprised of four (4) Directors, viz., Mr. Vikram Sitaram Kasbekar as Chairman, Mr. Pradeep Dinodia, Mr. Rajnish Kumar and Ms. Camille Miki Tang as members. The Company Secretary acts as the Secretary to the RMC.

During the year under review, four (4) meetings of the RMC were held on May 12, 2025, August 5, 2025, November 12, 2025 and February 4, 2026.

Details of Risk Management Committee Members and Number of Meetings Attended during FY 2025-26

Names of Committee Members	Position held	No. of meetings held during tenure	No. of meetings attended
Mr. Vikram Sitaram Kasbekar*	Chairman	4	4
Mr. Pradeep Dinodia#	Member	4	4
Mr. Rajnish Kumar**	Member	3	3
Ms. Camille Miki Tang**	Member	3	3
Air Chief Marshal Birender Singh Dhanoa (Retd.)##	Member	1	1

*Appointed as Chairman (previously he was a member) w.e.f. May 13, 2025
#Ceased to be Chairman (continues as a member) w.e.f. May 13, 2025
**Appointed as a member w.e.f. May 13, 2025
##Ceased to be a member w.e.f. May 13, 2025

COMMITTEE OF DIRECTORS

The Company has a Committee of Directors which presently comprises Dr. Pawan Munjal as Chairman, Mr. Vikram Sitaram Kasbekar and Mr. Pradeep Dinodia as its members. The Company Secretary acts as the Secretary to 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 fourteen (14) occasions, viz., May 5, 2025, May 16, 2025, May 30, 2025, June 18, 2025, July 11, 2025, August 19, 2025, September 18, 2025, October 24, 2025, November 1, 2025, November 19, 2025, December 10, 2025, January 30, 2026, February 27, 2026, and March 16, 2026.

SHARE TRANSFER COMMITTEE

While the statutory functions of share transfers have been consolidated under the Stakeholders Relationship Committee as per the Listing Regulations, the Company continues to maintain a dedicated Share Transfer Committee ('STC') as a voluntary good governance practice. The role of the STC is to attend to requests pertaining to share transfer, transmission, etc. This Committee, comprising the Chief

Financial Officer, Vice President (Finance) and the Company Secretary & Compliance Officer are ex-officio members of the Committee. During the financial year under review, circular resolutions were passed on ten (10) occasions, viz., April 8, 2025, May 9, 2025, June 6, 2025, July 11, 2025, August 20, 2025, September 19, 2025, November 4, 2025, December 15, 2025, February 3, 2026 and March 19, 2026.

CONFIRMATION ON THE RECOMMENDATIONS OF COMMITTEES OF THE BOARD

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

CREDIT RATINGS

The details of the credit ratings assigned by various rating agencies, are provided below:

Details of Credit Ratings for FY 2025-26

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	CRISIL Limited	A1+
4.	Non-Convertible Debentures/Fixed Deposit	CRISIL Limited/ICRA Limited	AAA Stable

No changes or revisions to the aforesaid credit ratings were received from the rating agencies during the financial year. The Company has not issued any Commercial Papers, Non-Convertible Debentures or taken any Fixed Deposit during the year.

DISCLOSURES

Related Party Transactions

In terms of Section 188(1) of the Act, all related party transactions entered into by the Company during FY 2025-26 were carried out with prior approval of the Audit Committee and the approval of the Board, wherever required. All transactions were on an arm's-length basis and in the ordinary course of business. All the transactions are also disclosed to the Audit Committee and the Board on a quarterly basis.

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

The Company has a policy on Related Party Transactions, which was amended during FY 2025–26 to incorporate regulatory changes under the Listing Regulations alongside other internal policy enhancements.

The policy on dealing with related party transactions is disclosed on the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/related_party_transactions_policy_06_02_2025.pdf

Scan the QR code to view the Related Party Policy

Disclosure of policy on material subsidiaries

At present, your Company does not have a material subsidiary. The policy for determining material subsidiaries is available on the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_on_material_subsidiaries_06_02_2025.pdf

Scan the QR code to view the Material Subsidiary Policy

The policy is reviewed periodically and was amended during FY 2025-26 to include amendments on account of regulatory changes in the Listing Regulations.

Accounting Treatment in preparation of financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards as notified under Section 133 of the Act, read with 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.

The 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 all Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clauses (b) to (i) and para C, D and E of Schedule V of the Listing Regulations.

Quarterly reports on compliance with Corporate Governance/ Integrated Filing (Governance) as per the Listing Regulations and applicable SEBI circulars were duly filed with the stock exchanges within the stipulated time and same are also available on Company's website at https://www.heromotocorp.com/en-in/company/investors/investor-relations/filings-and-reports.html. The Company has complied with all the requirements of Corporate Governance Report as specified under the Listing Regulations.

Legal Compliance Management Tool

The Company has a comprehensive and robust online legal compliance management tool for tracking, managing, and reporting on compliance with all laws and regulations applicable to the Company.

The Company Secretary based on the Certification received from the respective functional heads on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company.

Vigil Mechanism/Whistle Blower Policy

In compliance with the SEBI Regulations, the Company has a policy/mechanism on dealing with whistle blower complaints, 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 to report any concern. The said policy/ mechanism is disclosed on the Company's website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/whistle_blower_policy_2024.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.

Scan the QR code to view the Vigil Mechanism/Whistle Blower Policy

Commodity price risk or foreign exchange risk and hedging activities

Our Company faces exposure to commodity price risk and foreign exchange risk. For exports, our primary foreign currency exposure is in USD. For imports, our exposures are predominantly in USD, CNY, and EUR.

To mitigate these risks, we evaluate natural hedges and employ hedging instruments, if considered necessary, in accordance with central bank regulations. Comprehensive details regarding our hedged and unhedged positions can be found in the Notes to the Standalone Financial Statements within the Annual Report.

Disclosures with respect to demat suspense account/unclaimed suspense account

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

Status of Unclaimed Equity Shares lying in the suspense account

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account at the beginning of the year.	3	1700
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year.	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year.	-	-
Number of shareholders whose shares were transferred to the demat account of the Investor Education and Protection Fund (IEPF) Authority	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year.	3	1700

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

The Company has in place a policy on Prevention of Sexual Harassment at the workplace. 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 during the FY 2025-26, on a consolidated basis, to the statutory auditors M/s Deloitte Haskins & Sells LLP and to all entities in the network firm/network entity of which the statutory auditors are part are mentioned below:

Details of fees paid to statutory auditors

(₹ in crore)

Sl. No.	Name of Entity	Relationship with Hero MotoCorp Ltd.	Details of Services	Amount
1	Hero MotoCorp Limited		Audit Fees	2.26
2	Hero MotoCorp Limited		Tax Audit Fees	0.05
3	Hero MotoCorp Limited		Out of Pocket Expenses	0.19
4	Hero MotoCorp Limited		Certifications	0.38
5	HMC MM Auto Limited	Subsidiary	Audit Fees	0.21
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	0.78
10	Hero Tech Center Germany GmbH	Subsidiary	Audit Fees	1.81
Total				**5.82**

DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

Not Applicable

CEO & CFO CERTIFICATION

The Chief Executive Officer and the Chief Financial Officer of the Company furnish certificates on a quarterly and annual basis on the financial statements of the Company in terms of Regulation 33(2)(a) of the Listing Regulations. In terms of Regulation 17(8) of Listing Regulations, the certificate duly signed by the CEO & the CFO of the Company was placed before the Board at its meeting held on May 5, 2026 and is annexed to this report as Annexure – (V).

RE-APPOINTMENT OF DIRECTORS

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 5, 2026, subject to the approval of the members, has approved the re-appointment of Dr. Pawan Munjal as a Whole-Time Director, designated as Executive Chairman, for the term of five (5) consecutive years commencing from October 1, 2026 upto September 30, 2031.

Your Company has received a notice in writing from the Members u/s 160 of the Act, signifying their intent to propose the candidature of Dr. Munjal for re-appointment as Executive Chairman at the forthcoming Annual General Meeting.

Mr. Suman Kant Munjal, Non-Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

During the year, Air Chief Marshal Birender Singh Dhanoa (Retd.) was re-appointed as a Non-Executive and Independent Director for a second term of five (5) consecutive years with effect from October 1, 2025 to September 30, 2030.

COMPLIANCE WITH THE 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 the Listing Regulations.

During the period under review, the Company has not made any disclosures under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

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 practices, the Company sends its quarterly financial results along with the summary of significant events via email to shareholders whose email addresses are registered with their respective Depository Participants/RTA, following Board approval and dissemination to the stock exchanges. The results are also disseminated on the website of the Company viz. www.heromotocorp.com and published in widely circulated newspapers.

No Audit Qualifications

There are no audit qualifications in the financial statements of FY 2025-26. The Company continues to adopt best practices in order to ensure unqualified financial statements.

Separate posts of Chairman and CEO

The Company maintains separate positions for the Chairman and the CEO of the Company. Dr. Pawan Munjal serves as the Executive Chairman, while Mr. Harshavardhan Chitale holds the position of the Chief Executive Officer of the Company w.e.f. January 5, 2026. Prior to Mr. Chitale, Mr. Vikram Kasbekar held the position of Acting CEO from May 1, 2025 to January 5, 2026. Mr. Niranjan Gupta held the position of the CEO from May 1, 2023 to April 31, 2025.

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 the Board's Report.

Meetings of Independent Directors

During the year under review, the Independent Directors of the Company convened two (2) meetings without the presence of other Directors and management of the Company.

All Independent Directors were present at the meeting.

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 a Shareholders' referencer, which contains rights & duties of shareholders, grievance redressal framework, etc., and 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. The Shareholders' Referencer is available on the 'Investors' section of the website at: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf

Scan the QR code to view the Shareholders' Referencer:

NSE ELECTRONIC APPLICATION PROCESSING SYSTEM ('NEAPS')

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

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

The Listing Centre of BSE Limited (BSE), is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, Integrated Filling (Governance), press releases, among others are filed electronically on the Listing Centre.

FINANCIAL RESULTS

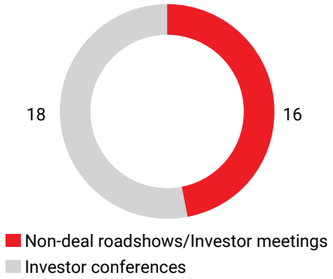
Pursuant to Regulation 33 of the Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly unaudited as well as annual audited financial results to both the stock exchanges i.e. BSE & NSE. The quarterly, half-yearly and annual results of the Company are published 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/company/investors/annual-report.html?key1=quarterly-results.

NEWS RELEASES AND PRESENTATIONS

Official news and press releases are sent to BSE and NSE and are also uploaded on the Company's website at www.heromotocorp.com.

INVESTOR MEETINGS & CONFERENCES

The Company conducts quarterly investor calls after declaration of its financial results, which are accessible to all stakeholders. It also attended conferences and non-deal roadshows/meetings, within which it had multiple meetings, interacting with investors and analysts, through physical/virtual mode. Below are the disclosed events, as intimated to the stock exchanges and updated on the Company's website:



INTEGRATED ANNUAL REPORT

The Integrated Annual Report containing, *inter alia*, the audited financial statements (standalone & consolidated), the Board's Report, the Auditors' Report, the Management Discussion and Analysis (MDA) report, the Business Responsibility and Sustainability 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.

The Integrated Annual Report for FY 2025-26 will be sent by e-mail to those members who have registered their e-mail address with the Registrar and Share Transfer Agent/their respective Depository Participants.

In compliance with the amended provisions of Regulation 36 of the Listing Regulations, a letter providing the QR Code and the web-link, mentioning the exact web path, where complete details of the Integrated Annual Report 2025-26 is available, will be sent to those members, who have not registered their email address.

COMMUNICATION TO INVESTORS

Unclaimed shares/dividend

Periodic reminders to claim unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. Additionally, newspaper advertisements are published to enhance the visibility of these reminders. These details are also uploaded on the website of the Company at www.heromotocorp.com after communicating to the Stock Exchanges.

Dispute Resolution Mechanism at Stock Exchanges

The SEBI vide its Master circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 (updated as on December 20, 2023) has made it mandatory for investors to first take up their grievances for redressal with the Company. In the event that the Company fails to redress a complaint within twenty-one (21) calendar days, investors may escalate their grievances to the SEBI Complaints Redress System (SCORES) at https://scores.sebi.gov.in/.

Complaints against the listed company shall be simultaneously forwarded through SCORES to the relevant stock exchanges. The exchanges shall ensure that the concerned company submits its Action Taken Report (ATR) within the stipulated time of twenty-one (21) calendar days.

Review Process:

First review: If the complainant is not satisfied, the complainant may request for a review of the resolution provided by the Company within 15 calendar days from the date of the ATR. The stock exchanges shall take up the first review with the concerned company, wherever required.

Second review: The complainant may seek a second review of the complaint within 15 calendar days from the date of the submission of the ATR by the stock exchanges. In case the complainant is not satisfied with the ATR provided by the stock exchanges or the concerned exchange has not submitted the ATR within 10 calendar days, SEBI may take cognisance of the Complaint for second review through SCORES.

If the investor is still not satisfied with the outcome of SCORES, he/she/they can initiate dispute resolution through the SMART ODR Portal. Members may also refer to the Shareholders' Referencer available on the Company's website at: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf.

Scan the QR code to view the Shareholders' Referencer

Furnishing of KYC details:

In compliance with the SEBI circular dated November 3, 2021 (subsequently amended via circulars dated December 14, 2021, March 16, 2023, November 17, 2023 and Master circular May 7, 2024 and further on June 10, 2024), the Company sent intimations to relevant stakeholders on June 27, 2025, July 1, 2025, and November 4, 2025 informing the following:

- the security holders (holding securities in physical form) shall mandatorily update their KYC details (PAN, Contact Details, Mobile Number, Bank Account Details and signature).
- the security holders (holding securities in physical form) shall be eligible for any payment including dividend, interest or redemption only upon furnishing all the above KYC details.
- the payment of dividend shall be made through electronic mode only with effect from April 01, 2024.
- the security holders holding shares in physical form are also encouraged to dematerialise their holding.

Additionally, the newspaper advertisements issued for unclaimed shares and unpaid dividends include a recommendation for shareholders to dematerialise their shares and update their KYC information.

The aforesaid communications and newspaper advertisements are also made available on the investor section of Company's website at https://www.heromotocorp.com/en-in/company/investors/investor-relations/filings-and-reports.html?key.

100 Days' Campaign - "Saksham Niveshak"

In line with our "Investor First" philosophy and pursuant to the directives issued by the Investor Education and Protection Fund Authority (IEPFA) and the Ministry of Corporate Affairs (MCA), the Company actively participated in the nationwide 100 Days' Campaign - "Saksham Niveshak".

Launched from July 28, 2025, to November 6, 2025, the primary objective of this intensive outreach programme was to proactively engage with shareholders to:

- reduce the transfer of unclaimed dividends and underlying shares to the IEPF by facilitating timely claims.
- assist shareholders in updating mandatory KYC details, including PAN, Choice of Nomination, Contact Details, and Bank Account Mandates.
- encourage the shareholders to convert their physical holdings into dematerialised form to reduce risks and simplify future transactions.

During the Campaign, the key initiatives included a multi-channel awareness drive via the Company's website, social media, and national newspaper advertisements, complemented by direct outreach through targeted emails, SMS alerts, and reminder letters for KYC updates and dividend claims. To further promote dematerialisation, the Company conducted telephonic follow-ups and engaged a specialised third party agency for physical outreach in a phased manner to assist shareholders in converting their physical holdings into demat form.

Payment of Dividend

In compliance with the amendments to the Listing Regulations, the issuance of physical dividend instruments, including "payable-at-par" warrants, cheques, or demand drafts, has been completely discontinued effective November 19, 2025. Therefore, all dividend payments shall be remitted exclusively through RBI-approved electronic modes. Consequently, the Company is not issuing physical instruments for dividend payouts. The Company issued a newspaper advertisement on January 30, 2026, advising shareholders to ensure that their bank account details are registered or updated with their respective Depository Participant in case shares are held in dematerialised form or with the Company's Registrar and Share Transfer Agent, for shares held in physical form.

The Company also sent a communication to all those shareholders whose email addresses were registered with the Company regarding tax on dividend requesting them to update their bank account details and provide other relevant information.

The above newspaper advertisements are also made available on the investor section of Company's website at https://www.heromotocorp.com/en-in/company/investors/investor-relations/filings-and-reports.html?key.

Circulars/notifications issued by SEBI in the interest of shareholders

Members are requested to note that the following circulars/notifications were issued by the SEBI during FY2025-26 to enhance ease of dealing in securities/doing investments, with a view to make the processes and procedures more efficient and investor friendly:

S No.	Date and/or Reference No.	Brief Particulars	Link
1.	**July 02, 2025** SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97	**Special Window for Re-lodgement:** SEBI opened a 6-month window (July 7, 2025, to Jan 6, 2026) for re-lodgement of physical share transfer deeds that were rejected/returned prior to April 1, 2019.	https://www.sebi.gov.in/legal/circulars/jul-2025/ease-of-doing-investment-special-window-for-re-lodgement-of-transfer-requests-of-physical-shares_94973.html
2.	**September 19, 2025** SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/130	**Smooth transmission of securities from Nominee to Legal Heir:** Streamlining the process for transmission of securities from a nominee to a legal heir and resolve the issues related to taxation shareholder's demise.	https://www.sebi.gov.in/legal/circulars/sep-2025/ease-of-doing-investment-smooth-transmission-of-securities-from-nominee-to-legal-heir_96711.html
3.	**November 18, 2025** SEBI/LAD-NRO/GN/2025/273	**Discontinuation of Physical Warrants:** SEBI mandated that all payments of dividends, interest, or redemption amounts be made exclusively via electronic mode. The provision to issue physical warrants/cheques has been omitted to ensure faster and more secure credit to investors.	https://www.sebi.gov.in/legal/regulations/nov-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-fifth-amendment-regulations-2025_97840.html
4.	**December 24, 2025** SEBI/HO/MIRSD/POD-1/P/CIR/2025/185	**Simplification of Duplicate Share Certificate Process:** SEBI simplified the process and standardised the formats of documents for issuance of duplicate certificate.	https://www.sebi.gov.in/legal/circulars/dec-2025/ease-of-doing-investment-review-of-simplification-of-procedure-and-standardization-of-formats-of-documents-for-issuance-of-duplicate-certificates-_98668.html
5.	**January 30, 2026** HO/38/13/(3)2026-MIRSD-POD/I/3763/2026	**Dispensing with Letter of Confirmation (LoC):** SEBI simplified the process for processing investor service requests (Duplicate, Transmission, etc.) by dispensing with the physical LoC. Securities are now directly credited to the claimant's demat account, reducing the risk of loss and procedural delays.	https://www.sebi.gov.in/legal/circulars/jan-2026/ease-of-doing-investment-and-ease-of-doing-business-doing-away-with-requirement-of-issuance-of-letter-of-confirmation-loc-and-to-effect-direct-credit-of-securities-in-dematerialisation-account-o-_99421.html
6.	**January 30, 2026** HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026	**Extension & Expansion of Re-lodgement:** A new one-year window (Feb 5, 2026, to Feb 4, 2027) was opened for transfer and demat of physical shares transferred prior to April 2019, subject to a one-year lock-in from the date of registration of transfer.	https://www.sebi.gov.in/legal/circulars/jan-2026/ease-of-doing-investment-special-window-for-transfer-and-dematerialisation-of-physical-securities_99411.html

GREEN INITIATIVE

In compliance with the MCA and SEBI circulars, the Annual report which, *inter alia,* comprises the Audited Standalone & Consolidated Financial Statements along with the Reports of the Board of Directors and Auditors thereon for the Financial Year 2025-26 and the Notice of AGM are being sent exclusively via electronic mode to those Members whose e-mail addresses are registered with the Company/RTA or the DP(s). The physical copy of this Annual Report will be dispatched only to those shareholders who request for the same.

All intimations or reminders to shareholders are being sent in electronic mode only, except that are required to be sent in physical form as mandated by relevant MCA and SEBI Circulars.

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

GENERAL BODY MEETINGS

Details of Annual General Meeting (AGM) held during the previous 3 (three) years where any special resolutions were passed are mentioned below:

Details of Annual General Meetings held:

Financial Year	Day and Date	Location	Time	Summary of special resolution(s) passed
2024-25	Tuesday, August 5, 2025	Video Conferencing("VC")/ Other Audio Visual Means ("OAVM")*	11:30 A.M.	• Re-appointment of Air Chief Marshal Birender Singh Dhanoa (Retd.) as an Independent Director for a second term of five (5) consecutive years, with effect from October 1, 2025 to September 30, 2030
2023-24	Monday, August 12, 2024		11:30 A.M	• Re-appointment of Mr. Vikram Sitaram Kasbekar, Whole-time Director of the Company, designated as Executive Director (Operations), for a term of three (3) years, with effect from August 8, 2024 till August 7, 2027. • Re-appointment of Ms. Tina Trikha as a Non-Executive and Independent Director for a second term of five (5) consecutive years w.e.f. October 23, 2024 till October 22, 2029. • Re-appointment of Ms. Camille Miki Tang as Non-Executive and Independent Director of the Company for a second term of three (3) consecutive years, with effect from November 19, 2024 till November 18, 2027. • Re-appointment of Mr. Rajnish Kumar as Non-Executive and Independent Director of the Company for a second term of three (3) consecutive years, with effect from November 25, 2024 till November 24, 2027.
2022-23	Wednesday, August 9, 2023		11:30 A.M	• Re-appointment of Prof. Jagmohan Singh Raju as a Non-Executive and Independent Director of the Company for a second term of five (5) consecutive years, with effect from November 15, 2023 to November 14, 2028.

*Pursuant to the relaxations provided by the Ministry of Corporate Affairs ('MCA") vide its General Circular no. 20/2020 dated May 5, 2020 and subsequent circulars in this regard, the latest being General Circular No. 03/2025 dated September 22, 2025 and SEBI Circulars dated May 12, 2020 and January 15, 2021, and subsequent circulars in this regard, the latest being dated October 3, 2024, the Company conducted its AGM(s) in the years 2023, 2024 and 2025 through VC/OAVM. The MCA has now permitted companies to conduct General Meetings through electronic mode till further orders.

Further, in accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGMs of the Company held in the year 2023, 2024 and 2025 were deemed to have been conducted at the Registered Office of the Company being the deemed venue of the AGM.

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

POSTAL BALLOT

During the year 2025-26, no resolution was passed by way of postal ballot. Therefore, disclosure under this section is not required.

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

As on date of this report there are no proposals to conduct a special resolution through Postal Ballot.

GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting Date: August 5, 2026
Day: Wednesday
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, 2025 to March 31, 2026

For FY 2025–26	Results were announced on
First quarter ended June 30, 2025	Wednesday, August 6, 2025
Second quarter and half year ended September 30, 2025	Thursday, November 13, 2025
Third quarter and nine months ended December 31, 2025	Thursday, February 5, 2026
Fourth quarter and year ended March 31, 2026	Tuesday, May 5, 2026

For FY 2026–27	Results are likely to be announced by (tentative and subject to change)
First quarter ended June 30, 2026	Second week of August, 2026
Second quarter and half year ended September 30, 2026	Last week of October, 2026
Third quarter and nine months ended December 31, 2026	Second week of February, 2027
Fourth quarter and year ended March 31, 2027	Second week of May, 2027

Book closure

The dates of book closure shall be from July 25, 2026 (Saturday) to August 5, 2026 (Wednesday) (both days inclusive).

Dividend payment

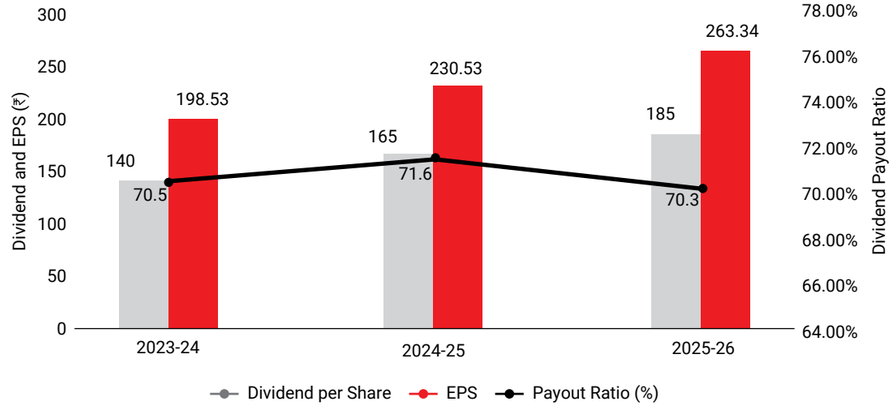
The Board declared an interim dividend @ 5,500% i.e. ₹ 110/- per share, in February 2026. The interim dividend was paid to those shareholders whose names appeared on the register of members as on February 11, 2026 and payment was made on February 25, 2026.

The Board has recommended a final dividend ₹ 75/- per equity share (3,750%) of face value of ₹ 2/- each for FY 2025-26. The dividend recommended by the Directors for the financial year ended March 31, 2026, if declared at the ensuing AGM, will be paid by September 4, 2026 to those members, whose names appear in the register of members/depository records as of the close of business hours on July 24, 2026 (Friday). Combined with the interim dividend, the total dividend for FY 2025-26 amounts to ₹ 185/- per equity share (9,250% of the face value of ₹ 2/- each).

In general, your Company's Dividend Distribution Policy, among other things, balances the objectives of rewarding shareholders and retaining capital for future projects and expansion. It has a consistent track record of dividend distribution, with the Dividend Payout Ratio ranging around 70 percent in last 3 years, which the Board endeavors to maintain. The policy is reviewed periodically by the Board of Directors. The Dividend Distribution Policy is available on the website of the Company at the following link: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/dividend_distribution_policy_2024.pdf

Scan the QR code to view the Dividend Distribution Policy

DIVIDEND PAYOUT RATIO



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

Annual Listing Fees

Annual listing fees for FY 2026-27 has been paid to both, BSE and NSE within the stipulated time.

Distribution of shareholding by size

The 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, 2026.

Distribution of Shareholding

No. of shares held (paid-up)#	No. of shareholders		No. of shares of Face Value of ₹ 2	
	Numbers	%	Number	%
1-5000	8,94,153	99.84	2,84,19,384	7.10
5001- 10000	417	0.05	28,82,450	0.72
10001- 20000	285	0.03	40,72,868	1.02
20001- 30000	107	0.01	26,21,914	0.66
30001- 40000	71	0.01	24,48,650	0.61
40001- 50000	51	0.01	22,91,848	0.57
50001- 100000	146	0.02	1,02,38,278	2.56
100001 & Above	286	0.03	34,72,04,162	86.76
Total	**8,95,516**	**100%**	**40,01,79,554**	**100.00**

#Shareholders grouped based on PAN. Shareholders without PAN based grouping are 9,09,374.

Category wise shareholding as on March 31, 2026 (%)

Category	Percentage (%)
Promoters & Promoter Group	34.73
Foreign Portfolio Investors/Foreign Institutional Investor/Foreign Nationals/Foreign Banks	31.14
Domestic Institutions- Mutual Funds/AIF/Insurance Co./QIB	24.62
Indian Public	7.44
IEPF	0.47
Non-Resident Indians	0.43
Bodies Corporate	0.31
Banks/NBFCs/UTI	0.17
Others	0.69

Category wise shareholding as on March 31, 2026 (Nos.)

Top ten public shareholders of the Company as on March 31, 2026:

Sl. No.	Name of the Shareholder#	No. of shares	Holding
1.	Life Insurance Corporation of India	1,08,06,207	5.40
2.	Kotak Large Cap Fund	83,65,986	4.18
3.	Government Pension Fund Global	47,44,683	2.37
4.	ICICI Prudential Value Fund	46,71,519	2.33
5.	NPS Trust - A/C ICICI Prudential Pension Fund Scheme E - Tier I	46,63,457	2.33
6.	WGI Emerging Markets Fund, LLC	39,44,069	1.97
7.	Mirae Asset Midcap Fund	26,58,419	1.33
8.	UTI Nifty Midsmallcap 400 Momentum Quality 100 Index Fund	21,14,438	1.06
9.	Vanguard Total International Stock Index Fund	19,01,051	0.95
10.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Funds	17,89,170	0.89

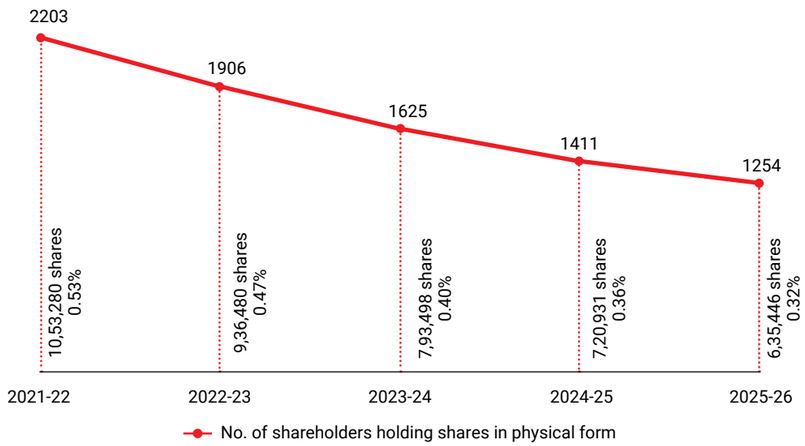
#Shareholders grouped based on PAN.

Category of shareholding as on March 31, 2026

Category	No. of holders	% to total holders#	Total shares	% to total shares
Physical	1,254	0.14	6,35,446	0.32
NSDL	2,81,902	31.00	19,25,16,304	96.21
CDSL	6,26,218	68.86	69,38,027	3.47
Total	**9,09,374**	**100.00**	**20,00,89,777**	**100.00**

#No. of shareholders without PAN based grouping.

Due to the continuous efforts made by the Company to convert the shareholders holding shares in physical mode of the Company into the dematerialised form, your Company has witnessed a remarkable decline in the number of shareholders holding physical shares in the last 5 years. No. of shares in physical form decreased by ~39.67% (10,53,280 in FY 2021-22 vs. 6,35,446 in FY 2025-26), as on March 31, 2026.



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
2019-20	Interim	₹ 65	3,250%	March 12, 2027
	Final	₹ 25	1,250%	September 18, 2027
2020-21	Interim	₹ 70	3,500%	March 12, 2028
	Final	₹ 35	1,750%	September 08, 2028
2021-22	Interim	₹ 60	3,000%	March 16, 2029
	Final	₹ 35	1,750%	September 14, 2029
2022-23	Interim	₹ 65	3,250%	March 10, 2030
	Final	₹ 35	1,750%	September 12, 2030
2023-24	Interim	₹ 100	5,000%	March 12, 2031
	Final	₹ 40	2,000%	September 12, 2031
2024-25	Interim	₹ 100	5,000%	March 13, 2032
	Final	₹ 65	3,250%	September 8, 2032
2025-26	Interim	₹ 110	5,500%	March 11, 2033
	Final (recommended)	₹ 75	3,750%	September 10, 2033 (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 2017-18 (Final) & FY 2018-19 (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 dividends and shares are liable to be transferred to the 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/company/investors/unclaimed-dividend-and-shares.html#unclaimed-dividends. Additionally, newspaper advertisements are published to enhance the visibility of these reminders.

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/company/investors/unclaimed-dividend-and-shares.html#unclaimed-dividends. 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 or shares have been transferred to Investor Education and Protection Fund Authority (IEPFA) under the applicable provisions of the Act, can claim the dividend / shares or both, from the IEPFA after following the procedures/guidelines provided below:

a. Create a login on the website of Ministry of Corporate Affairs (MCA), viz., https://www.mca.gov.in

b. Login to the MCA website using your login credentials.

c. Go to MCA Services, look under IEPF Related Services, and select web form IEPF-5

d. Fill the online form with required details and submit.

[Investors/depositors while filing the web form IEPF-5, may refer to the Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 or Frequently Asked Questions available at the website of IEPF Authority, viz. https://www.mca.gov.in/content/mca/global/en/help-faq/faqs/iepf-website/iepf-5-Claimant.html

e. After successful online submission, arrange the following documents for physical submission to the Nodal Officer of the Company, through post, at the

Company's registered office address, in an envelope marked "Claim for refund from IEPF Authority":

1. Duly self-attested copies of web form IEPF-5 and acknowledgement received on the registered email-id along with the documents mentioned in the web form IEPF-5.
2. 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 the jurisdictional state is required. For a claim of amount of ₹ 10,000/- or less, indemnity bond can be executed on a plain paper.]
3. Original share certificate (in case of securities held in physical form) or copy of transaction statement in case of securities held in demat form.
4. Self-attested copy of the Client Master List, which should be duly stamped by the respective Depository Participant.
5. Self-attested copy of PAN and Aadhaar Card.
6. Proof of entitlement/original share certificate/ dividend warrant (if any).
7. Original cancelled cheque leaf.
8. Copy of Passport, Overseas Citizen of India (OCI) and Person of Indian Origin (PIO) card in case of foreigners or Non Resident Indians (NRI).
9. In case any joint holder is deceased, a notarised copy of death certificate is to be attached.
10. In case of foreigners or NRI, self-attested apostilled (as per Hague Convention) copy of OCI card or copy of PIO card, is to be provided.

f. After submission of physical documents to the Nodal officer, it is mandatory to provide/ upload the postal receipt details on the MCA for successful submission of the said IEPF form. Only upon receipt of this information, the form will reflect or be available online (on MCA portal) for the Company to review and verify.

The Company had received applications from various claimants 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.

To facilitate coordination with the IEPFA and ensure the seamless verification of claims, the Company has appointed a designated Nodal Officer. During the year under review, Mr. Dhiraj Kapoor served in this capacity until November 14, 2025. Following his cessation, Mr. Vikram Sitaram Kasbekar was appointed to the role. Subsequently, effective February 5, 2026, Mr. Prabhat Singh has been appointed as the Nodal Officer of the Company.

Dematerialisation of shares and liquidity

The shares of the Company are traded in the compulsory demat segment. As of March 31, 2026, 99.68% of the total share capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

In terms of liquidity, the equity shares of the Company are part of the major indices, including, BSE -100, BSE- 200, BSE- 500, NIFTY 200, NIFTY-500 and among other sectoral indices. Further, the equity shares of the Company remained frequently traded at NSE and BSE throughout the FY 2025-26.

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:

   Your Company has an approved risk management policy. The key objectives of the policy are:

   - Identification and categorisation of potential risks.
   - Assessment and mitigation of risks.
   - Monitoring and ensuring continuous growth and to sustain market leadership in the mobility industry, domestically and globally.

   Commodity price risk is the financial exposure a company faces due to fluctuations in the prices of raw materials, which can significantly affect its financial performance and profitability. As a manufacturing operation with high resource intensity, your Company is exposed to various market risks, including changes in commodity prices and exchange rates.

   We primarily procure components from vendors who, in turn, purchase and process the necessary commodities. Consequently, our direct commodity purchases are minimal. However, shifts in commodity prices still impact the procurement costs of our components and parts. The key commodities used in manufacturing two-wheelers are base metals (like steel and aluminium) and crude oil-derived plastics/resins. Sharp fluctuations in these prices can create significant business challenges, affecting production costs, product pricing, and overall earnings.

   Our risk management policy is designed to manage the impact of commodity price fluctuations across our entire value chain, effectively safeguarding our financial performance and profitability. We deploy multiple strategies to mitigate these risks, with the selection of each strategy depending on a cost-benefit analysis and the extent of exposure. This also includes an assessment of our ability to pass on adverse fluctuations to customers through price increases. We continuously work on cost optimisation, weight reduction, and process improvement. Additionally, we consider localising imports and global sourcing to ensure the lowest cost options for parts and raw materials.

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;

   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 materially impact the financial performance/profitability.

   As of the reporting date i.e. March 31, 2026 the Company did not have any open contracts or derivatives, or any 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 ferrous and non-ferrous metal traded in a narrow range during the year. Crude did fluctuate, inching up in the first half of the year and thereafter settled at lower levels.

   Recognising the unpredictable nature of markets, the Company has made proactive monitoring and management of these exposures an integral part of its overarching risk management programme, aiming to mitigate adverse business impacts. Beyond other initiatives, the Company has consistently implemented price adjustments to offset the detrimental effects of commodity and currency volatility on its financial performance and 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 financial year under review.

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 Hyderabad, Rangareddy, Telangana, India -500 032.
Toll Free No: 1800 309 4001
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 the RTA.

Share Transfer Committee is authorised to approve transfer and transmission of shares in the physical segment. Such transfers generally take place on a monthly 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, in terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, the transfer, transmission and transposition of securities shall be executed exclusively in dematerialised form.

Pursuant to the SEBI circular dated January 25, 2022 the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued which shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerialising those shares. In case of failure to make such a request, those shares shall be credited in the Suspense Escrow Demat account held by the Company, for

which shareholders can submit necessary documents to claim. As on March 31, 2026, the total number of shares lying in the Company's Suspense Escrow Demat Account was 120 shares.

Following the recent SEBI streamlining of procedural requirements, the requirement to issue a physical 'Letter of Confirmation' has been dispensed with. The Company/RTA now processes transmission, transposition, and other service requests by directly facilitating the credit of securities into the claimant's demat account.

Special Window for Re-lodgement of shares

The regulatory authorities have opened a special one-year window from February 5, 2026, to February 4, 2027, allowing the transfer and dematerialisation (demat) of physical shares that were originally transferred prior to April 2019. Please note that these processed shares will be subject to a strict one-year lock-in period starting from the exact date their transfer is registered. Your company strongly encourage eligible shareholders to utilise this limited-time opportunity to convert their physical holdings into secure electronic format.

Issuance of Securities in dematerialised form in case of Investor Service Requests

SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has introduced common and simplified norms for processing investors' service request by RTA and has mandated that the listed Companies shall henceforth issue the securities in dematerialised form only, while processing the following service requests:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal, exchange, endorsement, sub-division, splitting, or consolidation of securities certificate; &
- Transmission and transposition of securities.

During FY 2025-26, the RTA issued a 'Letter of Confirmation' (LoC) to the eligible shareholders to facilitate dematerialisation within 120 days from the date of issue.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2026/3763 dated January 30, 2026, the requirement to issue a physical Letter of Confirmation has been dispensed with. The Company/RTA now completes these service requests by directly crediting the securities to the beneficiary's demat account.

Reconciliation of Share Capital Audit

Audits were carried out by a practicing Company Secretary to reconcile the total admitted capital with NSDL, CDSL and held physically. 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 held in dematerialised form with NSDL and CDSL.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on meetings 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: L35911DL1984PLC017354
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: +91-124-289 4200, 237 2123
Fax: +91-124-2373141/42

Dharuhera Plant
69 km Stone, Delhi-Jaipur Highway, Dharuhera,
Dist. Rewari - 123 110 Haryana, India
Tel: +91-1274-264 000
Fax: +91-1274-267 018

Haridwar Plant
Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar - 249 403, Uttarakhand, India
Tel: +91-1334-238 500, 239 514/16
Fax: +91-1334-239 512/13

Neemrana Plant
SP 101-103, 108 & 109,
RIICO Industrial Area, Phase – II,
Delhi – Jaipur Highway, Neemrana,
District Alwar, Rajasthan - 301 705, India
Tel: +91-149-4673000

Global Parts Center
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: +91-2676-229114

Tirupati Plant
Sy No.1, Industrial Park
Madanapalem Village, Satyavedu-Cherivi Road
Satyavedu Mandal, Tirupati District
Andhra Pradesh - 517 588
Tel: +91-8576-227200

R&D Centre
Centre of Innovation & Technology SPL-1,
RIICO Industrial Area, Kukas, Phase-II, NH-11C,
Jaipur, Rajasthan - 302 028, India
Tel: 1800 266 0018

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: 018000116044

Colombia Branch Office
HMCL Surusal Colombia Calle 13 No 100-35 of 117, Colombia

Bangladesh Plant
HMCL Niloy Bangladesh Ltd. Padmabilla, Shakharigati,
Kotwali, Jessore, Bangladesh
Tel: +880 9636666666

Hero Tech Center Germany GmbH
Kronstaudener Weg 1,
D-83071 Stephanskirchen, Germany
Tel: +49(0)80363031120

COMPLIANCE CERTIFICATE OF THE SECRETARIAL AUDITORS

Certificates from M/s. SGS Associates LLP, Company Secretaries (Firm Registration No. L2021DE011600), 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. Prabhat Singh
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

Queries relating to the Financial Statements/Institutional Investors' matters of the Company may be addressed to:

Mr. Vivek Anand
Chief Financial Officer
The Grand Plaza, Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase II, New Delhi - 110 070
E-mail: corporate.communication@heromotocorp.com
investor.relations@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

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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 with the conditions of Corporate Governance by Hero MotoCorp Limited ("the Company"), for the financial year ended March 31, 2026, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this certification. Based on our examination of the relevant records and according to the information and explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations during the financial year ended on March 31, 2026.

For **SGS ASSOCIATES LLP**
Firm Regn. No. L2021DE011600
Company Secretaries

[CS Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner, SGS Associates LLP
Membership No. FCS 2411
Certificate of Practice No. 1509
ICSI PR No. 7547 of 2025
ICSI UDIN: F002411H000273803

Date: May 5, 2026
Place: New Delhi

ANNEXURE - IV

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) 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

We have examined the relevant disclosures received from the Directors and the registers, records, forms, returns received from Hero MotoCorp Limited having CIN L35911DL1984PLC017354 and having its registered office at The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj - Phase -II, New Delhi-110070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that as on March 31, 2026, *none* of the Directors on the Board of the Company as stated below for the Financial Year ended on **March 31, 2026** 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 other Statutory Authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of appointment in Company
1.	Dr. Pawan Munjal	00004223	01/10/1986
2.	ACM Birender Singh Dhanoa (Retd.)	08851613	01/10/2020
3.	Ms. Camille Miki Tang	09404649	19/11/2021
4.	Prof. Jagmohan Singh Raju	08273039	15/11/2018
5.	Mr. Pradeep Dinodia	00027995	31/03/2001
6.	Mr. Rajnish Kumar	05328267	25/11/2021
7.	Mr. Suman Kant Munjal	00002803	29/07/2010
8.	Ms. Tina Trikha	02778940	23/10/2019
9.	Ms. Vasudha Dinodia	00327151	25/11/2021
10.	Mr. Vikram Sitaram Kasbekar	00985182	08/08/2016

Ensuring the eligibility for 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 the basis of 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.

For **SGS ASSOCIATES LLP**
Firm Regn. No. L2021DE011600
Company Secretaries

[CS Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner, SGS Associates LLP
Membership No. FCS 2411
Certificate of Practice No. 1509
ICSI PR No. 7547 of 2025
ICSI UDIN: F002411H000273759

Date: May 5, 2026
Place: New Delhi

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 5, 2026

Subject: Compliance Certificate in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. This is to certify that we have reviewed the standalone & the consolidated financial statements and the cash flow statement for the financial year ended on March 31, 2026, 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.

For **Hero MotoCorp Limited**

Harshavardhan Chitale
Chief Executive Officer

For **Hero MotoCorp Limited**

Vivek Anand
Chief Financial Officer

DECLARATION BY CHIEF EXECUTIVE OFFICER

[Regulation 34(3), read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Harshavardhan Chitale, Chief Executive Officer of Hero MotoCorp Limited hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the financial year 2025-26.

For **Hero MotoCorp Limited**

Harshavardhan Chitale
Chief Executive Officer

Date: April 22, 2026
Place: New Delhi

INFORMATION ON THE COMPANY'S WEBSITE, REGARDING KEY POLICIES, CODES AND CHARTERS, ADOPTED BY THE COMPANY:

Scan the QR code to view the key policies

Name of Policy or Code or Charter	Web- Link
Related Party Transactions Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/related_party_transactions_policy_feb_2026_website.pdf
Environment Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/environmental_policy_pdf.pdf
Occupational Health and Safety Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Occupational_Health_and_Safety_Policy.pdf
Policy for Prohibition, Prevention and Redressal of Sexual Harassment At Workplace	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_posh_policy_website.pdf
Corporate Social Responsibility Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/csr_policy_2024.pdf
Remuneration & Board Diversity Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_remuneration_and_board_diversity_policy.pdf
Whistle Blower Policy/Vigil Mechanism	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/whistle_blower_policy_2024.pdf
Policy for Determination of Materiality for Disclosure of Events or Information	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_for_determination_of_materiality_of_events_for_disclosure_06_02_2025.pdf
Preservation of Documents & Archival	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_on_preservation_of_documents_06_02_2025.pdf
Dividend Distribution Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/dividend_distribution_policy_2024.pdf
Policy on Material Subsidiaries	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/policy_on_material_subsidiaries_06_02_2025.pdf
Code of Conduct	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Code%20of%20conduct.pdf
Code of Practices & Procedures of Fair Disclosure of Unpublished Price Sensitive Information	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Code%20of%20Practices.pdf
Risk Management Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/risk_management_policy_06_02_2025.pdf
Terms & Conditions of Appointment of Independent Director	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/disclosures/requirements/Terms-and-Conditions-of-appointment-of-IDs.pdf
Board Committees	https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html
Unpaid Dividend Account Details	https://www.heromotocorp.com/en-in/company/investors/unclaimed-dividend-and-shares.html#unclaimed-dividends
Shareholders' Referencer	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf
Supplier Code of Conduct	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_supplier_code_of_conduct_v2.pdf

Name of Policy or Code or Charter	Web- Link
Conflict of Interest Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Conflict_of_Interest_Policy_v2_06_Dec_2023.pdf
Anti-Bribery and Anti-Corruption Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Anti_Bribery_and_Anti_Corruption_Policy_v2_06_Dec_2023.pdf
Human Rights Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Human-Rights-Policy-HRP.pdf
Raw Material Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/raw_material_policy_09032026.pdf
Sustainable Procurement Guidelines	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/sustainable-procurement-guidelines.pdf
Conflict Minerals (Responsible Minerals) Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Conflict%20Minerals%20(Responsible%20Minerals)%20Policy.pdf
Sustainability Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/sustainability_policy_2024.pdf.pdf
Water Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/water-policy-updated.pdf
Internal Audit Charter	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/internal_audit_charter.pdf
Information Security Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_information_security_policy.pdf
Ethical Marketing Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/ethical-marketing-policy.pdf
Quality Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Quality%20Policy.pdf
Tax Policy	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/tax-policy.pdf

ANNEXURE - VI

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) Policy of your Company is aligned with the provisions of Section 135 of the Companies Act, 2013 and aims to create value for stakeholders and a positive impact for a sustainable future.

a) Your Company's success is evaluated not only on economic growth but also on contributions to social, environmental, and governance aspects. The CSR projects of your Company focus on creating a greener, safer, and equitable society.

b) Greener initiatives include sustainable resource management and environmental conservation.

c) Safer initiatives focus on road safety and community safety through awareness programmes and training.

d) Equitable initiatives promote diversity, inclusion, and community development, with a focus on supporting armed forces veterans and their families.

e) Implementation of CSR activities can be done directly by the Company or through an implementing agency, with a focus on clear objectives, timelines, and employee engagement.

f) A robust monitoring system tracks progress and ensures optimal benefits for stakeholders, with regular reports submitted to the Committee.

g) An annual action plan is formulated by the Committee and approved by the Board, detailing CSR projects, implementation, funding, and monitoring mechanisms.

2. Composition of CSR Committee:

Sl. No.	Name of Director*	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the the year
1	Ms. Vasudha Dinodia	Chairperson	4	3
2	Dr. Pawan Munjal	Chairman	4	1
3	Mr. Pradeep Dinodia	Member	4	1
4	Prof. Jagmohan Singh Raju	Member	4	4
5	Ms. Tina Trikha	Member	4	4
6	Ms. Camille Miki Tang	Member	4	3

*The Sustainability and Corporate Social Responsibility (SCSR) committee, was reconstituted on May 13, 2025. On this date, Ms. Vasudha Dinodia was appointed as Chairperson and Ms. Camille Miki Tang was appointed as Member of the committee. Prof. Jagmohan Singh Raju and Ms. Tina Trikha continued to be the member of the committee. Dr. Pawan Munjal and Mr. Pradeep Dinodia simultaneously ceased to be the Chairman and Member of the committee, respectively.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

i. The composition of the CSR committee is available on our website at https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-committee.html

ii. The CSR Policy of the Company is available on our website at https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/csr_policy_2024.pdf

iii. The details of CSR projects are available on our website at https://www.heromotocorp.com/en-in/company/csr/csr-initiative.html

4. Executive summary along with web-links of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Details of Summary of the impact assessment and outcomes are provided in **Annexure VI (A)** and the detailed impact assessment of CSR projects are available at: https://www.heromotocorp.com/en-in/company/investors/annual-report.html?key1=annual-report&key2=2025-26

5. (a) Average Net Profit of the Company as per sub-section (5) of Section 135.

₹ 4,789.81 crore

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135.

₹ 95.80 crore

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NIL

(d) Amount required to be set-off for the financial year, if any.

NIL

(e) Total CSR obligation for the financial year [(b) + (c)-(d)].

₹ 95.80 crore

6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project).

₹ 93.04 crore

(b) Amount spent on administrative overheads.

₹ 3.44 crore

(c) Amount spent on impact assessment, if applicable.

₹ 0.82 crore

(d) Total amount spent for the financial year [(a)+ (b)+ (c)].

₹ 97.30 crore

(e) 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 sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
97.30 crore	NIL	N.A.	N.A.	NIL	N.A.

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	95.80 crore
(ii)	Total amount spent for the Financial Year	97.30 crore
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1.50 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any	NIL
(v)	Amount available for set off in succeeding Financial Year [(iii)-(iv)]	1.50 crore

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Years	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance amount in unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

If yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	PIN code of the property asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR registration number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135.

Not Applicable

Harshavardhan Chitale
Chief Executive Officer

Date: May 5, 2026
Place: New Delhi

Vasudha Dinodia
Non-Executive Director & Chairperson of SCSR Committee
DIN: 00327151

ANNEXURE - VI(A)

IMPACT ASSESSMENT REPORT

1. BACKGROUND OF STUDY

India faces persistent environmental and social challenges: nearly half its cities record PM2.5 levels exceeding WHO limits tenfold, 70% of surface water is unfit for consumption, and groundwater depletion threatens major cities by 2030. While multidimensional poverty fell from 24.85% (2015–16) to 14.96% (2019–21), deep rural-urban disparities remain. Only 45.9% of graduates are employable, a mere 2.3% of the workforce is formally skilled, and India accounts for 11% of global road fatalities.

In response, HMCL implemented a diversified CSR portfolio (April 2023 – March 2024) spanning environmental sustainability, education, livelihoods, inclusion and road safety, directly contributing to SDGs 3, 4, 6, 8, 10, 13 and 15.

2. OBJECTIVES OF THE STUDY

The assessment evaluated CSR interventions across six dimensions: relevance to community needs, implementation efficiency, effectiveness in achieving outcomes, impact on beneficiaries, sustainability of results, and Social Return on Investment (SROI) where applicable along with carbon sequestration.

3. APPROACH AND METHODOLOGY

The study adopted a mixed-method approach along with a Theory-Based Evaluation (TBE) approach, supported by the OECD-DAC evaluation criteria, to assess the relevance, efficiency, effectiveness, impact and sustainability of HMCL's multi-component CSR interventions across diverse implementation contexts, enabling a structured examination of programme performance, outcomes and underlying change pathways.

Primary data collection was undertaken across multiple project locations using a mixed-methods approach, covering 1,336 beneficiary surveys, 8 Focus Group Discussions (FGDs), and 86 Key Informant Interviews (IDIs) across thematic areas including environment, water conservation, education, livelihoods, road safety, sports development and community initiatives.

4. KEY FINDINGS

Project 1: Environmental Sustainability (Hero Green Drive & Adoption of Aravalli Biodiversity Park):



Hero MotoCorp Ltd. has delivered strong environmental impact through two flagship initiatives: Hero Green Drive and the Adoption of Aravalli Biodiversity Park, focused on ecological restoration and community awareness. The Hero Green Drive, implemented in Halol and Chengalpattu, achieved plantation of 50,000 trees and maintenance of 55,000 trees with an 80% survival rate, while reaching over 180,000 people through sustainability workshops. Primary survey findings show environmental awareness among students and community members increased from 42% to 97%, with nearly 100% motivated to adopt eco-friendly practices and 66% actively participating in tree maintenance. The Adoption of Aravalli Biodiversity Park, spanning 392 acres, has been successfully restored into a thriving urban ecosystem, recording 96% visitor satisfaction and 100% reporting increased environmental awareness, along with improved staff livelihoods and biodiversity revival. Additionally, 67% of visitors expressed interest in future conservation activities, reflecting strong

community engagement. Overall, both initiatives demonstrate effective corporate-led environmental stewardship with measurable gains in awareness, participation, and ecological restoration, while highlighting future opportunities in accessibility, infrastructure strengthening, digital outreach, and long-term sustainability management.

Project 2: Farm Ponds (Water Conservation Initiative, Rajasthan):



The Farm Pond Project started in April 2023 serving 62 farmers in Dausa, has proven highly relevant in addressing water scarcity, with 98% previously facing shortages. Aligned with initiatives like Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and Atal Bhujal Yojana, the project improved water access for 92% of farmers, increased crop yields (37.9% for wheat and 68.1% for pulses), and nearly doubled annual incomes from ₹ 32,960 to ₹ 59,900, while boosting crop intensity from 32.25% to 91.58%. Efficiency gains included reduced irrigation time (over 5 hours to under 1 hour for 56% of farmers), though issues like pond lining and weak local institutional involvement persisted. Broader impacts included reduced migration, improved livelihoods, and knowledge sharing (84% farmers spreading practices), along with environmental benefits such as better soil moisture retention, though limited tree plantation participation (24%) constrained ecological outcomes. The project demonstrates strong effectiveness and scalability potential, with opportunities to enhance sustainability through better technical support, community engagement, gender inclusion, and institutional strengthening.

Project 3: Be A Sporting Hero:



The "Be A Sporting Hero" initiative by Hero MotoCorp Ltd. (April 2023–March 2024) strengthened India's inclusive sports ecosystem through four targeted programmes. Project Khelo in rural Jhajjar engaged 20 youth (55% girls, ages 12–18), with 65% reporting excellent fitness and 55% highest self-confidence, and the girls' team finishing runner-up in Haryana Football Premier League; the Deaf Cricket Development Programme trained 30 deaf athletes (50% female), where 100% played competitive matches for the first time, 50% were scouted for Deaf Premier League-level opportunities, and 40% for national competitions; the Hero Para-Athlete Programme across 10 states saw 90% of participants improve performance and 85% enhance mental resilience through holistic support; and the Mary Kom Regional Boxing Development Initiative, led by Mary Kom, improved technical skills, confidence, and competitive exposure for female boxers. The initiatives highlight strong gender inclusion, grassroots impact, and measurable physical and psychosocial gains, while pointing to ongoing challenges in accessibility, infrastructure, and sustainable career pathways.

Project 4: Road Safety Initiatives:



Hero MotoCorp Ltd. has implemented a comprehensive road safety ecosystem aligned with SDG 3.6 through four key initiatives: Be a Hero, Traffic Training Parks, Helmet Distribution Drive, and Surakshit Aatmanirbhar Bharat, focused on awareness, skill development, and behavioural change among students, commuters, and informal workers. A mixed-method approach was used for Traffic Training Parks and Helmet Distribution, while the other two relied on qualitative insights. The Traffic Training Parks improved practical riding skills such as balance, braking, turning, and lane discipline through simulator and live training, with high engagement and consistent attendance across all locations. The Helmet Distribution Drive provided 6,000 ISI-certified helmets, with 90%+ engagement, 91% satisfaction, and 97% awareness of helmet importance, though consistent compliance (especially pillion use) remained partial. The Be a Hero campaign reached over 250 schools and colleges, generating 250,000+ safety pledges and improving awareness of traffic rules and helmet/seatbelt use. The Surakshit Aatmanirbhar Bharat initiative distributed 6,000 helmets and 6,000 reflective jackets, reaching millions through 50+ million digital impressions and significantly improving safety awareness and intended behaviour among vulnerable riders.

Project 5: Shiksha (Scholarship Support & HERO ASHA Centres):



Project Shiksha, funded by Hero MotoCorp Ltd., improves access to quality education for underprivileged students through scholarships at BML Munjal University and remedial learning via HERO ASHA Education Centres. At BMU, 50 students receive financial support (86% tuition waivers, 12% full coverage), with 88% reporting reduced financial burden and 66% showing notable academic improvement; infrastructure upgrades such as hostels, smart classrooms, and labs are widely recognised (98% awareness, 92% satisfaction), though hostel satisfaction remains mixed. The programme also reports a strong 90% placement rate, with graduates earning ₹50,000–₹1,00,000 per month, reflecting improved employability and socio-economic mobility. The HERO ASHA Centres operate across 280 centres in locations including Dharuhera, Neemrana, Haridwar, and Jaipur, supporting over 13,000 students (Grades 3–8). Evaluation findings show that 74% of students report significant learning improvement and 26% report moderate gains, along with improved attendance and reduced dropout rates. Foundational learning outcomes have also strengthened, with mathematics progression reaching division-level proficiency in over 70% of higher-grade students and reading fluency achieved by 70–87% of students in Classes 6–8. Project Shiksha demonstrates strong academic and social impact, supported by improving employability outcomes and emerging sustainability through alumni engagement and diversified funding.

Project 6: Chief Minister's Good Governance Associates (CMGGA):



Based on the qualitative research Young professionals embedded within district administrations improved coordination across departments and supported implementation of flagship programmes in water conservation, education, health and welfare. The initiative enhanced monitoring mechanisms, increased community participation and strengthened public trust in local governance, offering a scalable and replicable model for youth-led administrative reform. Addressing staff continuity challenges and establishing post-project monitoring mechanisms would help sustain the governance gains achieved.

Project 7: Diversity & Inclusion (Jeevika, Saksham & Hamari Pari):



Hero MotoCorp Ltd. has advanced gender inclusion in India's workforce through three flagship initiatives: Jeevika, Saksham, and Hamari Pari, focused on skill development, employment, and socio-economic empowerment of women from underserved backgrounds. Jeevika promotes multi-sector employability and entrepreneurship, with 68% of beneficiaries reporting increased household income, 74% greater decision-making power, 92% improved confidence, and 81% securing jobs or starting businesses within six months. Saksham addresses gender gaps in the automotive sector, where women represent only 16% of the workforce, achieving 70.86% job placement among 151 trainees, a 12.2% income rise (₹10,571 to ₹11,857), and near-universal gains in confidence (98%) and workplace equality (98.67%). The Hamari Pari programme in Gurugram delivers residential training in healthcare and hospitality, with 94% completion and satisfaction rates, 62% employment, and nearly ninefold income growth, alongside improvements in confidence, communication, and wellbeing. Collectively, these programmes demonstrate strong outcomes in employment, income enhancement, confidence building, and breaking gender barriers through holistic training, mentorship, and sustained support systems. Sector partnerships would further strengthen retention and career progression for women beneficiaries.

Project 8: Hero Salutes Heroes of the Nation Programme:



The programme strengthened welfare access and social security for Army widows, Next of Kin and disabled soldiers through marriage assistance grants, mobility support and the Veerangana Sewa Kendra facilitation platform. Beneficiaries reported reduced financial stress, improved access to pensions and entitlements, and greater institutional trust, with strong potential for further scale through digital outreach and expanded grievance-redressal mechanisms. Upgrading VSK software, adding multilingual functionality and expanding digital outreach would improve processing efficiency and extend reach to underserved beneficiaries.

ANNEXURE - VII

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration 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.

Based on our verification of the Company's books, papers, minute 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 March 31, 2026 ("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 with Regulatory Authorities, and other records maintained by the Company for the financial year ended on March 31, 2026 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.

(v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended to date.
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
4. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
5. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**.
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,2025 regarding the Companies Act and dealing with client;
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**; and
8. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
9. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director(s), Non-executive Director(s), Independent Director(s) and Woman Director(s). The changes in the composition, if any, 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except where the consent was obtained to place the same at shorter notice) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and the abstain notes, if any, due to conflict of interest or otherwise have been duly recorded in the Minutes Book.

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 sector specific applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

(i) The equity shares of Ather Energy Limited, an associate company of the Company were listed and admitted for dealings on BSE Limited and the National Stock Exchange of India Limited, effective from May 6, 2025.

(ii) The members of the Company at their Annual General Meeting held on August 5, 2025 had re-appointed Air Chief Marshal Birender Singh Dhanoa (Retd.) as an Independent Director for a second term of 5 consecutive years.

(iii) The Company has paid a final dividend of ₹ 65/- per equity share for the FY 2024-25 and an interim dividend of ₹ 110/- per equity share for the FY 2025-26.

(iv) The Board of Directors had appointed Mr. Harshavardhan Madhav Chitale as the Chief Executive Officer (CEO) and Key Managerial Personnel of the Company, effective from January 5, 2026. Consequent to the appointment of Mr. Chitale, Mr. Vikram Sitaram Kasbekar ceased to be the Acting CEO of the Company, effective from the said date.

(v) Mr. Dhiraj Kapoor has tendered his resignation from the position of Company Secretary & Compliance Officer of the Company effective from November 14, 2025. Consequent to the resignation of Mr. Kapoor, the Board of Directors had appointed Mr. Prabhat Singh as the Company Secretary & Compliance Officer of the Company effective from February 5, 2026.

(vi) Hero FinCorp Limited (HFCL), an associate company of the Company has filed an addendum dated November 17, 2025 to the Draft Red Herring Prospectus dated July 31, 2024, with the Securities and Exchange Board of India, in connection with the initial public offering of its equity shares, comprising of a fresh issue and an offer for sale by certain existing and eligible shareholders of HFCL.

(vii) The Board of Directors of the Company approved an additional investment of:

a. ₹ 170 crore (Rupees one hundred seventy crore) for the Global Parts Centre 2.0 (GPC 2.0) at Tirupati, Andhra Pradesh, and;

b. ₹ 275 crore (Rupees two hundred and seventy-five crore) in Euler Motors Private Limited, an Associate Company.

(viii) The Company has allotted 78,941 numbers of equity shares under the Company's Employee Incentive Scheme, 2014.

For **SGS ASSOCIATES LLP**
Firm Regn. No. L2021DE011600
Company Secretaries

[CS Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner, SGS Associates LLP
Membership No. FCS 2411
Certificate of Practice No. 1509
ICSI PR No. 7547 of 2025
ICSI UDIN: F002411H000273671

Date: May 5, 2026
Place: New Delhi

Note; This report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of the Report.

ANNEXURE - A

ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE (UNQUALIFIED)

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and 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 of our opinion.

3. We have not verified the correctness and appropriateness of the financial records and Books of Account of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events, etc.

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

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

For **SGS ASSOCIATES LLP**
Firm Regn. No. L2021DE011600
Company Secretaries

[CS Damodar Prasad Gupta]
Practising Company Secretary
Managing Partner, SGS Associates LLP
Membership No. FCS 2411
Certificate of Practice No. 1509
ICSI PR No. 7547 of 2025
ICSI UDIN: F002411H000273671

Date: May 5, 2026
Place: New Delhi

ANNEXURE - VIII

Independent Assurance Statement

To,
Hero MotoCorp Limited
Hero MotoCorp Limited, The Grand Plaza, Plot No.2,
Nelson Mandela Road, Vasant Kunj - Phase -II,
New Delhi - 110 070

INTRODUCTION AND OBJECTIVE OF WORK

BUREAU VERITAS has been engaged by **Hero MotoCorp Limited** (hereinafter abbreviated as "**HMCL**") to conduct an independent assurance of the Business Responsibility and Sustainability Report Core (hereinafter abbreviated as "BRSR Core") consisting of the Key Performance Indicators (KPIs) under Environment, Social and Governance (ESG) attributes, which are mentioned in Annexure 17A, of the Securities and Exchange Board of India (SEBI) Master Circular dated January 30, 2026.

The selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation and presentation of information for the BRSR Core is the sole responsibility of the management of HMCL. Bureau Veritas was not involved in the drafting or preparation of the back-up data of HMCL for the BRSR Core. Our sole responsibility was to provide independent assurance on its content.

INTENDED USER

The assurance statement is made solely for HMCL as per the governing contractual terms and conditions of the assurance engagement contract between HMCL and Bureau Veritas. To the extent the law permits, we owe no responsibility and do not accept any liability to any other party other than HMCL for the work we have performed for this assurance report or for our conclusions stated in the paragraph below.

SCOPE OF WORK

- Checking that the data and information included in the BRSR Core (sub-set of BRSR), consisting of a set of Key Performance Indicators (KPIs)/metrics under 9 ESG attributes for the reporting period from April 01, 2025, to March 31, 2026, was fairly presented without material misrepresentation.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse, and review the information reported.

Reporting criteria: Reporting Framework based on BRSR Core of the Business Responsibility and Sustainability Report as per Annexure 17A of the SEBI Master circular dated January 30, 2026.

The reported information of BRSR core is, based on the following nine ESG attributes:

1. Green-house gas (GHG) footprint
2. Water footprint
3. Energy footprint
4. Embracing circularity - details related to waste management by the entity
5. Enhancing Employee Wellbeing and Safety
6. Enabling Gender Diversity in Business
7. Enabling Inclusive Development
8. Fairness in Engaging with Customers and Suppliers
9. Open-ness of business

Reporting period: April 01, 2025, to March 31, 2026

Assurance standard: The assurance process was conducted in line with the requirements of the ISAE 3000 (Revised) standard.

Level of assurance: Reasonable Assurance

METHODOLOGY USED TO CONDUCT ASSURANCE

HMCL initially submitted the BRSR Core for the reporting period from April 1, 2025, to March 31, 2026, covering the sites that are within the reporting boundaries.

The reporting boundaries considered for this reporting period across multiple sites of HMCL including Neemrana, Dharuhera, Gurugram, Tirupati, Haridwar, Jaipur, and Halol.

The assessment team from Bureau Veritas, for this verification, included the following members:

1. Mr. Amit Kumar - Team Leader,
2. Mr. Ahamed Mohiuddin Syed - Team Member &
3. Mr. Kalyan Dey - Team Member

The assessment was carried out, of the submitted information, based on BRSR core attribute, to verify the data and computations that were prepared by HMCL. On-site visit to the HMCL's manufacturing unit were conducted.

During these visits, direct observations of facilities, interactions with personnel, and review of documentation were undertaken to ensure accuracy and reliability of the submitted information. Additionally, the assessment included an evaluation of the internal control system and other parameters relevant to reasonable assurance, such as adherence to industry standards and regulatory requirements, to provide a comprehensive verification of the data and computations prepared by HMCL.

Bureau Veritas has validated the quantification methodology used by HMCL for the monitoring and calculations of the ESG attributes from its different sources and confirms the same to be in line with accepted practice of standard GHG computations. The materiality threshold of 5% has been considered in this assessment process.

Our work was conducted against the requirements defined in the International Integrated Reporting Framework and National Guidelines for Responsible Business Conduct (NGRBC), along with the requirements of ISAE 3000 Assurance standard and Bureau Veritas' standard procedures and guidelines for external assurance of sustainability information, based on current best practice in independent assurance. The Bureau Veritas assurance process has also involved an Independent Technical Review (ITR) to check for correctness and accuracy of the assurance conclusions as well as adherence to Bureau Veritas internal procedures and/or assurance standard requirements.

CONCLUSIONS

On the basis of our methodology and the activities described above, it is our opinion that the BRSR core of FY 2025-26 of HMCL, containing its reporting and declaration of the various KPIs under ESG attributes is reliable and accurate representation of HMCL's performance towards ESG attributes.

LIMITATIONS AND EXCLUSIONS

Excluded from the scope of our work is any assurance of information relating to:

- Data related to the other subsidiaries/associates of HMCL.
- Activities outside the defined assurance period stated hereinabove.
- Positional statements, expressions of opinion, belief, aim or future intention by HMCL and statements of future commitment.
- Our assurance is limited to the activities and operations of HMCL. The assurance does not extend to the operations undertaken by any other entity outside the scope and boundaries of the HMCL's BRSR Core report that may be associated with or have a business relationship with HMCL.

UNCERTAINTY

The reliability of assurance is subject to uncertainty(ies) that are inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions or data conversion factors used or may be present in the estimation of data used to arrive at results. Our conclusions in respect of this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

Statement of independence, impartiality, and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, and Safety, Social, and Environmental management with almost 200 years history in providing independent assurance services and has necessary expertise for undertaking reasonable assurance of BRSR core. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with HMCL, its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there have been no conflict of interest. The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes and an excellent understanding of Bureau Veritas standard methodology for the Assurance of BRSR Core attribute.

Amit Kumar
Lead Assurer
Bureau Veritas (India)
Private Limited
Noida, India

Date: May 5, 2026

Munji Rama Mohan Rao
Technical Reviewer
Bureau Veritas (India)
Private Limited
Hyderabad, India

Date: May 5, 2026

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES



Nurturing the world's grandest 45,000 sq. m green roof over the world's largest two-wheeler plant at our Haridwar facility

I DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L35911DL1984PLC017354
2	Name of the Listed Entity	Hero MotoCorp Limited
3	Year of incorporation	19-01-1984
4	Registered office address	The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj - Phase-II, New Delhi - 110 070
5	Corporate address	The Grand Plaza, Plot No. 2, Nelson Mandela Road, Vasant Kunj - Phase-II, New Delhi - 110 070
6	E-mail	secretarialho@heromotocorp.com
7	Telephone	+91-11- 46044220
8	Website	www.heromotocorp.com
9	Financial year for which reporting is being done	April 1, 2025 to March 31, 2026
10	Name of the Stock Exchange(s) where shares are listed	The equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 40,01,79,554/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name of Contact Person	Mr. Prabhat Singh
	Contact Number of Contact Person	+91-11-46044220
	Email of Contact Person	prabhat1.singh@heromotocorp.com
13	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).	Standalone basis
14	Name of assessment or assurance provider	Bureau Veritas (India) Private Limited
15	Type of assessment or assurance obtained	Reasonable Assurance

II PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Manufacturing of two-wheelers: motorcycles & scooters	100

17. 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	30,911	100

III OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	8	45	53
International	2	2	4

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	35
International (No. of Countries)	52

b. What is the contribution of exports as a percentage of the total turnover of the entity?

7.40%

c. A brief on types of customers

Hero MotoCorp is the world's largest manufacturer of motorcycles and scooters by volume, serving a diverse customer base across 53 countries. Driven by multi generational trust, we maintain manufacturing excellence to deliver high-quality, sustainable mobility solutions that drive inclusive growth and long-term value for our customers worldwide.

IV EMPLOYEES

20. 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)	4,568	3,961	86.71	607	13.29
2.	Other than Permanent (E)	0	0	0.00	0	0.00
3.	**Total employees (D + E)**	**4,568**	**3,961**	**86.71**	**607**	**13.29**
WORKERS						
4.	Permanent (F)	4,609	4,598	99.76	11	0.24
5.	Other than Permanent (G)	30,120	24,982	82.94	5,138	17.06
6.	**Total workers (F + G)**	**34,729**	**29,580**	**85.17**	**5,149**	**14.83**





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)	10	7	70.00	3	30.00
2.	Other than Permanent (E)	0	0	0.00	0	0.00
3.	**Total differently abled employees (D + E)**	**10**	**7**	**70.00**	**3**	**30.00**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	35	35	100.00	0	0.00
5.	Other than Permanent (G)	69	65	94.20	4	5.80
6.	**Total differently abled workers (F + G)**	**104**	**100**	**96.15**	**4**	**3.85**

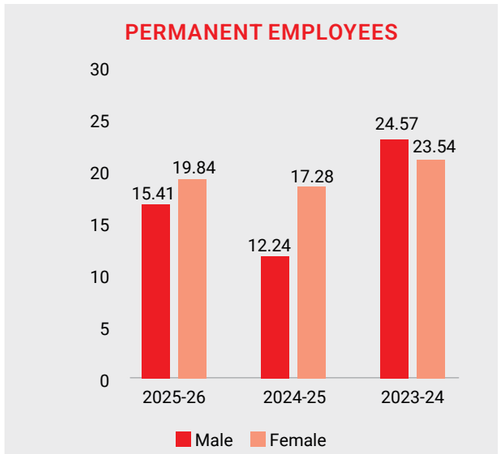
21. Participation/Inclusion/Representation of women

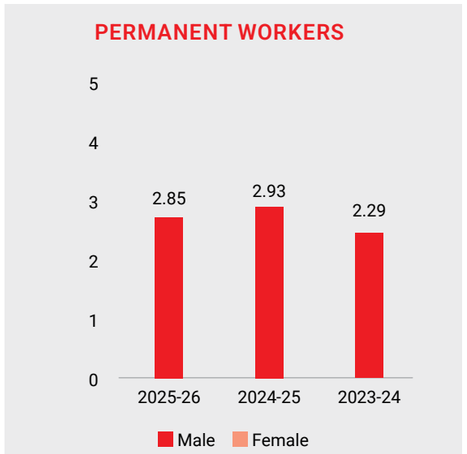
	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	3	30.00
Key Management Personnel	3	0	0.00

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY) [values in %]			FY 2024-25 (Turnover rate in previous FY) [values in %]			FY 2023-24 (Turnover rate in the year prior to the previous FY) [values in %]		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.41	19.84	16.00	12.24	17.28	12.86	24.57	23.54	24.47
Permanent Workers	2.85	0.00	2.84	2.93	0.00	2.93	2.29	0.00	2.29





V HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

23. (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	Does the entity indicated at column A, particiaptes in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	Hero Tech Center Germany GmbH	Subsidiary	100.00	No
2	HMCL Netherlands B.V.	Subsidiary	100.00	No
3	HMCL Colombia S.A.S.	Subsidiary	58.79	No
4	HMCL Niloy Bangladesh Limited	Subsidiary	55.00	No
5	HMCL Americas Inc.	Subsidiary	100.00	No
6	HMC MM Auto Limited	Subsidiary	60.00	No
7	Hero MotoCorp Do Brasil LTDA	Subsidiary	100.00	No
8	Hero FinCorp Limited	Associate	40.45	No
9	Ather Energy Limited	Associate	30.07	No
10	Euler Motors Private Limited	Associate	34.12	No

VI CSR DETAILS

24. CSR Details

Whether CSR is applicable as per Section 135 of Companies Act, 2013	Yes
Turnover (in ₹)	46,830.14 crore
Net worth (in ₹)	21,578.09 crore

VII TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. 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 web-link for grievance redress policy	FY 2025-26			FY 2024-25		
			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	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html	1	0	Resolved	1	0	Resolved
Investors (other than shareholders)	Yes	https://www.heromotocorp.com/en-in/key-policies.html	0	0	0	0	0	-
Shareholders	Yes	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/investors/investor-relations/investor-relation-cards/Shareholders%27%20Referencer.pdf	2,656	170	Pending complaints were resolved during FY 2026-27	1,296	7	Pending complaints were resolved in FY 2025-26
Employees and workers	Yes	https://www.heromotocorp.com/en-in/key-policies.html	53	1	0	41	3	-
Customers	Yes	https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/ethical-marketing-policy.pdf	24,816	614	97.52% closed	32,115	103	99.68% closed
Value Chain Partners	Yes	https://www.heromotocorp.com/en-in/key-policies.html	57	1	-	11	01	-

26. 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	End of Life Vehicle	R	Navigating through the ELV-EPR obligation in the initial years will be challenging as the system is in an evolving phase which will create financial stress in the short-term.	Develop a robust value chain by ensuring a steady feedstock supply, partnering with RVSFs and recyclers, and make attractive propositions for customers to get them into organised market from unorganised market.	Negative Implications
2	Diversified EV portfolio	O	Strategic partnership with Euler Motors, a leading manufacturer in electric 3-wheeler space. The partnership will help in becoming a reckoning force in the overall EV domain.	1. R&D on emerging mobility vehicles. 2. Diversifying the EV portfolio. 3. Expanding our market within and outside India. 4. Accelerating charging infrastructure for expanding EV adoption.	Positive Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) principles and core elements.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

PRINCIPLE 4

Businesses should respect the interests of and be responsive towards all its stakeholders.

PRINCIPLE 5

Businesses should respect and promote human rights.

PRINCIPLE 6

Businesses should respect, protect and make efforts to restore the environment.

PRINCIPLE 7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1 a)	**Whether your entity's policy/ policies cover each priniciple and its core elements of the NGRBCs (Yes/ No)**	Yes								
b)	**Has the policy been approved by the Board? (Yes/ No)**	Yes, all our policies are approved by the Board of Directors. The policies covering the NGRBCs priniciples are available on the Company's website under 'Key Policies' section.								
c)	**Web link of the policies, if available**	https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html								
2	**Whether the entity has translated the policy into procedures (Yes/ No)**	Yes, the Company has translated the policies as applicable into procedures and practices in all spheres of activities that the Company does. Example- 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 relevant policies covering the above 9 NGRBCs principles is expected to be adhered by all its stakeholders. 100% of our direct supply chain partner groups signed the Sustainable Procurement Guidelines agreement and Supplier's Code of Conduct.								
4	**Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle**	Robust vigilance mechanism in compliance with the provision of the Companies Act, 2013 and SEBI Regulations.	ISO 9001 – Quality Management Systems IATF 16949 – Quality Management Systems for Automotive Production ISO 17025 – General Requirements for the Competence of Testing and Calibration Laboratories.	ISO 45001 – Occupational Health and Safety Management Systems ISO 22000 - Food Safety Management Systems.	International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information GRIStandards - Global Reporting Initiative Standards for Sustainability Reporting S&P Global Corporate Sustainability Assessment (CSA) - Assessment framework for corporate sustainability performance.	UN Global Compact and UN Guiding Principles on Business and Human Rights.	ISO 14001 - Environmental Management Systems ISO 50001 - Energy Management Systems Carbon Disclosure Project (CDP) on Climate Change & Water -Framework for environmental disclosure.	National Guidelines on Responsible Business Conduct (NGRBC)	United Nations Sustainable Development Goals (UN SDGs)	ISO 27001 - Information Security Management Systems ISO 9001 - Quality Management Systems
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any**	Hero MotoCorp aims to embed sustainability into its long-term strategy by focusing on responsible business practices, fostering inclusive growth and contributing to a low carbon future. Our sustainability goals are: 1. 100% Carbon Neutral Operations (Scope 1+2) by 2030 2. 100% Zero Waste-to-Landfill Facilities by 2025 3. 500% Water Positive Facilities by 2025 4. 100% Green Dealerships by 2030 5. 95% Product Recyclability by 2025 6. 30% Gender Diversity by 2030								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Carbon Neutral Operations (Scope 1+2) - Achieved 45% carbon neutrality in FY 2025-26 Zero Waste-to-Landfill Facilities - Achieved 100% in FY 2023-24, one year ahead of target year. Water Positive Facilities - Achieved 500% water positivity. Green Dealerships - Achieved 50% in FY 2025-26. Product Recyclability - All our products are more than 95% recyclable as per AIS 129. Gender Diversity - Achieved 14.6% in FY 2025-26.								
	Governance, leadership and oversight									
7	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**	Sustainability remains at the core at Hero MotoCorp as we strive to shape a more inclusive, equitable and sustainable future. This commitment is more than a motto; it demonstrates our responsibility towards the environment, society, and our stakeholders. Over the years, we've made steady progress towards our Environmental, Social, and Governance (ESG) goals: 1. 100% carbon neutral operation by 2030 and achieved 45% carbon neutrality in FY 2025-26. 2. 100% Zero Waste-to-Landfill Facilities by 2025 achieved in FY 2023-24, one year ahead of target year. 3. Achieved 500% Water Positive Facilities by FY 2025. 4. 100% Green Dealerships by 2030 and achieved 50% by FY 2025-26. 5. 95 % product recyclability by 2025 and all our products are more than 95% recyclable as per AIS 129; and 6. 30% Gender Diversity by 2030 14.6% Gender Diversity in FY 2025-26. As we move forward, Hero MotoCorp remains steadfast in its ESG commitments—adopting a future-focused approach that combines innovation, responsibility, and empathy. Our journey is not just about compliance; it is about creating real impact—for our planet, our people, and the generations to come								
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: Mr. Vikram Sitaram Kasbekar Designation: Executive Director & Chief Technology Officer DIN: 00985182								
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.**	Yes, the Sustainability and Corporate Social Responsibility Committee (SCSR Committee) is responsible for decision making on sustainability related issues. The composition of SCSR Committee is as under: 1. Ms. Vasudha Dinodia- Non-Executive Director and Chairperson of SCSR Committee, 2. Ms. Tina Trikha- Non-Executive Independent Director and Member of SCSR Committee, 3. Prof. Jagmohan Singh Raju- Non-Executive Independent Director and Member of SCSR Committee, 4. Ms. Camille Miki Tang- Non-Executive Independent Director and Member of SCSR Committee,								

10 **Details of review of NGRBCs by the Company**

Subject	Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee
Performance against above policies and follow up action	Committee of the Board
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Any other Committee, Sustainability Steering Committee comprising C-level executives
Subject	**Frequency (Annually/Half-yearly/Quarterly/Any other-please specify)**
Performance against above policies and follow up action	Quarterly
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Quarterly

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.**	Yes, Bureau Veritas (India) Private Limited
12	**If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated**	
	The entity does not consider the Principles material to its business (Yes/No)	Not Applicable
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
	It is planned to be done in the next financial year (Yes/No)	
	Any other reason (please specify)	

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the principles and core elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.



Centre for innovation & Technology, Jaipur

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during 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	10	Covering all principles	100.00
Key Managerial Personnel	10	Covering all principles	100.00
Employees other than BoD and KMPs	2,559	Women in Leadership, Building a culture of information security awareness, Art of storytelling, The Art of staying forward, Code of Conduct, Prevention of Sexual Harassment at Workplace,	98.88
Workers	1,275	Emergency Preparedness, Machine Based Learning, Pneumatics Training, Code of Conduct, Safety Training, Kaizen Training, 5S Training, EHS Training, Sanskaar Training, Prevention of Sexual Harassment at Workplace, Behaviour Based Safety Training.	100.00

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine				
Settlement		NIL		
Compounding fee				

Non-Monetary

NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			
Punishment	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.

Sl. No.	Case Details	Name of the regulatory/enforcement agencies/judicial institutions
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 web-link to the policy.

Yes, Hero MotoCorp has adopted an Anti-Corruption and Anti-bribery policy. The policy reiterates Company's stance of zero tolerance towards bribery and corrupt practices. The Anti-Bribery and Anti-Corruption Policy ensures compliance with all applicable laws by prohibiting improper payments, gift(s) or incentives of any kind or donations or otherwise offered or received from any person, including third parties and/or government public official(s) in the private sector and customers in order to obtain any favours, influence business decisions or take any form of unfair advantage. The policy is available on the website of the Company at the following link:

https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/HMCL_Anti_Bribery_and_Anti_Corruption_Policy_v2_06_Dec_2023.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	65	64

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.00	0.01
	b. Number of trading houses where purchases are made	1	2
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100.00	100.00
Concentration of Sales	a. Sales to dealer/distributors as % of total sales	99.66	98.89
	b. Number of dealers/distributors to whom sales are made	1,087	1,054
	c. Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	4.14	3.99
Share of RPTs in	a. Purchases (Purchases with related parties as % of Total Purchases)	6.67	7.17
	b. Sales (Sales to related parties as % of Total Sales)	3.44	2.59
	c. Loan & advances (Loans & advances given to related parties as % of Total loans & advances)	0.00	0.00
	d. Investments (Investments in related parties/Total Investments made)	1.36	0.25

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	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
25	ESG requisites under the Sustainable Partner Development Programme (SPDP), Fire & Safety, carbon emission reduction, water impact, human rights policy adherence, Conflict Mineral Response Template Adherence policy, sustainable sourcing.	90

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No/NA) If Yes, provide details of the same.

Yes, the Code of Conduct of the Company has a principle on management of conflict of interest to identify actual potential conflict of interest of the Company with its directors and employees, which may arise during the course of is business activities. The policy is available at https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	2.0	1.4	1. Energy Security 2. Lower carbon Emission 3. Better air quality 4. Sustainable Mobility (EV expansion) 5. Circular Economy & Resource Conservation 6. Water Stewardship 7. Employee Wellbeing & Inclusive Culture 8. Occupational Health & Workplace Safety
Capex	90.8%	86	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Sustainable procurement guidelines are released, and all Supply Chain Partners (SCPs) have given their agreement and consent to abide by these guidelines.

b. If yes, what percentage of inputs were sourced sustainably?

100%

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)

Motorcycles and scooters that reach their end-of-life, as defined by the Ministry of Road Transport and Highways (MoRTH), are collected at our dealerships or through authorised collection agents. These vehicles are subsequently sent to a Registered Vehicle Scrapping Facility (RVSF), where they are dismantled and the various types of waste are segregated. Regarding plastic waste, all post-consumer plastic packaging waste is collected and safely disposed off through authorised Plastic Waste Processors. Every year, the Company fulfils the 100% of EPR Obligations under the Plastic Waste Management Rules, 2016 every year. Furthermore, any plastic waste segregated at the RVSF is disposed of through authorised plastic waste recyclers.

(b) E-waste

The E-waste segregated at RVSF is dispossed off by Registered E-waste Recyclers or Refurbishes authorised by the State Pollution Control Board (SPCB).

(c) Hazardous waste

Waste like used oil and other hazardous waste are dispossed off by Registered Recyclers authorised by the SPCB.

(d) Other waste

The parts like steel and aluminium, ferrous and non-ferrous are sent for recycling.

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 applicable to HMCL's activities. Further, HMCL's waste collection plan is in line with the EPR plan submitted to the Pollution Control Board.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Yes, the details are provided hereunder:

NIC Code	Name of Product/ Service	% of total Turnover contributed	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 web-link.
30911	VIDA-V2, HD-X440, SPLENDOR PLUS-XTEC, SPENDOR +, XTREME 125CC, PASSION PLUS, and HF DELUXE	80	HMCL conducts cradle-to-grave Life Cycle Assessment (LCA) based on ISO 14040 and 14044 international standards to comprehensively evaluate the environmental impacts of the product's life cycle. We use the CML (Centre of Environmental Science at Leiden) impact assessment methodology framework in conducting life cycle assessments to quantify various environmental impact categories, i.e. Abiotic Depletion Potential (ADP), Acidification Potential (AP), Eutrophication Potential (EP), Global Warming Potential (GWP), Ozone Depletion Potential (ODP), Human Toxicity Potential (HTP), Photochemical Oxidant Creation Potential (POCP), primary energy demand and blue water consumption. We target LCA study for approximately 80% of the sales volume in FY 2025-26.	Yes	Yes	https://www.heromotocorp.com/en-in/company/sustainability/product-stewardship.html

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
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.
Super Splendor, Glamour, Passion, HF Deluxe	Fuel economy reduced by 6% after E20 Introduction	Efficiency reduction mitigated by engineering change in engine.
Dead Volume in Fuel tank	Fuel which always remains in fuel tank unused and utilised	Fuel Dead volume reduced in fuel tank by 0.5 litres (58% reduction)
Eco mode by ECU	Smart control of rinding modes through ECU	The ECU, leveraging the Ride by wire system, is capable of instantaneously modifying the engine's power delivery and throttle response characteristics. For instance, an 'Eco' mode can provide a smoother, more fuel-efficient delivery profile, while a 'Power' mode can offer a sharper, more responsive throttle for enhanced acceleration.
Green Procurement	Sustainable Partner Development Programme	HMCL scaled up its Sustainable Partner Development Programme, ensuring that Tier-1 suppliers adhere to the same environmental standards, thereby reducing the "embedded carbon" in every vehicle produced.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Steel	12.77	10.20
Aluminium	58.99	60.50

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	1,443	0	0	1,470
E-waste	0	0	0	0	0	0
Hazardous waste	0	1,056	0	0	0	0
Other waste						

Plastic packaging that goes with our products & parts is collected with the help of waste management agency and safely disposed to authorised recyclers. The quantity mentioned hereabove is in line with our Plastic Waste EPR targets for FY2025-26.

The hazardous waste (used oil) recovered during the servicing of motorcycles and scooters is collected and disposed of to the authorised recyclers. The quantity of used oil recycled is 1,056 MT as per our EPR targets of used oil.

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
Plastic Packaging	100
Lubrication/Hydraulic Oil	5

HMCL is registered with Central Pollution Control Board as a brand owner under Plastic Waste Management Rules, 2016. HMCL has met 100% of the EPR targets of the Plastic Waste.

HMCL has fulfilled the EPR target of FY 2024-25 by recycling 5% of the oil sold in FY 2022-23.

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	Total (A)	% of employees covered by									
		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	3,961	3,961	100.00	3,961	100.00	0	0.00	3,961	100.00	3,961	100.00
Female	607	607	100.00	607	100.00	607	100.00	0	0.00	607	100.00
Total	**4,568**	**4,568**	**100.00**	**4,568**	**100.00**	**607**	**13.29**	**3,961**	**86.71**	**4,568**	**100.00**
Other than Permanent employees											
Male	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		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 workers											
Male	4,598	4,598	100.00	4,598	100.00	0	0.00	4,598	100.00	4,598	100.00
Female	11	11	100.00	11	100.00	11	100.00	0	0.00	11	100.00
Total	**4,609**	**4,609**	**100.00**	**4,609**	**100.00**	**11**	**0.24**	**4,598**	**99.76**	**4,609**	**100.00**
Other than Permanent workers											
Male	24,982	24,982	100.00	24,982	100.00	0	0.00	697	2.79	24,982	100.00
Female	5,138	5,138	100.00	5,138	100.00	5,138	100.00	0	0.00	5,138	100.00
Total	**30,120**	**30,120**	**100.00**	**30,120**	**100.00**	**5,138**	**17.06**	**697**	**2.31**	**30,120**	**100.00**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format–

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.07	0.07

2. Details of retirement benefits:

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	NA
ESI	100	100	Yes	100	100	Yes
Others - 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

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, 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. We also have human rights policy in place which encourages an inclusive work environment, wherein diversity is valued, and equal opportunities are available to all the employees and stakeholders. The policy is available at the Company's website at: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/Human-Rights-Policy-HRP.pdf

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	100.00	77.78	100.00	100.00
Female	100.00	80.77	100.00	0.00
Total	**100.00**	**78.10**	**100.00**	**100.00**

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	Yes	1. Union Representatives raise concerns on behalf of the workforce through Union & Management meeting. 2. Various committees i.e. Canteen, Safety, Sports, cultural & participation and suggestion platforms to address specific workplace grievances & issues. 3. Regular connects facilitate open dialogue with management.
Other than Permanent Workers	Yes	1. Various committees/CFTs i.e. Canteen, Safety, Sports, cultural, awareness address specific workplace issues. 2. Regular connects facilitate open dialogue with management. 3. HR helpdesk on daily basis to solve grievances and support individual and group of employee.
Permanent Employees	Yes	1. Open Door Policy for direct communication with managers/HR. 2. Regular connects facilitate open dialogue with management. 3. BetterWorks etc. to share feedback and grievances confidentially.
Other than Permanent Employees	Yes	1. Open Door Policy for direct communication with managers/HR. 2. Regular connects facilitate open dialogue with management. 3. Focus Group Discussion for direct communication with managers/HR.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	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	**4,568**	**0**	**0.00**	**4,839**	**0**	**0.00**
- Male	3,961	0	0.00	4,197	0	0.00
- Female	607	0	0.00	642	0	0.00
Total Permanent Workers	**4,609**	**3,267**	**70.88**	**4,688**	**3,331**	**71.05**
- Male	4,598	3,267	71.05	4,679	3,331	71.19
- Female	11	0	0.00	9	0	0.00

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	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	3,961	717	18.10	2810	70.94	4,197	529	12.60	2,864	68.24
Female	607	157	25.86	572	94.23	642	192	29.91	551	85.83
Total	**4,568**	**874**	**19.13**	**3,382**	**74.04**	**4,839**	**721**	**14.90**	**3,415**	**70.57**
Workers										
Male	4,598	3,947	85.84	2,621	57.00	4,679	4,679	100.00	4,679	100.00
Female	11	7	63.64	6	54.55	9	9	100.00	9	100.00
Total	**4,609**	**3,954**	**85.79**	**2,627**	**57.00**	**4,688**	**4,688**	**100.00**	**4,688**	**100.00**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3,961	3,961	100.00	4,197	4,197	100.00
Female	607	607	100.00	642	642	100.00
Total	**4,568**	**4,568**	**100.00**	**4,839**	**4,839**	**100.00**
Workers						
Male	4,598	4,598	100.00	4,679	4,679	100.00
Female	11	11	100.00	9	9	100.00
Total	**4,609**	**4,609**	**100.00**	**4,688**	**4,688**	**100.00**

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, Hero MotoCorp Limited is committed to building a robust Occupational Safety & Health culture by implementing high safety standards and leveraging technological advancements. Central to this mission is the empowerment of our workforce through active participation and consultation. The Company has an Occupational Health & Safety Policy with a focus to prevent any work-related injury and ill health of employees, permanent & non-permanent workers, contractors, community and all interested parties by eliminating or reducing hazards. The Company believes in building inherent safety mechanisms in its machines, equipments and processes and put in the best efforts to provide safe and comfortable working conditions. The Occupational Health Management system cover the entire operations of our plants and facilities. All plants are certified for ISO 45001. The system covers all aspects of hazard management and control, safety training, regulatory compliances, fire prevention and control, management of chemicals substances, healthy working conditions, etc. The Company has established a system in place to support the value chain partners as well as to assess the risk in the value chain.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At Hero MotoCorp, Hazard identification is done through a structured and documented procedure namely Hazard Identification and Risk Assessment (HIRA) where all the risks of a particular section are captured and assessed. Hazards are categorised into Physical, Mechanical, Electrical, Chemical, Biological and Others. The main element of HIRA is to identify all materials, agents, conditions or activities with the potential to cause injury or illness, damage to the business and its property. While carrying out Hazard Assessment, all the activities in each section are selected to identify the significant risks. For all the significant risks, control measures are defined to mitigate the risks as per the hierarchy of safety controls. More focus is given on elimination of Hazards and engineering controls. We have the integration of advanced AI and IoT-based solutions to monitor and mitigate unsafe practices and behaviour on the shop floor in real-time. AI-based safety capturing is no longer just a "futuristic concept" – it is a core driver of financial and operational resilience by shifting from reactive (learning from accidents) to predictive (preventing them before they happen).

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Yes, the workers are empowered to report unsafe and unhealthy working conditions to their immediate supervisor/safety committee, who will promptly investigate the situation and take appropriate corrective actions. The contact numbers of the safety department are displayed at prominent place, the worker is free to call and report the issues directly.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No).

Yes, the employees and workers can access to health centres 24 X 7 and can take treatment for non-occupational medical services. OPD's and health camps are also organised regularly to help the employees to access non occupational medical care. Online consultation with the doctors is available to all employees through platforms like mfine, mantra care, etc.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.13	0.19
	Workers	0.37	0.26
Total recordable work-related injuries	Employees	2	3
	Workers	19	11
No. of fatalities	Employees	0	1
	Workers	0	0
High consequence works related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The management initiated a safety culture transformation journey across all plants during the year. The project dedicated to elevating the safety and wellbeing of every employee through a multi-layered, proactive strategy. This initiative focuses on strengthening our internal oversight by reinforcing inter-plant safety audits and establishing a robust governance mechanism that tracks both lead and lag safety indicators across all plants. We are bridging the gap between perception and practice by conducting safety perception surveys. To ensure we remain at the cutting edge, we are benchmarking with external best practices, developing e-learning modules, and cultivating shopwise HIRA Subject Matter Experts (SMEs) supported by Cross-Functional Teams. We have the integration of advanced AI and IoT-based solutions to monitor and mitigate unsafe practices and behaviour on the shop floor in real-time. AI-based safety capturing is no longer just a "futuristic concept"—it is a core driver of financial and operational resilience by shifting from reactive (learning from accidents) to predictive (preventing them before they happen). To protect our employees from the potential risk of accidents during material handling and traffic movement within the plant premises, the following protective measures have been implemented and are currently being practiced:

- Engineering Controls in MHE like biometric sensors for controlled access, speed control governors, and reverse horns.
- Administrative Controls in MHE like mandatory induction and refresher training, alongside an authorisation system for MHE operators, implementation of an MHE audit system.
- Infrastructure Upgradation like provision of comfortable driver rest areas, strengthening of road safety equipment (e.g., cones, barriers, traffic lights, high-visibility clothing).

Emergency preparedness remained a focus area across all the plants where mock drills were conducted in coordination with the State Disaster Response Force (SDRF) and National Disaster Response Force (NDRF) with different mock scenarios. Scenarios based on easy to understand emergency mitigation protocols were developed. Safety training remained a key focus area for employee awareness on safety procedures, work instructions through a structured safety induction programme. The safety process addressed through on the job safety training of the employees for awareness on specific hazards/risk and safety controls during operations. A behaviour observation system was deployed for controlling the unsafe behaviours on the shop floor.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (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
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

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.

Corrective and preventive actions are taken after root cause analysis of every incident. All corrective and preventive action have been implemented for the reported incidents, if any. No actions are currently in process.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of

a. Employees (Y/N)

Yes

b. Workers (Y/N)

Yes

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 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	0	1	1	0
Workers	0	0	0	0

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? (Yes/No)

No

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	17.5
Working Conditions	17.5

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.

The risks identified during the safety assessment of each supplier are closed by the respective supplier with a proper action plan. No significant risks are pending for action.

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.

Stakeholders are key individuals or groups that significantly influence and impact our organisation's operations. We recognise that our activities are shaped by a diverse range of stakeholders. We proactively identify and map both our internal and external stakeholders, including employees, customers, shareholders, investors, Non-Governmental Organisations (NGOs), local communities, dealers, suppliers, media, government entities, regulators, industrial associations, rating agencies and the broader industry ecosystem. Understanding and addressing the needs and concerns of our stakeholders in a transparent and ethical manner is paramount for building strong, long-lasting relationships. By placing a strong emphasis on stakeholder engagement, we ensure our alignment with their expectations, effectively mitigating risks and enhancing our reputation in the marketplace. For more information, details of the Stakeholder Engagement section will be available in our Integrated Annual Report for 2025-26.

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 (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Notice Board	Others - please specify	Discussion on long-term strategy and welcome their insights and perspective.
Customers	No	Advertisement	Ongoing	Customer feedback on product and services, digital engagements and rewards.
Suppliers	No	E-mail	Ongoing	Discussion on business volume, quality, assessments and audits including sustainability aspects.
Regulatory agencies and government institutions	No	E-mail	As and when required	Statutory compliance, Policy strengthening and social economic benefits to stakeholders.
Shareholders and Investors	No	Others- Website, E-mail	As and when required	Dividend distribution matters, Updates on new product launches, Addressing their key concern areas or queries, Industry specific inputs such as update on financials operational matters or regulatory updates.
Local Community	Yes	Community Meetings	Ongoing	Promote activities to raise awareness on green, safe and sustainable living for inclusive prosperity.
International organisations and rating agencies	No	E-mail	As and when required	Understand rating agency requirements and create an action plan to improve upon the ratings.
Dealerships	No	E-mail	Ongoing	Capacity building sessions for knowledge sharing, pre-delivery inspection quality check points and customer grievance redressal mechanism.
Industrial associations	No	Others- Community Meetings	As and when required	Cross-industrial collaborations, Emerging regulations, industry response and preparedness and timely compliances.

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.**

   To realise the HMCL vision of a "Greener, Safer, and Equitable" world, we engage a strategic network of internal and external stakeholders. Our process begins with rigorous field-based needs assessments, followed by tailored project conceptualisation and the onboarding of subject matter experts for high-impact execution. The Board maintains oversight via quarterly updates, while the Sustainability & Corporate Social Responsibility Committee provides critical feedback to refine our long-term strategy.

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, Hero MotoCorp's CSR strategy is anchored in a multi-tier consultation process designed to maximise socio-economic impact. Central to this approach is a rigorous Need Assessment Exercise conducted across all HMCL plant locations—Neemrana, Dharuhera, Gurugram, Tirupati, Haridwar, and Halol—to identify specific community priorities and developmental gaps. To ensure objectivity and depth, this process included a comprehensive identification of relevant stakeholders guided by a third-party study, which mapped the influence and needs of various groups. By synthesising findings from this independent study with direct input from local residents, community leaders, and government officials, we are able to align our technical implementation with the unique geographical and social requirements of each region. This data-driven methodology ensures that our interventions—whether in water conservation, infrastructure, or healthcare—are both evidence-based and deeply rooted in the actual needs of the people residing near our operational hubs. The information coming from the need assessment exercise has been used to prioritise community needs such as projects on healthcare, skill development and natural resource management around HMCL plant locations which then has translated into expansion of the Jeevika project across all plant locations and community pond development at Halol in this FY.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

   Hero MotoCorp drives systemic social change by prioritising the concerns of vulnerable and marginalised groups through a diverse SCSR portfolio that fosters empowerment, inclusion, and resilience. This commitment to equity is demonstrated through our education programmes, which impacted 14,000 students in FY 2025-26 by providing after-school support to 13,000 children via 542 ASHA centres, granting 710 merit-cum-means scholarships at BML Munjal University, and modernising infrastructure at 37 schools. Our dedication to inclusivity further extends to supporting 90+ athletes through partnerships with the Paralympic Committee of India (PCI), Indian Deaf Cricket Association (IDCA) and the Mary Kom Regional Boxing Foundation, resulting in global milestones like the Silver and Bronze medals at the World Para Athletics Championship 2025. Simultaneously, we address the unique needs of the armed forces community by supporting 1.5 lakh beneficiaries through the Veerangana Sewa Kendra and providing ex gratia assistance to 100 families of fallen soldiers in partnership with the Directorate of Indian Army Veterans (DIAV). Specialised care is also provided through the Navy Wives Welfare Association (NWWA)-partnered CHETNA centres, which offer developmental therapies to 184 children with neurodevelopmental disorders, while the Jeevika programme empowers women from vulnerable communities by providing vocational training to 745 candidates across 13 centres to foster financial independence. Additionally, we mitigate workplace risks for the marginalised gig-economy workforce by training 2500+ workers in Delhi, Gurugram, Haridwar and Jaipur under the Surakshit Saathi campaign, equipping them with essential road safety and emergency care skills. Combined, these multifaceted efforts underscore a holistic strategy to uplift marginalised segments of society and build a more equitable future.

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 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	4,568	4,497	98.45	4,839	4,839	100.00
Other than permanent	0	0	0.00	0	0	0.00
Total Employees	**4,568**	**4,497**	**98.45**	**4,839**	**4,839**	**100.00**
Workers						
Permanent	4,609	3,419	74.18	4,688	4,688	100.00
Other than permanent	30,120	7,901	26.23	26,148	0	0.00
Total Workers	**34,729**	**11,320**	**32.60**	**30,836**	**4,688**	**15.20**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	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	**4,568**	**0**	**0.00**	**4,568**	**100.00**	**4,839**	**0**	**0.00**	**4,839**	**100.00**
Male	3,961	0	0.00	3,961	100.00	4,197	0	0.00	4,197	100.00
Female	607	0	0.00	607	100.00	642	0	0.00	642	100.00
Other than permanent	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**0.00**	**0**	**0.00**
Male	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Workers										
Permanent	**4,609**	**0**	**0.00**	**4,609**	**100.00**	**4,688**	**0**	**0.00**	**4,688**	**100.00**
Male	4,598	0	0.00	4,598	100.00	4,679	0	0.00	4,679	100.00
Female	11	0	0.00	11	100.00	9	0	0.00	9	100.00
Other than permanent	**30,120**	**0**	**0.00**	**0**	**0.00**	**26,148**	**0**	**0.00**	**200**	**0.76**
Male	24,982	0	0.00	0	0.00	22,106	0	0.00	100	0.45
Female	5,138	0	0.00	0	0.00	4,042	0	0.00	100	2.47

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in crore)	Number	Median remuneration/ salary/wages of respective category (₹ in crore)
Board of Directors (BoD)	7	1.29	3	1.26
Key Managerial Personnel	3	3.59	0	0
Employees other than BoD and KMP	3,957	0.19	607	0.14
Workers	4,598	0.10	11	0.03

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	7.11	7.44

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/No)

Yes, we have various committees within the Company responsible for addressing human rights impacts or issues caused or contributed by the business, such as the Prevention of Sexual Harassment (POSH) Committee and Ethics Committee etc.

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 ethnicity, religion, sexual orientation, race, caste, gender, region, disability, work, designation and such other parameters.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	19	6	Resolution under progress	14	3	Resolution under progress
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wagest	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	19	14
Complaints on POSH as a % of female employees/workers	0.36	0.30
Complaints on POSH upheld	10	5

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Company's Vigil Mechanism/Whistle Blower policy ensure protection of the complainant from discrimination, victimisation, retaliation or adoption of any unfair employment practices.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, agreements provide that all the statutory and regulatory laws including human rights to have a safe working place, timely payment of dues, etc. are required to be complied by the service provider.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others - please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Company has a well-defined Human Rights policy. The Code of Conduct of the Company is based on GBS Codex and respects the rights of its employees. The Company regularly sensitises its employees on the Code of Conduct through various training programmes. At Hero MotoCorp, we believe in providing equal opportunities and platforms to hear the voices of our employees to capture employee grievances including human rights grievances/complaints. In order to achieve so, we have taken several initiatives to hear the voice of our employees to capture employee grievances including human rights/complaints. In order to achieve so, we have taken several initiatives to hear our employees and provide the necessary solutions to the concerns raised by them. Such initiatives include fortnightly meetings at the shop floor. Monthly CFT meetings, Open House, provision of HR Helpdesk to capture and address grievances.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Please refer to the response mentioned in point no 1 above of the leadership indicators.

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

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed[#]
Child labour	20
Forced/involuntary labour	20
Sexual harassment	20
Discrimination at workplace	20
Wages	20
Others - please specify	

[#]This includes only upstream value chain partners.

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	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources			
Total electricity consumption (A)	Gigajoule	1,90,812	1,79,095
Total fuel consumption (B)	Gigajoule	0	0
Energy consumption through other sources (C)	Gigajoule	0	0
Total energy consumed from renewable sources (A+B+C)	**Gigajoule**	**1,90,812**	**1,79,095**
From non-renewable sources			
Total electricity consumption (D)	Gigajoule	3,52,226	3,49,336
Total fuel consumption (E)	Gigajoule	3,57,106.5	3,17,369
Energy consumption through other sources (F)	Gigajoule	0	0
Total energy consumed from non-renewable sources (D+E+F)	**Gigajoule**	**7,09,332.5**	**6,66,705**
Total energy consumed (A+B+C+D+E+F)	**Gigajoule**	**9,00,144.50**	**8,45,800.00**
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	GigajoulePerINR	0.00	0.00
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	GigajoulePerINR	0.00	0.00
Energy intensity in terms of physical output	Gigajoule	0	0
Energy intensity (optional) - the relevant metric may be selected by the entity	Gigajoule per Vehicle	0.14	0.14

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, Bureau Veritas (India) Private Limited.

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.

Yes, Gurugram, Dharuhera & Haridwar plants have been identified as a Designated Consumer, we have completed the energy audits by M/s. A-Z Energy, But no PAT target provided for Hero MotoCorp Limited.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	1,09,848	1,15,932
(ii) Groundwater	kilolitres	5,16,860	5,30,596
(iii) Third party water	kilolitres	1,36,108	1,38,049
(iv) Seawater/desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**kilolitres**	**7,62,816**	**7,84,577**
Total volume of water consumption (in kilolitres)	**kilolitres**	**7,62,816**	**7,84,577**
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations)	**kilolitres**	**0.00**	**0.00**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	**kilolitres**	**0.00**	**0.00**
Water intensity in terms of physical output	**kilolitres per Vehicle**	**0.12**	**0.13**
Water intensity (optional) - the relevant metric may be selected by the entity	**-**	-	-

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, Bureau Veritas (India) Private Limited.

4. Provide the following details related to water discharged:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(ii) To Groundwater	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iii) To Seawater	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iv) Sent to third parties	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(v) Others	kilolitres	0.00	0.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
Total water discharged (in kilolitres)	**kilolitres**	**0.00**	**0.00**

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, Bureau Veritas (India) Private Limited.

5. 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 permeate 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 becomes feed for the next stage of the RO. The final concentrated reject from RO stage 3 is sent to the 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 HDFE bags and sent for secured landfill/Co-processing.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	Tonne	9.8	14.5
SOx	Tonne	2.1	1.1
Particulate matter (PM)	Tonne	9.5	9.9
Persistent organic pollutants (POP)	Tonne	0	0
Volatile organic compounds (VOC)	Tonne	0	0
Hazardous air pollutants (HAP)	Tonne	0	0
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. Bureau Veritas (India) Private Limited.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into **CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3,** if available)	tCO_2e	21,290	19,938
Total Scope 2 emissions (Break-up of the GHG into **CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3,** if available)	tCO_2e	69,467	70,547
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO_2e	0.00	0.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	tCO_2e per INR	0.00	0.00
Total Scope 1 and Scope 2 emission intensity in terms of physical output	$KgCO_2e$ per Vehicle	14.00	15.30
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

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, Bureau Veritas (India) Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, total 123 projects across various plants have been taken to reduce Green House Gas emission and to improve the energy efficiency in the plants. Some of the major energy conservation projects are listed as follows: (i) Euler Power consumption reduction of dual tone production at paint shop (ii) Energy saving in steel phase identified induction motors (iii) Replacement of existing (star delta based) air compressor of 733 CFM capacity with new compressor of 563 CFM having VFD control. (iv) Reduce energy consumption of Compressed Air Handling system (v) Control of individual lines of compressed air supply across shops and for main incoming air supply during non - production hours (vi) Process control initiatives in the paint shops (vii) HPFC panel reconditioning for power factor improvement (vii) Replacement of non efficient compressor with energy efficient new compressors (viii) Solar concentrator for canteen area (ix) adiabatic cooling systems to optimise power consumption (x) Reduction of energy consumption by resising of pumps of cooling tower along with VFD provision total energy saving through all projects is approximately 61 lakh kWh.

9. Provide details related to waste management by the entity, in the following format:

Parameter	Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)			
Plastic waste **(A)**	metric tonnes	1,867	1,617
E-waste **(B)**	metric tonnes	29.65	17.92
Bio-medical waste **(C)**	metric tonnes	0.39	0.41
Construction and demolition waste **(D)**	metric tonnes	4,769	4,276
Battery waste **(E)**	metric tonnes	171.6	121.8
Radioactive waste **(F)**	metric tonnes	0	0
Other Hazardous waste. Please specify, if any. **(G)**	metric tonnes	2,076	2,056
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	metric tonnes	13,742	10,987
Total (A+B + C + D + E + F + G + H)	**metric tonnes**	**22,655.04**	**19,076.13**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	**metric tonnes**	**0.00**	**0.00**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	**metric tonnes**	**0.00**	**0.00**
Waste intensity in terms of physical output	**metric tonnes**	**3.44**	**3.23**
Waste intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Parameter	Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
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	metric tonnes	0.00	24.80
(ii) Re-used	metric tonnes	6,874.00	5,128.00
(iii) Other recovery operations	metric tonnes	0.00	0.00
Total	**metric tonnes**	**6,874.00**	**5,152.80**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	metric tonnes	0.39	0.40
(ii) Landfilling	metric tonnes	0.00	0.00
((iii) Other disposal operations	metric tonnes	15,335.00	13,546.00
Total	**metric tonnes**	**15,335.39**	**13,546.40**

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, Bureau Veritas (India) Private Limited.

Waste management actions like source segregation, recycling of waste through authorised recyclers, co-processing of hazardous waste at cement plants, awareness of employees on waste management are some of the actions being taken at the plant level.

In FY 26, Hero MotoCorp made a strategic shift in hazardous waste management. An initiative to transition from co-processing of paint sludge to a recycle & reuse model by partnering with the recycling facility, the initiative helped in diversion of 28% of paint sludge waste from traditional co-processing to be converted into functional industrial primer.

10. 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.

Hero MotoCorp have a robust mechanism of waste management which promotes reducing its waste at the source, promoting sustainable packaging and adopting method to utilise waste as resource for others i.e. co-processing in cement industries. Another such example is upcycling of grinding sludge which is converted to ferric alum & paint sludge into functional industrial primer which becomes useful resources to other industries. We have also adopted innovative technologies to eliminate process waste i.e. introduction of water-based painting which creates zero VOC's, zero paint sludge and low water consumption. The Company also embarked upon the journey of Zero Waste to Landfill from 2018-19 to 2025-26 where all our plants are certified as Zero Waste to Landfill. Elimination of single use plastic was another initiative where all our plants were certified as "Single Use Plastic Free" Plants.

11. 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:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
Not Applicable				

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link

Base line assessment conducted for our upcoming expansion project at Neemrana manufacturing Plant and submitted environment management plan for the purpose of environment clearance.

13. 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/NA). If not, provide details of all such non-compliances, in the following format:

Yes

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Water withdrawal, consumption and discharge in areas of water stress			
(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	**Please specify unit**	**FY 2025-26 (Current Financial Year)**	**FY 2024-25 (Previous Financial Year)**
Water withdrawal by source (in kilolitres)			
Surface water	kilolitres	0	0
Groundwater	kilolitres	2,66,978	2,77,770
Third party water	kilolitres	1,36,108	1,38,049
Seawater/desalinated water	kilolitres	0	0
Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres)	kilolitres	4,03,086	4,15,819
Total volume of water consumption (in kilolitres)	kilolitres	4,03,086	4,15,819
Water intensity per rupee of turnover (Water consumed/turnover)	kilolitres	0	0
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	0	0
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(ii) Into Groundwater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iii) Into Seawater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iv) Sent to third parties	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(v) Others	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
Total water discharged (in kilolitres)	kilolitres	**0**	**0**

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, Bureau Veritas (India) Private Limited.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	**Unit**	**FY 2025-26 (Current Financial Year)**	**FY 2024-25 (Previous Financial Year)**
Total Scope 3 emissions (Break-up of the GHG into **CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3,** if available)	tCO_2e	1,98,13,101	1,89,40,829
Total Scope 3 emissions per rupee of turnover	tCO_2e per INR	0	0
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	tCO_2 per Vehicle	3.05	3.21

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.

No

3. With respect to the ecologically sensitive areas reported at Question 11 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

4. 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:

Sl. No.	**Initiative undertaken**	**Details of the initiative (Web-link, if any, may be provided along-with summary)**	**Outcome of the initiative**
1	Introduce adiabatic cooling systems to optimise power consumption	Adiabatic cooling towers combine dry cooling with evaporative pre-cooling to efficiently cool water.	Energy saving & emission reduction.
2	Introduce composite fibre material fans in all cooling tower in place of existing casting material fans	Replaced convention cooling tower fan by lower weighted fans which has higher aerodynamic efficiency, led to reduce power consumption.	Energy saving & emission reduction.
3	Solar concentrator for canteen area.	Use mirrors (heliostats) to focus sunlight onto a receiver, converting it into high-temperature heat for utilisation.	Energy saving & emission reduction.
4	Diversion of paint sludge from co-processing to recycling	An initiative to transition from co-processing of paint sludge to a recycle & reuse model by partnering with the recycling facility, the initiative helped in diversion of 28% of paint sludge waste from traditional co-processing to be converted into functional industrial primer.	Circular economy & hazardous waste diversion.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

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 damage 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.

6. 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 partners of the Company.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

100%

8. How many Green Credits have been generated or procured:

A. By the listed entity.

0

B. By the top ten (in terms of value of purchases and sales, respectively) value chain partners.

0

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.

7

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	CII - Confederation of Indian Industry	National
2	SIAM - Society of Indian Automobile Manufactures	National
3	ECMA - Emission Controls Manufacturer Association	National
4	ACMA - Automotive Component Manufacturer Association	National
5	FADA - Federation of Automobile Dealers Association	National
6	IMMA - International Motorcycle Manufacturers Association	International
7	SAFE - Society of Automotive Fitness & Environment	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

LEADERSHIP INDICATORS

1. 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)	Web Link, if available
1	Release of final notification mandating RON 95 for E20 gasoline blend.	Direct communication through SIAM.	Yes	Others - please specify, on need basis	https://mopng.gov.in/files/Whatsnew/GZ17022026.pdf
2	Release of final notification for extension of PM e-drive.	Direct communication through SIAM.	Yes	Others - please specify, on need basis	https://pmedrive.heavyindustries.gov.in/policy_document
3	European Cybersecurity Regulations (L-Category), CRA exempted.	Direct communication through IMMA.	Yes	Others - please specify, on need basis	https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202501455 http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202501535
4	India Cybersecurity Regulations (L category), 2W category exempted.	Direct communication through SIAM	Yes	Others - please specify, on need basis	-
5	India - UK Free Trade Agreement (Exclusion of 2W EVs).	Direct communication through SIAM	Yes	Others - please specify, on need basis	https://www.commerce.gov.in/#/international-trade/trade-agreements
6	Deferment of ABS & 2 helmets requirement for 2Ws	Direct communication through SIAM	Yes	Others - please specify, on need basis	https://www.teamleaseregtech.com/updates/article/44043/morth-proposes-mandatory-abs-for-l2-vehicles-and-two-helmets-with-two-/
7	Draft notification on E20 compliance procedures for imported products.	Direct communication through SIAM	Yes	Others - please specify, on need basis	https://morth.gov.in/backend/documents/uploaded/1772008484_m5bu84C4yj.pdf
8	Flex Fuel Vehicles (E85 to E85 Or more) & Ethanol Roadmap	Direct communication through SIAM	Yes	Others - please specify, on need basis	https://morth.gov.in/#/documents/gazettes-notifications
9	Revision of existing Lighting Standards (Inclusion of Illuminated Manufacturer's logo)	Direct communication through SIAM	Yes	Others - please specify, on need basis	https://www.araiindia.com/downloads
10	Standardisation & deferment of CAFE norms for 2 Wheelers	Direct communication through SIAM	No	Others - please specify, on need basis	-
11	Bharat Stage 7 for 2Ws | Proactive Steps towards Cleaner Emission Norms.	Direct communication through SIAM	No	Others - please specify, on need basis	-
12	AVAS (Acoustic Vehicle Alerting System) for Electric Powered-Two Wheelers.	Direct communication through SIAM	No	Others - please specify, on need basis	-
13	Rare Earth Magnet Supply Crisis providing regulatory guidance for alternative strategies	Direct communication through SIAM	No	Others - please specify, on need basis	-
14	Draft EPR on End-of-Life Vehicle Notification	Direct communication through SIAM	No	Others - please specify, on need basis	https://egazette.gov.in/(S(i2j5i35ypbazg51ejdd4cnqg))/ViewPDF.aspx

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Not Applicable

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/small producers	9.98	6
Directly from within India	96	96

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.

Location	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	0.00	0.00
Semi-urban	0.00	0.00
Urban	0.23	0.49
Metropolitan	5.53	10.39

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):

Sl. No.	Details of negative social impact identified	Corrective action taken
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 INR)
1	Uttarakhand	Haridwar	9,10,33,968.84

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No

(b) From which marginalised/vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

0

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:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
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.

Sl. No.	Name of authority	Brief of the Case	Corrective action taken
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	Road Safety	1,88,000	100
2	Healthcare	1,57,000	100
3	Education	13,000	100
4	Armed Forces	1,58,000	100
5	Skill Development	9,900	100
6	Sports	130	100

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.

The Company has a robust customer grievance-capturing mechanism through different mediums like toll-free number, social media, corporate website, e-mails, etc. Customer's grievances are recorded into the system which has a 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

3. Number of consumer complaints in respect of the following:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	0	0	NIL	0	0	NIL
Advertising	0	0	NIL	0	0	NIL
Cyber-security	0	0	NIL	0	0	NIL
Delivery of essential services	0	0	NIL	0	0	NIL
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	0	0	NIL	0	0	NIL
Other	24,816	614	97.52% Closed	32,115	103	99.68% closed

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No/NA), If available, provide a web-link of the policy.

Yes, HMCL has a primary policy and information security policy available at the Company's website at: https://www.heromotocorp.com/content/dam/hero-aem-website/in/en-in/company-section/reports-and-polices/policies/pdfs/hmcl_information_security_policy.pdf

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.

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers.

0

c. Impact, if any, of the data breaches

Not Applicable

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the products and services provided by the Company is available at the corporate website www.heromotocorp.com and also at https://shop.heromotocorp.com/en/. In addition, the digital owner's manual containing the details of the product of the Company is explained at the time of new vehicle delivery & it is also present in the Hero MotoCorp customer's application. 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. The Company also undertakes various safety initiatives to educate customers about safe riding.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company has a designated Corporate Crisis Management Team (CCMT) responsible for overseeing business continuity situations. In the event of a business disruption, all customer outreach is conducted exclusively through authorised communication channels, as deemed appropriate.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable)

Yes

If yes, provide details in brief.

The details on the information label are as per the requirements of the Legal Metrology Act, 2009 and the 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) bar code/number is printed on the Maximum Retail Price (MRP) label of the spare part. The Company also runs campaigns informing customers about the same.

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)

Yes, the Company measures customer satisfaction through its programme Customer Service Index.

ESG DISCLOSURE OF VALUE CHAIN PARTNERS AS PER SEBI GUIDELINES

Pursuant to the SEBI guidelines, ESG disclosures for Value Chain Partners have been adopted by Hero MotoCorp on a voluntary basis, for FY 2025-26. The scope of this disclosure encompasses key upstream and downstream partners individually contributing 2% or more to the Company's total purchases or sales value, respectively.

For the reporting period, Hero MotoCorp has successfully mapped and disclosed data for all qualifying upstream partners, with the exception of three partners whose data remained unavailable despite reasonable efforts. Further, there are no downstream value chain partners which met the threshold of contributing 2% or more to the total sales value.

Sl. No.	Attribute	Parameter	Measurement	FY26 (Consolidated data, excluding 3 upstream value chain partners)
1	Green-house gas (GHG) Footprint	Scope 1 Emissions	$MTCO_2e$	64,226.15
		Scope 2 Emissions	$MTCO_2e$	1,32,283.11
		Total scope 1 and scope 2 emissions intensity per rupee of turnover (Total scope 1 and scope 2 emissions/Revenue from operations)	MT/Rupee	-
		Total scope 1 and scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Total scope 1 and scope 2 emissions/ Revenue from operations adjusted for PPP)	MT/USD	-
		Total scope 1 and scope 2 emissions intensity in terms of physical output (Total scope 1 and scope 2 emissions/Physical Output)	MT/Number/units	-
2	Water Foot Print	Water Consumption	kL	5,80,709.51
		Water intensity per rupee of turnover (Water consumed/Revenue from operations)	kL/Rupee	-
		Water intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Water consumed/ Revenue from operations adjusted for PPP)	kL/USD	-
		Water intensity in terms of physical output (Water consumed/Physical Output)	kL/Number/units	-
		Water Discharge	kL	65,136.19
3	Energy Footprint	Total energy consumed from renewable sources	Gigajoules (GJ)	51,722.92
		Total energy consumed from non- renewable sources	Gigajoules (GJ)	14,57,758.95
		Percentage of energy consumed from renewable sources	%	3.43
		Energy intensity per crores of turnover (Energy consumed/Revenue from operations)	GJ/Rupee	-
		Energy intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Energy consumed/ Revenue from operations adjusted for PPP)	GJ/USD	-
		Energy intensity in terms of physical output (Energy consumed/Physical Output)	GJ/Number/units	-
4	Embracing circularity details related to waste management by the entity	Total Waste Generated	MT	9,349.80
		For each category of waste generated, total waste recovered through	recycling (in metrices ton)	492.57
			re-using (in metrices ton)	251.36
			other recovery operation (in metrices ton)	-
		For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)	Incineration (in metrices ton)	94.42
			Landfilling (in metrices ton)	213.10
			Other disposal operations (in metrices ton)	361.69
		Waste intensity per rupee of turnover (Waste generated/ turnover)	MT/Rupee	-
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Waste generated/ Revenue from operations adjusted for PPP)	MT/USD	-
		Waste intensity in terms of physical output (Waste generated/Physical Output)	MT/Number/units	-
5	Enhancing Employee Well-being and Safety	Spending on measures towards well being of employees and workers cost incurred as a % of total revenue of the company	%	0.12
		Details of safety related incidents for employees and workers	Number of Permanent Disabilities	0.65
			Number of Fatalities	-
6	Enabling Gender Diversity in Business	Gross Wages Paid to females as a percentage of total wages	%	2.78
		Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Total Complaints on Sexual Harassment (POSH) reported	-
			Complaints on POSH as a % of female employees/workers	-
			Complaints on POSH upheld	-
7	Enabling Inclusive Development	Sourced from MSMEs/ small producers and from within India	%	14.21
		Job creation in smaller towns Wages paid to persons employed in smaller towns (permanent or non permanent /on contract) as % of total wage cost.	Rural	21.77
			Semi-Urban	15.88
			Urban	16.91
			Metropolitan	7.94
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss/breach of data of customers	%	-
		Number of days of accounts payables		31.64
9	Open-ness of business	Concentration of Purchase	Purchases from trading houses as % of total purchases	4.52
			Number of trading houses where purchases are made from	6.18
			Purchases from top 10 trading houses as % of total purchases from trading houses	10.76
		Concentration of Sales	Sales to dealers/distributors as % of total sales	-
			Number of dealers/distributors to whom sales are made	-
			Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	-
		Share of RPTs (as respective %age) in	Purchases	17.54
			Sales	25.23
			Loans & advances	-
			Investments	15.06

ANNEXURE - IX

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(A) CONSERVATION OF ENERGY

(I) Step taken or impact on conservation of energy:

Energy conservation initiatives through capacity utilisation, process controls, and adoption of energy efficient technologies etc. have been the major focus in the Company's operations. The Company believes that actions towards energy saving, directly impact emission reduction, efficient operations and climate resilience.

Some of the key energy initiatives undertaken during the year are as under:

(i) Dharuhera plant has achieved an annual energy saving of 6.82 lakh kWh (Units) through the implementation of various process optimisation and technology upgrades. Key initiatives include:

a) Replacement of non efficient compressor with energy efficient new compressor.

b) Installation of harmonics/line filters to improve power quality at Main Distribution Boards (MDBs) load.

c) Automate of the dust collector operation during non production hours.

d) Process optimisation in top coat Acrylonitrile Butadiene Styrene (ABS) expansion paint shop through real time monitoring and control by providing Programmable Logic Controller (PLC) & Human-Machine Interface (HMI).

e) Reduction in energy consumption by utilisation of unused asset, commonisation of fume exhaust blower and auto stoppage of dust collector during non production hours at final inspection.

f) Automatic Power Factor Correction (APFC) control panel for ABS paint shop expansion.

g) Removal of coolant pump in fanuc robodrill machines.

h) Electric tempering furnace conveted in Gas fired tempering furnace.

i) Spindle pump commonised in gundrill machine

j) Air saving circuit to be provided for turning off the machines compressed air during non working hours in weld & frame assembly line machines.

k) Energy saving circuit provided for turning off the machines during non working hours in machine shop.

l) Aluminium phase compressed air line connected to steel phase expansion.

(ii) Gurugram plant has saved 6.52 Lakh kWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following:

a) Shut off valves for individual lines of compressed air supply across shops for isolating the line during non production hours.

b) Compressed air leakage rectification.

c) Energy saving by installing fan assemblies in electrical panel & interlocking with panel AC.

d) Reduction in compressor consumption by provision of new PLC panel & solenoid valves integration with cockpit.

e) To reduce carbon foot print and save enegy cost in oven by implementing sychonised oven firing.

f) Replacement of obsolete Inverters of existing solar plant.

(iii) Haridwar Plant has achieved significant energy savings of 13.35 Lakh kWh (Units) through the deployment of various process optimisation and technologies. Major such initiatives include the following:

a) Power consumption reduction of dual tone production at paint shop.

b) Energy saving in steel phase identified induction motors.

c) Reduction of energy consumption in compressed air handling system.

d) Energy consumption reduction in Acrylic Cathodic Electro-Deposition (ACED) Paint shop.

e) Reduction in power consumption by optimisation on washing machine & seam welding equipment family.

f) Reduction in power consumption in steel phase.

(iv) Neemrana plant has achieved significant energy savings of 9.4 Lakh kWh (Units) through inclusion of latest technology, process optimisation. Major such initiatives include the following:

a) Compressor running sequence effeciency improvement.

b) Lightning effeciency improvement

c) Compressed air leakage identification and reduction.

d) Air circuit modifiction for washing machines.

e) Variable refregerant volume controlling through centralised monitoring.

f) Elimination of decentralised air compressor for gurukul & parking area.

(v) Halol plant has achieved energy savings of 4.9 Lakh kWh (units) through the deployment of various process optimisation and technologies. Major such initiatives include the following:

a) Introduce adiabatic cooling systems to optimise power consumption.

b) Introduce composite fiber material fans in all cooling tower in place of existing casting material fans.

c) Use thermal solar gyser for utensil washing in place of electric heater type gyser.

d) Enhancing the recycle Reverse Osmosis (RO) plant performance by implementing separate line-wise cleaning and individual membrane cleaning units.

e) Eliminating booster motor by providing support bearings at rollers in Metal Fuel Filler (MFF) Robot Wire Feeder.

(vi) Center of Innovation and Technology (CIT) Jaipur has realised energy saving of 3.4 Lakh kWh through various process optimisation and technologies. Majority of such initiatives include the following:

a) Process improvisation of sewage treatment plant.

b) Integration of oil mist collectors with coolant operation in Computer Numerical Control (CNC) machines.

c) Exhaust fan control by variabe frequency drive.

d) Water treatment plant pump energy optimisation.

e) Oven operational controls by integration of pre heating through timer.

(vii) Tirupati Plant – has achieved annual energy savings of 12.9 Lakh kWh (Units) through deployment of various process optimisation and technology upgradation. Major initiatives include the following:

a) Plant space cooling system energy consumption reduction through different measures.

b) Motion sensor based tube lights for FA Doll Building, paint shop, treatment plants & all offices.

c) Cell storage capacity enhancement.

d) Energy saving in crankcase washing machine by optimisation of robot running hours.

e) Energy saving through installation of Programme Logic Controller (PLC) based timer for shop floor exhaust fans.

(viii) Global Parts Center (GPC)- It has achieved annual energy savings of 3.3 Lakh kWh (Units) through various process optimisation and technology upgradation. Major initiatives include the following:

a) Replacement of lead acid battery with Li-ion battery in forklift.

b) Installation of one motion sensor for lighting automation in IT Uninterrupted Power Supply (UPS) Room.

c) Eliminating the requirement of 2 nos of forklift and it's battery charging in reserve automated storage and retrieval System (ASRS) by installing 04 nos of automatic pallet lifters.

(II) Steps taken by the Company for utilising alternate sources of energy:

A) Captive Solar Plant Expansion:

The Company expanded the solar plant by 3.08 MWp (2.18 MWp- CIT, and 0.9 MWp- HM4N).

In addition, The Company invested for 3.5 MWp captive solar expansion (0.55 MWp at Dharuhera Plant, 1.25 MWpat Gurugram Plant, 1.05 MWp at Haridwar Plant, and 0.64 MWp at GPC).

B) Renewable Energy Wheeling Expansion:

1) Haryana Facilities: Invested for 13.2 MWp Pure solar wheeling under group captivebasis for Dharuhera Plant (4.95 MWp) & Gurugram Plant (8.25 MWp).

2) Rajasthan Facilities: Planned to invest for 9.90MWp solar power wheeling with 5MWH Battery Energy Storage System (BESS) under group captive basis for Neemrana Plant,GPC, & CIT.

3) Uttarakhand Facility: Planned to invest for 8.77 MWp pure solar wheeling for HaridwarPlant.

(III) Capital investment on energy conservation equipments:

Approx. capital investments on energy conservation equipment & projects in FY26 is ₹ 9.98 crore.

TECHNOLOGY ABSORPTION

(I) Efforts made towards technology absorption

- 168 patent applications filed by the Company Limited in 2025-26 towards development of new technologies.
- Total patent applications filed by the Company in India till March 31, 2026 = 1,340
- Patents granted till FY 2026 – 329 [India] + 53 [Foreign] = 382

Energy conservation & Green initiative

- Horizontal deployment of heat resistant powder coating for engine parts of 125, 150 and 400 cc models against solvent based heat resistant liquid paint, which is more environment friendly and ensures minimal wastage and supports in VOC reduction.
- Process improvement for ferrous chassis parts by using [Epoxy CED + Powder coating] in place of powder coating thereby increasing corrosion resistance & hence life & durability of swing arm.
- [ACED + Powder coating or Liquid Top Coat] process implemented for all premium bikes frame body for increasing rust resistance and aesthetic appeal with option of different shades.
- Introduction of water slide graphics technology for premium vehicles. A high-quality finish looks more premium and professional. It is highly versatile for seamless application.
- High strength steel developed and implemented for use in structural components, resulting in improved structural performance and enhanced safety.
- More than 7000 tons CFP saving by implementing ideas & suggestions in FY 25-26 related to sustainable ideas such as weight reduction, alternate material, design optimisation & process improvement.

Technology Development

Introduction of Ride By Wire Technology (A first time in Commuter Segment)

In the fiscal year 2025-26, a significant milestone attained with the successful implementation of "Ride-by-Wire" technology. This sophisticated system was initially introduced into the high-volume commuter segment via our popular Glamour X model, in terms of features and performance.

Key Features Enabled by Ride-by-Wire in the Glamour X:

- **Cruise Control:** This functionality substantially augments rider comfort and mitigates fatigue during extended highway journeys by maintaining a constant, pre-set vehicle speed without requiring continuous throttle manipulation.
- **Ride Modes:** The ECU, leveraging the Ride by wire system, instantaneously modifies the engine's power delivery and throttle response characteristics. For instance, an 'Eco' mode can provide a smoother, more fuel-efficient delivery profile, while a 'Power' mode can offer a sharper, more responsive throttle for enhanced acceleration.
- **Engine Speed/Vehicle Speed Limiter:** This safety and regulatory compliance feature permits the electronic capping of the engine's maximum Revolutions Per Minute (RPM) or the vehicle's top speed, which is beneficial for fleet management, novice riders, or adherence to specific regulatory mandates.
- A patent is also applied “Strategy for battery less start system with electronic throttle”.

AI Virtual Torque Sensor

Development of embedded virtual sensor utilising the existing ASCMO Static Global engine dataset, directly within the target Engine Control Unit (ECU), which will help in the development and implementation of advanced control strategies in the field of advanced engine calibration. The production-ready C code for this virtual sensor will be auto-generated using AI coder. This approach ensures functional equivalence and compliance with Automotive Safety Integrity Level (ASIL)-D safety standards.

Advancements in EV technology & battery charging

Kinetic Energy Harvesting- it is a failsafe feature for battery disconnection scenarios in EV vehicles. If the system disconnects, it harvests energy from the wheels to maintain motor control and bring the vehicle to a safe, controlled stop ensuring rider safety.

Implemented a wide-voltage operating strategy, successfully increasing vehicle range by 10% and improving BMS [Battery Management System] discharge limit to improve overall performance.

Development of IP67-Rated resilience battery, featuring an anti-tamper design for fully sealed design against dust and water with enhanced thermal management using high-quality materials and cells inside the battery.

Strengthened our supply chain resilience by localising key component manufacturing (PCB) and implementing HRE-free materials to mitigate geopolitical risks. We are pioneering the future of mobility with our patented Unipolar Hub Motor design.

In area of fast charging infrastructure, full implementation of LEVCCS (IS 17017 Part 31), Intelligent Handshake, an automated vehicle identification and profile selection for a "plug-and-charge" experience.

In Portable Charging Solutions- Introduction of Constant Power (CP) mode to reduce overall charging time, Protocol Alignment with Integrated Direct Battery, Dual Battery, In-vehicle VIDA, In-Vehicle Standard (IS 17017 Part 31).

II) Benefits derived, like product improvement, cost reduction, product development or import substitution

Product Development & New Model Launches [FY 2025-26]

VIDA VX2 EV Scooter [EVOOTER]

Introducing a new category in electric mobility — the “EVOOTER” — this innovation combines the sustainability, intelligence, and performance of an EV with the comfort, design, and everyday practicality of a scooter. The VIDA EVOOTER delivers the best of both worlds redefining how modern India moves — smartly, responsibly, and with purpose. The VX2 brings together the Company's iconic reliability and trust with cutting-edge EV technology and innovation.

The VIDA VX2 comes in two exciting variants, VX2 Plus and VX2 Go, available at attractive and accessible price:

- With BaaS (Battery-as-a-Service)
- Without BaaS
  - VX2 Plus – up to an impressive 142 kms with 3.4 kWh battery
  - VX2 Go – up to 92 kms with 2.2 kWh battery

The Evooter VX2 Go 3.4 kWh is equipped with a dual-removable-battery system, offering a real-world range of up to 100 km per charge and peak power of 6 kW with 26 Nm torque

Glamour X

Building on the Glamour brand’s legacy of style, innovation and trust with over 8 million satisfied customers, the all-new Glamour X 125 delivers a bold new design, advanced technology, superior performance, and exceptional comfort for the new-age aspirational riders. It debuts several category first innovations such as electronic throttle, Low batter kick startability powered by AERA technology, Ride by wire for dynamic & precise throttle response, cruise control for comfortable long rides and a power brake alert system for emergency raking.

Destini 110

The scooter gets premium chrome accents, projector LED headlamp, and an H-shaped LED tail lamp for a distinct presence. With its combination of a strong metal body, elegant styling, longest seat, larger wheels, and efficient engine, Destini 110 sets a benchmark in the scooter segment for women. Its balanced approach to comfort, performance, and style ensures it caters to the diverse needs of female riders.

The 110cc engine comes equipped with the Company's i3s idle stop-start system. It delivers a fuel efficiency figure of 56.2kmpl. It also gets the longest seat in its class at 785mm, complete with an integrated backrest. Another standout feature of the Hero Destini 110 is its 12-inch larger wheels, which significantly improve stability and handling. Larger wheels provide better grip and smoother rides, particularly on uneven or bumpy surfaces.

X440 T [In collaboration with Harley-Davidson]

This new T variant focuses on modernisation and rider safety. Key upgrades include:

- Ride-by-wire technology offering a smoother throttle response.
- Enhanced safety thanks to the inclusion of switchable traction control.
- Switchable ABS for the rear tyre.
- Ride modes as riders can toggle between 'Road' and 'Rain' modes.

(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
- MCU Control Software technology
- Li-ion Cell technology for EV Battery

(b) Year of Import

- FY 2019-20, completed before March 2020
- FY 23-24, completed before March 2024

(c) Whether the technology been fully absorbed

Yes

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

Not Applicable

(IV) The expenditure incurred on Research and Development

(in crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Capital	349.13	306.64
Recurring	779.84	732.83
Total R&D expenditure	**1,128.97**	**1,039.47**

FOREIGN EXCHANGE EARNINGS AND OUTGO: THE COMPANY'S PERFORMANCE

Global Export Milestones

In FY 2025–26, the Company achieved its highest ever dispatch volume in its international business, exporting 402,786 units. This represents a significant 40.1% year-on-year growth, much higher than the Indian industry's export growth of ~ 23%. This outperformance was anchored by the Company's joint venture hubs, specifically Colombia (+71.8%) and Bangladesh (+25.7%).

The Company's trajectory remained aggressive throughout the fiscal year, with the Company's share of Indian exports climbing from 5.7% in Q1 to an all-time high of ~9.1% in Q4. The Company concluded the year with an average 7.8% MS (up 0.94% from FY25), supported by a double-digit ~10.9% exit market share in March 2026.

Regional Market Insights

1. Latin America (LATAM)

- **Expansion & Dominance:** Dispatches **surged by 27.2%,** with Colombia emerging as the Company's largest global contributor.
- **Colombia Success:** Achieved a monumental **104% growth in retail sales and a market share gain of 2.6%.**
- **Brazil Entry:** A major strategic pivot is underway in Brazil, the region's largest market, with operations slated to commence in H2 FY27.

2. Africa & Middle East

- **Nigeria:** Witnessed a dramatic turnaround with a **163% increase** in dispatches compared to FY25, signaling a successful recalibration of the product-market fit.
- **Turkey:** Despite temporary regulatory headwinds (OBD-II transition) causing market contraction, the Company is poised for a recovery through a pipeline of new, compliant market fit product launches.

3. Asia

- **Bangladesh:** Remains the second-largest global contributor. Despite economic volatility, the **Xtreme 125** in the Deluxe segment has maintained strong momentum. The Company continues to be the **No. 1 Brand** in Bangladesh with a **market share of 20.1%**.
- **Nepal:** Recorded volume growth of 19.7% in Nepal on the back of new product launches, network expansion, and exchange schemes.
- **In Sri Lanka,** the brand's relaunch has been highly effective, with market share already exceeding 13%.

Strategic Pillars for Growth

- **Core Strength (100cc - 125cc):** The Company continues to dominate the commuter segment across South Asia and LATAM through consistent product refreshes and increase in network density.
- **Premiumisation:** A concerted shift toward the premium segment aims to capture motorcycling enthusiasts, supported by targeted brand-building and high-performance launches.
- **Expanding Scooter Portfolio:** With the Xoom series – Xoom 110 , 125 The Company has gained momentum in key countries like Sri Lanka, Colombia & Nepal.
- **Consumer Ecosystem:** The Company is investing in **"Customer First"** after-sales infrastructure and expanding its **Retail Finance** reach in markets like Mexico and Nigeria to improve affordability and penetration.

Key Focus Areas for FY27

- **Market Share Increase:** Intensive focus on scaling MS in Key Markets like Colombia, Mexico, Guatemala, Argentina, Nigeria, Congo, Sri Lanka & Nepal.
- **Brand Resonance:** Localised marketing "properties" that align with regional cultural emotions to strengthen brand equity.
- **Portfolio Evolution:** Continued expansion of the premium portfolio to ensure global customers have access to the Company's latest technological innovations.

The Outlook: The Company's strategic decision to invest disproportionately in high-volume markets while nurturing emerging regions has built a resilient foundation. The Company is optimally positioned to lead the global two-wheeler sector in the coming years.

THE FOREIGN EXCHANGE EARNED IN TERMS OF ACTUAL INFLOWS DURING THE YEAR AND THE FOREIGN OUTGO DURING THE YEAR IN TERMS OF ACTUAL OUTFLOWS

Foreign exchange earnings during FY 2025-26 were ₹ 3,277.29 crore, as compared to ₹ 2,161.76 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 2025-26 was ₹ 881.41 crore, as compared to ₹ 642.58 crore in previous financial year. Outgo for Import of Components, spare parts, raw materials and capital goods during the FY 2025-26 was ₹ 911.00 crore, as compared to ₹ 1060.71 crore in the previous financial year.

Independent Auditor's Report

To The Members of Hero MotoCorp Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Hero MotoCorp Limited** (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Loss), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended on that date, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the 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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Investment in Subsidiaries, Associates and Equity Instruments The Company holds investment in subsidiaries, associates and equity instruments amounting to ₹ 5,618.89 crore (net) as at March 31, 2026. At each reporting period, the Company assesses the recoverable amount of the investments in subsidiaries and associates and fair value of equity instruments, respectively, in order to determine (i) whether there are any indication that the investments in subsidiaries and associates have suffered an impairment loss and (ii) changes in fair value of equity instruments. To assess the recoverability of investments in subsidiaries and associates and to determine the fair value of equity instruments, management is required to use appropriate methodology and apply significant assumptions relating to discount rate, long term growth rate and revenue multiples. We have identified the valuation methodology and aforementioned assumptions used by the management for estimation of the recoverable value and determination of fair value as the key audit matter because these assumptions are of particular importance due to the level of judgements involved. Refer note 3.15 and 9 of the Standalone Financial Statements	**Principal audit procedures performed included the following:** Obtained understanding of the process and tested the internal controls related to the assumptions used by he management for determination of (a) recoverable value of the investments in subsidiaries and associates and (b) fair value of investments in equity instruments. • Challenged management on the appropriateness of the valuation methodology and performed following procedures: • Assessed the recoverable value of the subsidiaries and associates based on latest available financial information; • Evaluated the objectivity and competency of the specialist engaged by the Company and reviewed the valuation reports issued by such specialist; • With the assistance of our valuation specialist, we assessed the reasonableness of the methodology and assumptions used to determine the recoverable value of the investments in subsidiaries and associates and fair value of investments in equity instruments, primarily related to discount rates, long term growth rate and revenue multiples; • Tested the arithmetical accuracy of the valuation models; and • Assessed appropriateness of disclosures made by the Company.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility & Sustainability Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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 auditor's 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 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 of the aforesaid standalone financial statements.

   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 Loss, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 34 (a) and (b) to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 23 to the standalone financial statements.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 45(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 45(viii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

      v. As stated in note 19 to the standalone financial statements,

         (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

         (b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with section 123 of the Act.

         (c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The final dividend proposed is in accordance with section 123 of the Act.

      vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026, which has a the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems.

      Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of said accounting software for the period for which the audit trail feature was enabled and operating and the audit trail has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 45(xi) to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 26094468IEMJAN8135

Place: New Delhi
Date: May 05, 2026

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to standalone financial statements of **Hero MotoCorp Limited** (the "Company") as at March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 26094468IEMJAN8135

Place: New Delhi
Date: May 05, 2026

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hero MotoCorp Limited)

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

i. In respect to the Company's property, plant and equipment, right-of-use assets and intangible assets:

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

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

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress, and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment, capital work-in-progress, and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date, except for the following:

Amount (₹ in crore)

Description of Property	Gross carrying value (as at the balance sheet date)	Carrying value (as at the balance sheet date	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Apartment 1, Gurugram	45.95	45.95	Company is in the process of applying for registration	Not Applicable	Since October 2025 till date of audit report	Company is in the process of applying for registration

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

(B) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) 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 partnerships or any other parties during the year. The Company has made investments in companies and other parties (Refer note 9 of Standalone Financial Statements) and has granted unsecured loans to other parties during the year, in respect of which:

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

Particulars	Amount (₹ in crore)
A. Aggregate amount of loans given to employees during the year	50.46
B. Balance outstanding of loans given to employees as at balance sheet date*	51.93

* Gross amount without considering provisions made.

The Company has not made any investments in firms or limited liability partnerships and has not granted loans to companies, firms and limited liability partnerships.

b) The investments made and the terms and conditions of the grant of the loans provided to employees, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted provided by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation.

d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no amount overdue for more than ninety days at the balance sheet date.

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

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

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 deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

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

vii. In respect of statutory dues:

a. Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Sales Tax, Service Tax, duty of Excise and Value Added Tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Financial year to which the Amount Relates	Amount*	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise duty	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)	2004-05 to 2017-18	34.35	1.42	32.94
		Commissioner Appeal	2015-16	0.08	0.01	0.07

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Financial year to which the Amount Relates	Amount*	Amount paid under protest	Amount unpaid
Goods and Service Tax Act, 2017^	Goods and Service Tax (GST)	Deputy Commissioner Appeals	2017-18	0.08	-	0.08
		Commissioner Appeal	2017-18 To 2023-24	940.54	54.74	885.80
		Additional Commissioner Appeals	2021-22	1.22	0.11	1.11
		Joint Commissioner Appeal	2018-19	0.02	-	0.02
		Goods and Service Tax Appellate Tribunal	2017-18 and 2018-19	2.01	0.37	1.64
		Special Commissioner Appeal	2017-18 and 2019-20	15.39	1.44	13.95
Finance Act, 1994	Service Tax	Supreme Court	2004-05 to 2005-06	0.89	0.45	0.44
		CESTAT	2004-05 to 2011-12	233.11	24.99	208.12
The Customs Act, 1982	Custom Duty	CESTAT	2014-15	0.25	0.01	0.24
Income-tax Act, 1961	Income -tax	Income Tax Appeal Tribunal	2021-22	2.29	-	2.29
Income Tax Act, 1961	Income -tax	Commissioner of Income Tax Appeals	2013-14, 2014-15, 2016-17 and 2018-19	24.51	0.18	23.33

* Amount of disputed tax liabilities are exclusive of interest, if any.

^ including Central Goods and Service Tax Act, 2017, Goods and Service Tax Act, 2017 of respective states and Integrated Goods and Service Tax, 2017

Above excludes ₹ 90.80 crore in respect of disputes of under Income-tax Act, 1961 which are paid / adjusted in full.

The following matters have been decided in favour of the Company, but the department has preferred appeals at higher levels:

Amount (₹ in crore)

Nature of Statute	Nature of dues	Forum where dispute is pending	Financial year to which the Amount Relates	Amount	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise duty	Custom, Excise and Service Tax Appellate Tribunal	2010-11	82.80	-	82.80
Finance Act, 1994	Service Tax	Custom, Excise and Service Tax Appellate Tribunal	2016-17	1.99	0.15	1.84
Income-tax Act, 1961	Income -tax	High Court	1997-98,1998-99, 2000-01, 2003-04, 2009-10, 2010-11, 2011-12 and 2012-13	6,232.87	-	6,232.87
Income-tax Act, 1961	Income -tax	Income Tax Appeal Tribunal	2009-10	2.18	-	2.18

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

ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

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

xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and up to the date of this report and provided to us, when performing our audit.

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

xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

(b) We have considered the internal audit reports issued to the Company during the year covering specific processes and periods scoped in for internal audit as per the internal audit plan in the financial year ended on March 31, 2026.

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

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

(d) The Group has more than one Core Investment Company ("CIC") as part of the group. There are two CICs forming part of the group as detailed in note 45(ix) to the standalone financial statements.

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

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

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give 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. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 26094468IEMJAN8135

Place: New Delhi
Date: May 05, 2026

Balance sheet

as at March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,021.88	4,948.96
(b) Capital work-in-progress	6	224.73	106.62
(c) Right-of-use assets	7A	414.96	393.18
(d) Other intangible assets	7	528.71	559.26
(e) Intangible assets under development	8	519.46	385.86
(f) Financial assets			
(i) Investments	9	7,221.97	8,298.97
(ii) Loans	10	28.54	24.87
(iii) Others	11	52.88	45.99
(g) Income tax assets (net)	12	-	209.38
(h) Other non-current assets	13	117.45	110.40
Total non-current assets		**14,130.58**	**15,083.49**
Current assets			
(a) Inventories	14	1,858.22	1,457.61
(b) Financial assets			
(i) Investments	9	12,174.97	6,610.60
(ii) Trade receivables	15	2,593.20	3,674.43
(iii) Cash and cash equivalents	16	531.59	289.08
(iv) Bank balances other than (iii) above	17	72.06	64.07
(v) Loans	10	27.92	27.07
(vi) Others	11	114.02	112.78
(c) Income tax assets (net)	12	-	198.12
(d) Other current assets	13	741.92	402.84
Total current assets		**18,113.90**	**12,836.60**
Total assets		**32,244.48**	**27,920.09**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	40.02	40.00
(b) Other equity	19	21,538.07	19,766.85
Total equity		**21,578.09**	**19,806.85**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7A	139.35	124.20
(ii) Other financial liabilities	23	108.69	143.83
(b) Provisions	20	689.96	489.08
(c) Deferred tax liabilities (net)	21	583.13	509.58
Total non-current liabilities		**1,521.13**	**1,266.69**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7A	50.21	38.86
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	22	44.72	15.92
Total outstanding dues of creditors other than micro and small enterprises	22	7,474.05	5,550.22
(iii) Other financial liabilities	23	386.81	266.98
(b) Other current liabilities	24	795.45	757.82
(c) Income tax liabilities (net)	12	101.73	-
(d) Provisions	20	292.29	216.75
Total current liabilities		**9,145.26**	**6,846.55**
Total equity and liabilities		**32,244.48**	**27,920.09**
The notes referred to above form an integral part of the standalone financial statements	1 - 45		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Statement of profit and loss

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I **INCOME**			
(a) Revenue from operations	25	46,830.14	40,756.37
(b) Other income	26	1,041.01	1,055.92
Total Income		**47,871.15**	**41,812.29**
II **EXPENSES**			
(a) Cost of raw materials consumed	27	30,844.41	26,527.75
(b) Purchase of stock-in-trade		796.53	547.91
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	28	(78.01)	(6.94)
(d) Employee benefits expense	29	2,710.50	2,595.20
(e) Finance costs	30	22.76	19.92
(f) Depreciation and amortisation expense	5, 7 and 7A	798.00	775.86
(g) Other expenses	31	5,685.95	5,224.78
Total expenses		**40,780.14**	**35,684.48**
III Profit before exceptional item and tax (I-II)		**7,091.01**	**6,127.81**
IV Exception item-New Labour Code	37	119.00	-
V Profit before tax (III-IV)		**6,972.01**	**6,127.81**
VI Tax expense	32		
(a) Current tax		1,630.25	1,443.10
(b) Deferred tax charge		73.55	74.76
Total tax expense		**1,703.80**	**1,517.86**
VII Profit after tax (V-VI)		**5,268.21**	**4,609.95**
VIII Other comprehensive (loss)			
Items that will not be reclassified subsequently to profit or loss:			
(a) Re-measurement losses on defined benefit plans		(21.36)	(16.08)
(b) Income tax effect		5.38	4.05
Other comprehensive (loss), net of tax		**(15.98)**	**(12.03)**
IX Total comprehensive income, net of tax (VII+VIII)		**5,252.23**	**4,597.92**
X Earnings per share (face value of ₹ 2 each) in Rupees	33		
(a) Basic		263.34	230.53
(b) Diluted		263.07	230.25
The notes referred to above form an integral part of the standalone financial statements	1 - 45		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Statement of Cash Flows

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit after tax		5,268.21		4,609.95
Adjustments for:				
Add: Depreciation and amortisation expense	798.00		775.86	
Tax expense	1,703.80		1,517.86	
Loss on property, plant and equipments sold/discarded	12.77		4.15	
Finance costs	22.76		19.92	
Employee Stock Compensation Cost	17.64		15.66	
Impairment of investments- subsidiaries	-		41.20	
Loss allowances on financial assets	-		156.31	
		2,554.97		**2,530.96**
Less: Interest income	286.40		440.58	
Dividend income	27.25		73.75	
Profit on sale of investments	128.13		157.64	
Gain on investments carried at fair value through profit or loss	533.71		417.25	
Profit on sale of property, plant and equipments	0.91		2.12	
		976.40		**1,091.34**
Operating profit before working capital changes		**6,846.78**		**6,049.57**
Changes in working capital:				
Adjustment for (increase)/decrease in operating assets:				
Inventories	(400.61)		(13.85)	
Trade receivables	1,081.23		(977.30)	
Loans-current	(0.85)		(2.51)	
Loans-non-current	(3.67)		(3.72)	
Other financial assets	(8.13)		163.61	
Other current assets	(339.08)		54.46	
Other non-current assets	0.05		5.28	
		328.94		**(774.03)**
Adjustment for increase/(decrease) in operating liabilities:				
Trade payables	1,952.63		37.99	
Other financial liabilities-current	9.52		11.26	
Other current liabilities	37.63		172.22	
Current provisions	75.54		62.61	
Non-current provisions	179.52		156.34	
		2,254.84		**440.42**
Cash generated from operations		**9,430.56**		**5,715.96**
Less: Direct tax paid (net of refund)		1,115.64		1,534.06
Net cash generated from operating activities		**8,314.92**		**4,181.90**

Statement of Cash Flows

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipments and intangible assets, capital work-in-progress and intangible assets under development including capital advances and capital creditors	(1,005.85)	(826.84)
Proceeds from sale of property, plant & equipments	12.24	16.51
Sale of investments other than associates/subsidiaries	48,945.84	48,917.61
Purchase of investments other than associates/subsidiaries	(52,051.37)	(50,083.56)
Investment in associates	(720.00)	(123.83)
Interest income	286.40	440.58
Dividend income	27.25	73.75
Net cash (used) in investing activities	**(4,505.49)**	**(1,585.78)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(22.76)	(19.92)
Repayment of principal amount of lease liabilities	(45.53)	(34.10)
Dividend paid	(3,501.09)	(2,799.83)
Proceeds from issue of equity share capital (including securities premium)	2.46	6.92
Net cash (used) in financing activities	**(3,566.92)**	**(2,846.93)**
D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**242.51**	**(250.81)**
Cash and cash equivalents at the beginning of the year	**289.08**	**539.89**
Cash and cash equivalents at the end of the year	**531.59**	**289.08**

Notes:

1. 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 relevant rules thereunder.
2. Also, refer to note 7A for reconciliation of cash flows from financial liabilities

The notes referred to above form an integral part of the standalone financial statements 1 - 45

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Statement of Changes in Equity

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

A. EQUITY SHARE CAPITAL

Amount in crore of INR

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Opening balance	20,00,10,836	40.00	19,99,21,741	39.98
Issue of equity shares under employee share option plan (₹ 157,882) (March 31, 2025: ₹ 178,190) (Note 40)	78,941	0.02	89,095	0.02
Closing balance	**20,00,89,777**	**40.02**	**20,00,10,836**	**40.00**

B. OTHER EQUITY*

Amount in crore of INR

Particulars	Reserves and surplus					
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Total
Balance as at April 01, 2024	**#**	**73.36**	**2,645.79**	**45.63**	**15,181.42**	**17,946.20**
Profit for the year	-	-	-	-	4,609.95	4,609.95
Other comprehensive (loss) for the year, net of tax	-	-	-	-	(12.03)	(12.03)
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**	**4,597.92**	**4,597.92**
Charge against share-based payments	-	-	-	15.66	-	15.66
Transferred to securities premium on issue of shares	-	17.43	-	(17.43)	-	-
Payment of dividend	-	-	-	-	(2,799.83)	(2,799.83)
Issue of equity shares under employee stock option plan	-	6.90	-	-	-	6.90
Balance as at March 31, 2025	**#**	**97.69**	**2,645.79**	**43.86**	**16,979.51**	**19,766.85**
Profit for the year	-	-	-	-	5,268.21	5,268.21
Other comprehensive (loss) for the year, net of tax	-	-	-	-	(15.98)	(15.98)
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**	**5,252.23**	**5,252.23**
Charge against share-based payments	-	-	-	17.64	-	17.64
Transferred to securities premium on issue of shares	-	18.89	-	(18.89)	-	-
Payment of dividend	-	-	-	-	(3,501.09)	(3,501.09)
Transfer from Share option outstanding account	-	-	0.46	(0.46)	-	-
Issue of equity shares under employee stock option plan	-	2.44	-	-	-	2.44
Balance as at March 31, 2026	**#**	**119.02**	**2,646.25**	**42.15**	**18,730.65**	**21,538.07**

*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 shares reissued (in absolute INR 25,500)

The notes referred to above form an integral part of the standalone financial statements 1 - 45

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
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Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026 were approved by the Board of Directors and authorised for issue on May 05, 2026.

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 crore, up to two decimals unless otherwise stated.

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

2.3 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation 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 MATERIAL 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 has been transferred to the buyer and performance obligation has been achieved, as per the terms of the sales.
- Revenue from providing services is recognised in the accounting period in which services are rendered.
- The Company arranges transportation and insurance at the time of dispatch of products and recover it from the customers and accordingly recognises it as revenues when the perfomance obligation is satisfied which takes place upon arrangement of transportation and dispatch of goods by the company.
- 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 recognised 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.

Notes forming part of the financial statements

for the year ended March 31, 2026

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.

At the date of commencement of the lease, the Company recognises 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 recognises 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 recognised 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 amortised 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 (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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Notes forming part of the financial statements

for the year ended March 31, 2026

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 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. 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 recognised 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 derecognised 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 based on the estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of 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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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 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 recognised 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

Notes forming part of the financial statements

for the year ended March 31, 2026

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).

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 except for trade receivables that do not have a significant financing component which are measured at transaction price 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.

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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.

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 intents 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

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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.

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 Audit Trail

The Company has used an accounting software system for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software system.

The audit trail has been preserved by the Company as per statutory requirements for record retention.

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 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 recognised 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, 2026 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 and the period in which it will be received. Basis assessment, the Company has recognised the government grants in the Statement of profit and loss and accordingly classified as current and non-current assets.

(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.

4.1 Standards issued but not yet effective

New standards, interpretations and amendments adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non -current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and require companies to disclose that they have applied the relief. This relief is immediate and applies retrospectively. The amendments also require companies to provide new disclosures to compensate for potential loss of information resulting from the relief. Such disclosures are to be provided for annual reporting periods beginning on or after April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Standards notified but not yet effective:

There are no standards that are notified and not yet effective as on the date.

Notes forming part of the financial statements

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Amount in crore of INR

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data Processing equipment	Total
Gross carrying amount								
At April 1, 2024	153.13	3,055.99	6,963.21	74.66	73.94	106.56	318.78	10,746.27
Additions	-	49.12	448.17	11.92	52.17	13.10	37.90	612.38
Disposals	3.53	0.88	71.42	0.84	10.95	0.82	14.23	102.67
At March 31, 2025	**149.60**	**3,104.23**	**7,339.96**	**85.74**	**115.16**	**118.84**	**342.45**	**11,255.98**
Additions	-	57.51	494.44	14.40	45.35	11.20	44.84	667.74
Disposals	-	17.98	115.73	8.51	4.85	9.04	39.35	195.46
At March 31, 2026	**149.60**	**3,143.76**	**7,718.67**	**91.63**	**155.66**	**121.00**	**347.94**	**11,728.26**
Accumulated depreciation								
At April 1, 2024	-	785.99	4,645.19	40.11	30.75	81.68	228.68	5,812.40
Depreciation expense	-	92.32	427.55	5.76	9.34	8.39	35.40	578.76
Disposals	-	(0.32)	(67.27)	(0.72)	(1.55)	(0.78)	(13.50)	(84.14)
At March 31, 2025	**-**	**877.99**	**5,005.47**	**45.15**	**38.54**	**89.29**	**250.58**	**6,307.02**
Depreciation expense	-	87.75	415.31	7.43	15.73	8.55	36.88	571.65
Disposals	-	(6.05)	(109.22)	(7.80)	(3.47)	(8.41)	(37.34)	(172.29)
At March 31, 2026	**-**	**959.69**	**5,311.56**	**44.78**	**50.80**	**89.43**	**250.12**	**6,706.38**
Net carrying amount								
At March 31, 2025	**149.60**	**2,226.24**	**2,334.49**	**40.59**	**76.62**	**29.55**	**91.87**	**4,948.96**
At March 31, 2026	**149.60**	**2,184.07**	**2,407.11**	**46.85**	**104.86**	**31.57**	**97.82**	**5,021.88**

6 CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work-in-progress*	224.73	106.62
(includes pre-operative expenses of ₹ 3.20 crore (March 31, 2025 ₹ 2.80 crore))		
Total	**224.73**	**106.62**

The following is the movement of Capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	**106.62**	**120.58**
Additions	190.33	95.13
Transfers	(72.22)	(109.09)
Closing balance	**224.73**	**106.62**

* Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Ageing of capital work-in-progress:

Particulars	Amount in Capital work-in-progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress as at March 31, 2026	190.33	29.62	2.55	2.23	224.73
Projects in progress as at March 31, 2025	95.13	7.50	2.85	1.14	106.62

Notes forming part of the financial statements

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7 OTHER INTANGIBLE ASSETS

Particulars	Model fee/Brand license/Product designs and development	Computer software	Technical know-how/export licenses	Total
Gross carrying amount				
At April 1, 2024	1,410.68	250.82	2,895.67	4,557.17
Additions	159.80	30.01	-	189.81
Disposals	-	0.05	-	0.05
At March 31, 2025	**1,570.48**	**280.78**	**2,895.67**	**4,746.93**
Additions	122.11	24.37	-	146.48
Disposals	-	0.08	-	0.08
At March 31, 2026	**1,692.59**	**305.07**	**2,895.67**	**4,893.33**
Accumulated amortisation				
At April 1, 2024	955.93	177.02	2,895.67	4,028.62
Amortisation expense	135.00	24.09	-	159.09
Disposals	-	0.04	-	0.04
At March 31, 2025	**1,090.93**	**201.07**	**2,895.67**	**4,187.67**
Amortisation expense	153.90	23.13	-	177.03
Disposals	-	0.08	-	0.08
At March 31, 2026	**1,244.83**	**224.12**	**2,895.67**	**4,364.62**
Net carrying amount				
At March 31, 2025	**479.55**	**79.71**	**-**	**559.26**
At March 31, 2026	**447.76**	**80.95**	**-**	**528.71**

7A RIGHT-OF-USE ASSETS

Particulars	Leasehold land right	Right-of-use assets	Total
Gross carrying amount			
At April 1, 2024	277.25	205.49	482.74
Additions	-	59.58	59.58
Disposals	-	(6.98)	(6.98)
At March 31, 2025	**277.25**	**258.09**	**535.34**
Additions	-	72.03	72.03
Disposals	-	(12.84)	(12.84)
At March 31, 2026	**277.25**	**317.28**	**594.53**
Accumulated depreciation			
At April 1, 2024	16.13	95.00	111.13
Depreciaton expense	3.17	34.84	38.01
Disposals	-	(6.98)	(6.98)
At March 31, 2025	**19.30**	**122.86**	**142.16**
Depreciaton expense	3.17	46.15	49.32
Disposals	-	(11.91)	(11.91)
At March 31, 2026	**22.47**	**157.10**	**179.57**
Net carrying amount			
At March 31, 2025	**257.95**	**135.23**	**393.18**
At March 31, 2026	**254.78**	**160.18**	**414.96**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	50.21	38.86
Non-current lease liabilities	139.35	124.20
Total	**189.56**	**163.06**

The following is the movement in lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	163.06	137.58
Additions/deletions	72.03	59.58
Finance cost accrued during the year	14.32	12.37
Payment of principal and interest amount of lease liabilities accrued during the year	(59.85)	(46.47)
Closing balance	**189.56**	**163.06**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	61.67	49.72
One to five years	142.43	131.44
More than five years	51.80	42.14
Total	**255.90**	**223.30**

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 ₹ 38.05 crore during year ended March 31, 2026 (March 31, 2025: ₹ 34.16 crore).

8 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development**	519.46	385.86
Total	**519.46**	**385.86**
The following is the movement of Capital work-in-progress		
Opening balance	**385.86**	**359.93**
Additions	237.79	182.94
Transfers	(104.19)	(157.01)
Closing balance	**519.46**	**385.86**

Ageing of intangible assets under development:

Particulars	Amount in intangible assets under development for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress as at March 31, 2026	237.79	130.02	50.19	101.46	519.46
Projects in progress as at March 31, 2025	182.94	66.82	26.85	109.25	385.86

** Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9 INVESTMENTS

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31, 2026		As at March 31, 2025	
			Current	Non Current	Current	Non Current
Category-wise investments						
Investment in equity instruments			-	4,233.37	-	3,891.88
Investment in preference shares			-	1,386.55	-	1,009.53
Investment in bonds			300.07	1,154.49	513.27	1,245.42
Investment in mutual funds			11,874.90	447.56	6,097.33	2,152.14
			12,174.97	**7,221.97**	**6,610.61**	**8,298.97**
Investment in equity instruments carried at cost						
Unquoted Investments						
Investment in subsidiaries						
Hero Tech Centre Germany GMBH (Face Value of EUR 1 each)	25,25,000	25,25,000	-	19.56	-	19.56
HMCL Netherlands B.V (Face Value of USD 1 each)	4,79,27,971	4,79,27,971	-	318.69	-	318.69
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 ₹ 10 each)	6,29,99,993	6,29,99,993	-	63.00	-	63.00
			-	**423.48**	**-**	**423.48**
Less: Impairment of Investment in HMCL Netherlands B.V				(41.20)		(41.20)
				382.28		**382.28**
Investment in Associates						
Ather Energy Limited (formerly known as Ather Energy Private Limited)						
Equity shares Face Value of ₹ 1 each	11,50,83,252	11,50,83,252	-	1,680.31	-	1,680.31
Hero FinCorp Limited						
Equity shares of Face Value of ₹ 10 each	5,24,31,893	5,24,31,893	-	1,469.04	-	1,469.04
Euler Motors Private Limited						
Equity Shares Face Value of ₹ 1 each	10	-	-	0.01	-	-
Preference shares Series D of Face Value of ₹ 100 each (Compulsory convertible into equity instruments)	6,65,914	-	-	509.99	-	-
			-	**3,659.35**	**-**	**3,149.35**
Investments carried at fair value through profit or loss (FVTPL)						
Investment in equity instruments of Other Entities						
Quoted Investments						
Bombay Stock Exchange Limited						
(Face Value of ₹ 2 each)	6,31,800	2,10,600	-	169.54	-	115.40
Gogoro Inc.						
(Face Value of USD 0.002 each)	75,000	15,00,000	-	2.48	-	3.88
(Previous year Face Value of USD 0.0001 each)						
			-	**172.02**	**-**	**119.28**
Unquoted Investments						
Zero Motorcycles Inc.						
(Face Value of USD 0.001 each)	55,81,395	55,81,395	-	18.74	-	240.96
Clean Max Karkoram Private Limited						
(Face Value of ₹ 10 each)	16,129	-	-	0.98	-	-
			-	**19.72**	**-**	**240.96**
Investment in equity instruments of Other Entities			**-**	**4,233.37**	**-**	**3,891.88**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9 INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31, 2026		As at March 31, 2025	
			Current	Non Current	Current	Non Current
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Hero FinCorp Limited						
Investment in Preference Shares of Hero Fincorp Limited (Financial Instrument) of Face Value of ₹ 550 each	1,27,27,272	1,27,27,272	-	1,176.55	-	1,009.53
Euler Motors Private Limited						
Investment in Preference Shares of Euler Motors Private Limited (Financial Instrument) of Face Value of ₹ 100 each	2,68,219	-	-	210.00	-	-
Investment in Preference shares			**-**	**1,386.55**	**-**	**1,009.53**
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 fund						
Units of the face value of ₹ 10 each						
ICICI Prudential Mutual Fund						
Blended Plan B- Direct Plan- Growth Option (Merged with Banking and PSU Debt Fund Direct Plan Growth)	3,25,95,446	3,25,95,446	115.24	-	108.79	-
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	51.30	-	48.29	-
Credit Risk Fund -Direct Plan -Growth	3,02,39,527	3,02,39,527	112.01	-	103.01	-
All Seasons Bond Fund -Direct Plan -Growth	2,65,63,812	2,65,63,812	108.87	-	103.75	-
Aditya Birla Sunlife Mutual Fund						
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	34,19,78,125	443.54	-	-	415.34
Kotak Mutual Fund						
Debt Hybrid Fund Direct Growth	1,54,02,672	1,54,02,672	102.68	-	100.73	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	3,90,79,742	158.94	-	146.40	-
Corporate Bond Fund -Direct Plan Growth Plan	5,79,50,214	2,66,79,406	377.45	-	163.98	-
Short Duration Fund- Direct Growth Plan Growth Option	1,70,74,199	-	101.85	-	-	-
SBI Mutual Fund						
Conservative Hybrid Fund Direct Plan Growth	3,65,42,245	2,40,96,849	290.87	-	183.99	-
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	19,63,39,110	252.73	-	-	236.58
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Banking & PSU Debt Fund - Direct Plan - Growth (erstwhile IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	2,86,29,997	2,86,29,997	75.13	-	70.97	-
Money Market Fund Direct Growth	-	1,17,07,957	-	-	50.11	-
HDFC Mutual Fund						
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	73.02	-	68.26	-
Credit Risk Debt Fund -Direct -Growth	12,32,09,558	8,55,79,216	335.43	-	216.89	-
Corporate Bond -Direct -Growth	5,60,97,827	-	191.48	-	-	-
Axis Mutual Fund						
Short Duration Fund-Direct Growth	2,03,55,074	2,03,55,074	71.46	-	66.97	-
Corporate Bond Fund-Direct Growth	9,54,02,193	-	178.95	-	-	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9 INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31, 2026		As at March 31, 2025	
			Current	Non Current	Current	Non Current
DSP Mutual Fund						
Low Duration Fund- Direct Plan- Growth	1,03,95,299	1,03,95,299	22.21	-	20.86	-
Edelweiss Mutual Fund						
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	78,38,10,661	1,069.96	-	-	1,002.95
Franklin Templeton Mutual Fund						
Money Market Fund -Direct Fund Plan Growth	6,65,17,451	1,57,84,510	360.90	-	80.23	-
Tata Mutual Fund						
Corporate Bond Fund Direct Plan Growth	15,53,80,167	-	202.46	-	-	-
HSBC Mutual Fund						
Corporate Bond Fund- Direct Growth	2,13,19,962	-	172.07	-	-	-
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	297.64	-	278.19	-
Money Market Fund Direct Plan Growth	-	21,34,907	-	-	80.41	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	332.05	-	310.53	-
Corporate Bond Fund -Growth-Direct Plan	2,55,84,226	-	301.70	-	-	-
Money Manager Fund-Growth- Direct Plan	61,48,928	-	241.14	-	-	-
Nippon India Mutual Fund						
ETF NIFTY SDL-2026 Maturity-30.04.2026	3,85,00,000	3,85,00,000	528.23	-	-	497.27
Units of the face value of ₹ 1000 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Low Duration Fund- Direct Growth Plan Growth Option	1,72,138	1,72,138	71.51	-	66.88	-
Money Market Fund Direct Plan Growth	2,41,441	-	106.24	-	-	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Duration Fund-Direct Plan Growth	3,13,044	3,13,044	127.78	-	120.26	-
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	6,29,377	189.57	-	177.68	-
Corporate Bond Fund - Direct Plan Growth	6,70,419	4,50,789	235.35	-	150.03	-
Money Market Fund-Direct Plan Growth	-	3,28,503	-	-	101.53	-
Kotak Mutual Fund						
Low Duration Fund Direct Growth	3,80,566	3,80,566	145.28	-	135.73	-
Corporate Bond Fund-Direct Growth	1,90,019	-	77.55	-	-	-
Money Market Fund-Direct Plan-Growth	5,81,284	1,35,274	275.80	-	60.13	-
Axis Mutual Fund						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	126.36	-	119.38	-
Money Market Fund Direct Growth	6,62,218	4,74,512	100.14	-	67.19	-
HDFC Mutual Fund						
Money Market Fund Direct Plan Growth	-	87,654	-	-	50.11	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	4,08,282	1,63,734	133.36	-	50.11	-
TATA Mutual Fund						

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9 INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31, 2026		As at March 31, 2025	
			Current	Non Current	Current	Non Current
Money Market Fund Direct Plan Growth	1,67,343	2,56,717	84.33	-	121.08	-
Edelweiss Mutual Fund						
Edelweiss Bharat Bond ETF	28,65,706	33,03,209	-	447.56	425.84	-
Equity fund						
Edelweiss Mutual Fund						
Arbitrage Fund -Direct Plan Growth	26,05,33,634	16,46,14,121	568.46	-	336.53	-
Invesco Mutual Fund						
Arbitrage Fund - Direct Plan Growth	20,13,93,202	13,83,30,843	729.66	-	469.10	-
Kotak Mutual Fund						
Kotak Equity Arbitrage Fund- Direct Plan-Growth	7,89,28,991	5,43,37,517	331.73	-	213.83	-
DSP Mutual Fund						
DSP Arbitrage Fund- Dir- Growth	27,99,17,517	17,60,05,154	458.92	-	270.71	-
Axis Mutual Fund						
Axis Arbitrage Fund- Direct Growth	10,42,33,157	5,56,70,608	222.09	-	111.05	-
HDFC Mutual Fund						
Arbitrage Fund - Wholesale - Direct Plan - Growth	10,21,73,700	5,33,64,641	216.08	-	105.81	-
SBI Mutual Fund						
Arbitrage Opportunities Fund - Direct Plan - Growth	2,99,39,400	2,99,39,400	112.90	-	105.73	-
Aditya Birla Sunlife Mutual Fund						
Arbitrage Fund -Growth-Direct Plan	2,51,45,046	2,51,45,046	75.56	-	70.70	-
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Arbitrage Fund-Growth-(Direct Plan) Growth	5,51,07,033	2,70,68,890	202.77	-	93.42	-
TATA Mutual Fund						
Arbitrage Fund Direct Plan Growth	6,50,55,437	6,50,55,437	103.27	-	96.55	-
Baroda BNP Paribas Mutual Fund						
Arbitrage Fund- Direct Growth Growth	2,84,27,343	-	50.56	-	-	-
Liquid/Overnight fund						
Units of the face value of ₹ 100 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Overnight Fund -Direct Growth Plan	-	54,74,277	-	-	75.07	-
Aditya Birla Sunlife Mutual Fund						
Liquid Fund -Growth-Direct Plan	-	17,94,203	-	-	75.13	-
Units of the face value of ₹ 1000 each						
Axis Mutual Fund						
Liquid Fund- Direct Growth	-	1,73,685	-	-	50.08	-
Kotak Mutual Fund						
Liquid Fund Direct Plan Growth	-	1,91,188	-	-	100.17	-
Aditya Birla Sunlife Mutual Fund						
Overnight Fund Direct plan Growth	10,57,562	-	154.06	-	-	-
ICICI Prudential Mutual Fund						
Overnight Fund Direct Plan Growth	10,33,884	-	150.06	-	-	-
HDFC Mutual Fund						
Overnight Fund- Direct Plan- Growth Option	6,41,705	-	256.22	-	-	-
Liquid Fund Direct Plan Growth	-	1,47,517	-	-	75.14	-
Investment in mutual funds			**11,874.90**	**447.56**	**6,097.33**	**2,152.14**
Quoted Investments						

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9 INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31, 2026		As at March 31, 2025	
			Current	Non Current	Current	Non Current
Investments carried at amortised cost						
Face Value of ₹ 1000 each						
8.00% Aditya Birla Finance Limited 2026-Maturity-09.10.2026	3,50,000	3,50,000	36.26	-	-	36.20
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,49,300	1,49,300	15.04	-	-	15.04
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,50,000	1,50,000	15.11	-	-	15.11
7.75% Muthoot Finance Limited OP I TR II-Maturity-04.10.2026	1,20,000	1,20,000	12.09	-	-	12.09
Face Value of ₹ 1,00,000 each						
7.9050% Tata Capital Financial Services Limited 2026-Maturity-03.12.2026	3,000	3,000	31.51	-	-	31.43
8.25% Mahindra & Mahindra Financial Services Limited 2026- Maturity-26.03.2026	-	2,000	-	-	20.02	-
8.25% Mahindra & Mahindra Financial Services Limited 2026- Maturity-26.03.2026	-	1,500	-	-	15.01	-
8.30% Tata Capital Financial Services Limited 13 Mar 2026-Maturity-13.03.2026	-	2,500	-	-	25.13	-
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	4,000	4,000	43.15	-	-	43.10
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	5,000	5,000	53.94	-	-	53.84
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	1,500	1,500	-	15.67	-	15.69
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	2,500	2,500	-	26.12	-	26.16
8.78% Muthoot Finance Limited 2027 - Maturity - 20.05.2027	1,000	1,000	-	10.76	-	10.77
8.75% Shriram Finance Limited - Maturity - 15.06.2026	3,000	3,000	30.12	-	-	30.06
8.20% Muthoot Finance Limited - Maturity - 30.04.2030	5,000	-	-	53.75	-	-
8.03% Muthoot Finance Limited OP II 2031 - Maturity - 20.01.2031	2,500	-	-	25.38	-	-
8.67% Muthoot Finance Limited 2030 - Maturity - 16.01.2030	2,500	-	-	25.95	-	-
8.75% Piramal Finance Limited 2027 - Maturity - 29.10.2027	2,500	-	-	26.09	-	-
8.75% Piramal Finance Limited 2027 - Maturity - 29.10.2027	5,000	-	-	52.19	-	-
Face Value of ₹ 10,00,000 each						
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	-	250	-	-	25.45	-
7.73% State Bank Of India SR II BD Perpetual -Maturity-24.11.2025	-	250	-	-	25.73	-
7.99% LIC Housing Finance Limited -Maturity-12.07.2029	500	500	-	53.79	-	54.04
6.83% HDFC Bank Limited - Maturity-08.01.2031	500	500	-	49.82	-	49.66
6.65% Food Corporation Of India Sr. IX -Maturity-23.10.2030	500	500	-	50.37	-	50.19
7.92% REC Limited Series 189-Maturity-31.03.2030	350	350	-	35.66	-	35.80
7.79% REC Limited Series 198B-Maturity-21.05.2030	150	150	-	16.26	-	16.32
6.39% National Bank For Agriculture And Rural Development- Maturity-19.11.2030	250	250	-	24.99	-	24.88
6.42% National Bank For Agriculture And Rural Development - Maturity-25.11.2030	200	200	-	19.99	-	19.91
7.25% HDFC Bank Limited Series X-006-Maturity-17.06.2030	500	500	-	52.86	-	52.86
7.54% National Highways Authority Of India Series VIII-Maturity-27.01.2030	500	500	-	51.29	-	51.44
7.05% LIC Housing Finance Limited-Maturity-21.12.2030	250	250	-	25.46	-	25.46

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9 INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31, 2026		As at March 31, 2025	
			Current	Non Current	Current	Non Current
7.70% LIC Housing Finance Limited Sr 2-Maturity-10.03.2031	250	250	-	25.70	-	25.81
7.05% HDFC Bank Limited SR AA- Maturity-01.12.2031	500	500	-	51.13	-	51.14
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.25	-	26.27
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.25	-	26.27
7.10% Tata Capital Financial Services Limited SR H-Maturity-29.09.2031	500	500	-	51.54	-	51.51
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.97	-	25.95
7.05% HDFC Bank Limited Ltd SR AA- Maturity-01.12.2031	500	500	-	50.63	-	50.56
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.95	-	25.92
7.05% HDFC Bank Limited SR AA- Maturity-01.12.2031	250	250	-	25.26	-	25.22
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.23	-	15.26
7.79% REC Limited Series 198B-Maturity-21.05.2030	100	100	-	10.89	-	10.94
6.80% REC Limited SR 203A-Maturity-20.12.2030	200	200	-	20.09	-	20.04
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.91	-	25.89
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	-	350	-	-	37.06	-
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	-	150	-	-	15.88	-
7.34% National Housing Bank-Maturity-07.08.2025	-	250	-	-	26.49	-
6.50% Power Finance Corporation Ltd. SR 208-Maturity-17.09.2025	-	350	-	-	36.05	-
8.39% Power Finance Corporation Ltd.SR-130C-Maturity-19.04.2025	-	250	-	-	25.08	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	-	250	-	-	25.60	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	-	250	-	-	25.60	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	-	250	-	-	25.30	-
6% HDFC Bank Limited Z-001- Maturity-29.05.2026	250	250	26.17	-	-	25.76
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	-	250	-	-	25.31	-
5.70% National Bank For Agriculture And Rural Development SR22D-Maturity-31.07.2025	-	250	-	-	25.81	-
7.90% LIC Housing Finance Limited TR 421-Maturity-23.06.2027	500	500	-	53.02	-	53.02
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	-	300	-	-	30.36	-
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	250	26.18	-	-	25.79
7.40% HDFC Bank Limited SR AA-006-Maturity-02.06.2025	-	250	-	-	26.51	-
6.01% LIC Housing Finance Limited TR 409-Maturity-19.05.2026	100	100	10.50	-	-	10.34
7.75% Small Industries Development Bank Of India SRVI-Maturity-27.10.2025	-	250	-	-	25.91	-
7.95% ICICI Home Finance Company Limited SRHDB Nov221 TR 2- Maturity-24.11.2025	-	250	-	-	25.68	-
6.00% HDB Financial Services Limited 2025-Maturity-19.06.2025	-	250	-	-	25.29	-
7.95% Cholamandalam Investment & Finance Company Limited 2027 - Maturity - 18.05.2027	250	250	-	26.63	-	26.56
7.95% Cholamandalam Investment & Finance Company Limited 2027 - Maturity - 18.05.2027	500	500	-	53.26	-	53.11
7.30% Credila Financial Services Limited 2029 - Maturity - 23.02.2029	250	-	-	24.38	-	-
Investment in bonds			**300.07**	**1,154.49**	**513.27**	**1,245.42**
Total Investments			**12,174.97**	**7,221.97**	**6,610.61**	**8,298.97**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-Current	Current	Non-Current
- Aggregate book value of quoted investments	300.07	1,326.51	513.27	1,364.71
- Aggregate market value of quoted investments	289.16	1,260.13	501.11	1,317.40
- Aggregate carrying value of unquoted investments	11,874.90	5,895.46	6,097.33	6,934.26
- Aggregate amount of impairment in value of investments	-	41.20	-	41.20

Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-Current	Current	Non-Current
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in Mutual Funds	11,874.90	447.56	6,097.33	2,152.14
Investment in Preference Shares	-	1,386.55	-	1,009.53
Investment in Equity Shares	-	19.72	-	240.96
Quoted				
Investment in equity instruments	-	172.02	-	119.28
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	300.07	1,154.49	513.27	1,245.42

Notes:

1 The above does not include investments in subsidiaries and associates amounting to ₹ 4041.63 crore (as at March 31, 2026) and ₹ 3531.63 crore (as at March 31, 2025) carried at cost.

2 In previous year, Ather Energy Limited issued 2,85,480 bonus equity shares against existing 1,098 equity shares in the ratio 260:1.

The Company has further invested in Ather Energy Limited amounting to ₹ 123.83 crore (comprising of 18,488 CCPS and 10,51,047 equity shares).

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

In previous year, Ather Energy Limited has converted all its CCPS into equity shares. Hero MotoCorp was having 4,35,807 CCPS share (inclusive of 1,869 CCPS - Anti Dilutive) which got converted into 11,37,45,627 equity shares of Ather Energy at a rate of 261 equity shares per preference share. Subsequent to the year ended March 31, 2025, Ather Energy Limited, successfully completed its Initial Public Offering (IPO) of equity shares. Following the IPO, the equity shares of Ather Energy Limited were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

3 As of March 31, 2026, the Company assessed the carrying value of its investment in HMCL Colombia S.A.S. considering the continued losses and erosion in net worth. During the year, Woven Holding LLC, the joint shareholder, invested ₹ 57 crore in HMCL Colombia, resulting in dilution of the Company's shareholding by 10%. Based on the valuation assessment using the Discounted Cash Flow (DCF) method, management concluded that no further impairment provision was required as at March 31, 2026.

The recoverable amount was determined under the income approach using key assumptions including cash flow projections over 9 years, terminal growth rate of 3% and WACC of 16%.

During the previous year, based on this impairment analysis, the recoverable amount of the investment in HMCL Columbia was estimated at ₹ 229.05 crore, leading to an impairment charge of ₹ 41.20 crore. This impairment charge was recorded in the statement of profit and loss for the year ended March 31, 2025, as detailed in note 26.

4 During the current year, the Company invested ₹ 510 crore in Euler Motors Private Limited through subscription to 10 units of Series D equity shares and 6,65,914 units of Series D CCPS, resulting in a 34.12% stake. Considering the Company's shareholding and board representation, Euler Motors has been classified as an associate and accounted for in accordance with Ind AS 27 in these financial statements.

Further, the Company invested ₹ 210 crore in 2,68,219 Series E CCPS of Euler Motors Private Limited. As the conversion ratio is not fixed, the instrument has been classified as a financial instrument and measured at FVTPL in accordance with Ind AS 109.

5 During the year, an investment of USD 35 million (approximately ₹ 330 crore) was made in Zero Motorcycles, Inc. by the existing shareholder, along with certain restructuring arrangements, resulting in dilution of the Company's shareholding from 6.90% to 0.8%. Management has considered the transaction valuation as a Level 2 input for fair valuation of the investment and, accordingly, recognised a fair value loss of ₹ 222 crore during the current year.

6 During the year the Bombay Stock Exchange Limited has issued bonus shares in 2:1 ratio resulting in total no. of shares held by the company from 210,600 to 631,800.

7 During the financial year 2025-26, Gogoro Inc. implemented a 1-for-20 reverse stock split, adjusting the par value per share from USD 0.0001 to USD 0.002. Consequently, the Company's investment holding in Gogoro Inc. was proportionally reduced from 1,500,000 shares to 75,000 shares, with no impact on aggregate cost basis.

8 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, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Loans to employees	28.54	24.87
Total	**28.54**	**24.87**
Current		
Unsecured, considered good		
Loans to employees	27.92	27.07
Total	**27.92**	**27.07**

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 financial statements

for the year ended March 31, 2026

Amount in crore of INR

11 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Security deposits	52.88	45.99
Incentive from State Government	185.06	185.06
Less: Loss allowance	(185.06)	(185.06)
Accrual of incentive from State Government (Net)	-	-
Total	**52.88**	**45.99**
Current		
Unsecured, considered good		
Interest accrued on deposits and others	9.04	14.25
Incentive from Government*	52.83	53.40
Other recoverables	44.27	38.34
Security deposits	7.88	6.79
Total	**114.02**	**112.78**

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 Financial assets is disclosed in Note 41.

* Including EV subsidy under various initiatives of Government ₹ 52.83 crore (previous year ₹ 53.40 crore)

12 INCOME TAX ASSETS / (LIABILITIES)- NET

Particulars	As at March 31, 2026	As at March 31, 2025
A. Income tax assets (net)		
Non-current		
Advance income tax	-	1,648.43
Less: Provision for taxation	-	1,439.05
Total	**-**	**209.38**
Current		
Advance income tax	-	198.12
Total	**-**	**198.12**
B. Income tax liabilities (net)		
Current		
Provision for taxation	1,624.87	-
Less: Advance income tax	1,523.14	-
Total	**101.73**	**-**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

13 OTHER ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Capital advances	101.49	94.39
Prepaid expenses	5.96	6.01
Balance with government authorities		
- VAT/ sales tax and others	10.00	10.00
Total	**117.45**	**110.40**
Current		
Unsecured, considered good		
Prepaid expenses	58.59	98.51
Advance to suppliers	313.72	270.06
Less: Loss allowance	(50.14)	(50.14)
Advance to suppliers (Net)	263.58	219.92
Other advances	20.06	20.23
Balance with Government authorities		
- VAT/ sales tax and others	73.38	24.96
- Goods and service tax (GST)	301.76	12.41
- Export incentive receivable	24.55	26.81
Total	**741.92**	**402.84**

14 INVENTORIES

(lower of cost or net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components	1,040.92	801.34
Goods in transit of raw materials and components	120.77	42.50
Work in progress (Two wheelers)	76.62	62.22
Finished goods		
Two wheelers	332.94	265.84
Goods in transit of two wheelers	-	4.67
Spare parts	87.25	98.76
Stock in trade	40.78	28.09
Stores and spares	135.99	128.32
Loose tools	22.95	25.87
Total	**1,858.22**	**1,457.61**

Note

1. The mode of valuation of inventories has been stated in note no. 3.12.
2. The value of inventories above is stated after provisions ₹ 113.00 crore (previous year ₹ 64.29 crore) for write-down to net realisable value and provisions for slow-moving and obsolete items.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

15 TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Trade Receivables considered good - (Secured)	48.84	48.98
Trade Receivables considered good - (Unsecured) *	2,544.36	3,625.45
Trade Receivables credit impaired	143.87	144.22
	2,737.07	**3,818.65**
Less: Allowance for expected credit loss	143.87	144.22
Total	**2,593.20**	**3,674.43**

Note

1. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.
2. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 41

* Include receivables from related parties (refer note 36)

Trade receivables ageing as on March 31, 2026:

Particulars	Outstanding from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,902.26	672.00	18.95	-	-	-	2,593.20
Undisputed Trade Receivables - credit impaired	0.92	6.30	9.12	23.01	2.83	61.89	104.07
Disputed Trade Receivables - credit impaired	0.08	0.27	0.49	2.88	6.97	29.10	39.79
Total-Gross carrying amount	**1,903.26**	**678.58**	**28.55**	**25.89**	**9.80**	**90.99**	**2,737.07**
Expected loss rate	0.05%	0.97%	33.65%	100.00%	100.00%	100.00%	5.26%
Expected credit losses (Loss allowance provision)	1.00	6.57	9.61	25.89	9.80	90.99	143.87
Carrying amount of Trade receivable	**1,902.26**	**672.00**	**18.95**	**-**	**-**	**-**	**2,593.20**

Trade receivables ageing as on March 31, 2025:

Particulars	Outstanding from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,988.71	1,679.75	5.97	-	-	-	3,674.43
Undisputed Trade Receivables - credit impaired	1.38	27.42	10.13	10.34	6.22	59.06	114.55
Disputed Trade Receivables - credit impaired	-	-	0.01	0.63	6.29	22.74	29.67
Total-Gross carrying amount	**1,990.09**	**1,707.17**	**16.11**	**10.97**	**12.51**	**81.80**	**3,818.65**
Expected loss rate	0.07%	1.61%	62.94%	100.00%	100.00%	100.00%	3.78%
Expected credit losses (Loss allowance provision)	1.38	27.42	10.14	10.97	12.51	81.80	144.22
Carrying amount of Trade receivable	**1,988.71**	**1,679.75**	**5.97**	**-**	**-**	**-**	**3,674.43**

16 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In current accounts	531.59	289.08
Total	**531.59**	**289.08**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In dividend current accounts (earmarked accounts)	30.26	22.27
In deposit accounts*	41.80	41.80
Total	**72.06**	**64.07**

* Includes fixed deposits aggregating ₹ 25.00 crore 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. The Bank has renewed the deposits (along with interest earned thereon). During the year the company has not recognised any interest income.

18 A) Equity Share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
250,000,000 (as at March 31, 2025 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
Total	**50.00**	**50.00**
Issued, subscribed and fully paid up		
200,089,777 (as at March 31, 2025- 200,010,836) Equity shares of ₹ 2 each	40.02	40.00
Total	**40.02**	**40.00**

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:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	₹ in crore	Nos.	₹ in crore
Opening Balance	20,00,10,836	40.00	19,99,21,741	39.98
Issued during the current year ₹ 157,882 (previous year ₹ 178,190)- Employee Stock Option Plan (refer note 40)	78,941	0.02	89,095	0.02
Closing Balance	**20,00,89,777**	**40.02**	**20,00,10,836**	**40.00**

ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	% holding in the class	Nos.	% holding in the class
Mr Pawan Munjal, Renu Munjal and Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership Firm)	2,79,27,058	13.96%	2,79,27,058	13.96%
M/s Bahadur Chand Investments (P) Ltd	4,00,33,238	20.01%	4,00,33,238	20.02%
Life Insurance Corporation of India	1,08,06,207	5.40%	1,18,47,012	5.92%

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Shares held by promoters at the end of the year March 31, 2026			
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 Parkash, Partnership Firm)	2,79,27,058	13.96%	0.00%
Renu Munjal	1,11,482	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 Private Limited	4,00,33,238	20.01%	-0.01%
Hero Investcorp Private Limited	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%	0.00%
RK Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%

Shares held by promoters at the end of the year March 31, 2025			
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 Parkash, Partnership Firm)	2,79,27,058	13.96%	-0.01%
Renu Munjal	1,11,482	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 Private Limited	4,00,33,238	20.02%	0.00%
Hero Investcorp Private Limited	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%	0.00%
RK Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%

iii) Shares options granted under the Company's employee share option plan

Plan	Share Options Outstanding (In Nos.)		
	As at March 31, 2026	As at March 31, 2025	Expiry Date
ESOP 2018	-	7,570	March 24, 2026
ESOP 2019	450	1,025	October 21, 2026
ESOP 2020	7,560	14,605	October 26, 2027
RSU 2021	-	821	August 10, 2025
PRSU 2021	-	578	August 10, 2025
RSU 2022	1,454	14,766	December 27, 2026
PRSU 2022	3,763	61,011	December 27, 2026
RSU 2023	15,430	37,186	December 25, 2027
PRSU 2023	63,325	77,467	December 25, 2027
RSU 2024	23,818	40,416	December 24, 2028
PRSU 2024	49,013	58,349	December 24, 2028
RSU 2025	32,289	-	June 24, 2030
PRSU 2025	43,133	-	June 24, 2030
RSU 2025(1)	820	-	November 11, 2030
PRSU 2025(1)	1,843	-	November 11, 2030
Total	**2,42,898**	**3,13,794**	

Also refer details of the employee stock option plan are provided in Note 40.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

B) Preference share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
4,00,000 (as at 31 March 2025 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at 31 March 2025 - 4,00,000) Cumulative redeemable preference shares of ₹ 100 each	4.00	4.00
Total	**8.00**	**8.00**

Note:- The Company has not issued preference share capital.

19 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve (# ₹ 29,750 in absolute INR)	#	#
Securities premium	119.02	97.69
General reserve	2,646.25	2,645.79
Share options outstanding account	42.15	43.86
Retained earnings	18,730.65	16,979.51
Total	**21,538.07**	**19,766.85**

Particulars		As at March 31, 2026	As at March 31, 2025
A.	**Capital Reserve**		
	On shares forfeited (# ₹ 4,250 in absolute INR)	#	#
	Securities premium account on forfeited shares reissued (## ₹ 25,500 in absolute INR)	##	##
B.	**Securities premium**		
	Opening balance	97.69	73.36
	Add: Premium on equity shares issued*	21.33	24.33
	Closing balance	**119.02**	**97.69**

*Addition in securities premium represents premium of equity shares under various schemes amounting to ₹ 2.44 crore (Previous year ₹ 6.90 crore) and ₹ 18.89 crore (Previous year ₹ 17.43 crore) transferred from share option outstanding account on 78,941 equity shares (Previous year 89,095 equity shares) issued and allotted during the year under ESOP scheme. Also refer Note 40.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

	Particulars	As at March 31, 2026	As at March 31, 2025
C.	**General Reserve**		
	General reserve at the beginning of the year	2,645.79	2,645.79
	Add: Amount transferred from share option outstanding account	0.46	-
	Closing balance	**2,646.25**	**2,645.79**
D.	**Share options outstanding account ***		
	Opening balance	43.86	45.63
	Add: Net charge during the year	17.64	15.66
	Less: Transferred to securities premium on issue of shares	(18.89)	(17.43)
	Less: Transferred to general reserve	(0.46)	-
	Closing balance	**42.15**	**43.86**
	* Also refer note 40		
E.	**Retained earnings**		
	Opening balance	16,979.51	15,181.42
	Add: Profit for the year	5,268.21	4,609.95
	Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(15.98)	(12.03)
	Less: Appropriations		
	Final dividend	1,300.10	799.72
	Interim dividend	2,200.99	2,000.11
	Total appropriations	**3,501.09**	**2,799.83**
	Closing balance	**18,730.65**	**16,979.51**

In respect of the year ended March 31, 2026, the directors propose that a dividend of ₹ 75 per share (March 31, 2025: ₹ 65 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 ₹ 1,500.67 crore (March 31, 2025: ₹ 1,300.07 crore).

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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

20 PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Employee benefits (Refer note (i) below)		
Compensated absences	43.14	48.19
Other employee benefits	18.84	14.95
Sub-total (A)	**61.98**	**63.14**
Warranties (Refer note (ii) below)	627.98	425.94
Sub-total (B)	**627.98**	**425.94**
Total (A+B)	**689.96**	**489.08**
Current		
Employee benefits (Refer note (i) below)		
Compensated absences	9.88	10.87
Other employee benefits	1.42	0.63
Sub-total (A)	**11.30**	**11.50**
Warranties (Refer note (ii) below)	280.99	205.25
Sub-total (B)	**280.99**	**205.25**
Total (A+B)	**292.29**	**216.75**

Note

1. The provision for employee benefits includes sick leave, gratuity, earned leave and vested long term service reward (refer note 29).
2. Movement in warranties provisions

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	**631.19**	**416.53**
Additions during the year	508.92	383.85
Amount utilised during the year	(231.14)	(169.19)
Closing balance	**908.97**	**631.19**

The provision for warranty claims (including goodwill warranty) represents the 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, 2026, this particular provision had a carrying amount of ₹ 908.97 crore (March 31, 2025: ₹ 631.19 crore). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹ 90.89 crore higher or lower (March 31, 2025 - ₹ 63.12 crore higher or lower).

21 DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipments and intangible assets	506.48	496.06
Financial assets carried at fair value through profit or loss	256.52	174.40
Sub-total (A)	**763.00**	**670.46**
Less: Deferred tax assets		
Deferred revenue	81.13	71.52
Accrued expenses deductible on payment	70.91	55.08
Voluntary retirement scheme (VRS) expenses u/s 35DDA	16.11	24.16
Right of use assets and lease liabilities	11.72	10.12
Sub-total (B)	**179.87**	**160.88**
Total (A-B)	**583.13**	**509.58**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Movement of Deferred tax (assets)/liabilities as at March 31, 2026

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	496.06	10.42	-	506.48
Financial assets carried at fair value through profit or loss	174.40	82.12	-	256.52
	670.46	**92.54**	**-**	**763.00**
Less: Deferred tax assets				
Deferred revenue	71.52	9.61	-	81.13
Accrued expenses deductible on payment	55.08	15.83	-	70.91
Voluntary retirement scheme (VRS) expenses u/s 35DDA	24.16	(8.05)	-	16.11
Right-of-use assets and lease liabilities	10.12	1.60	-	11.72
	160.88	**18.99**	**-**	**179.87**
Deferred tax liabilities (net)	**509.58**	**73.55**	**-**	**583.13**

Movement of Deferred tax (assets)/ liabilities as at March 31, 2025

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	480.08	15.98	-	496.06
Financial assets carried at fair value through profit or loss	114.56	59.84	-	174.40
	594.64	**75.82**	**-**	**670.46**
Less: Deferred tax assets				
Deferred revenue	56.93	14.59	-	71.52
Accrued expenses deductible on payment	61.83	(6.75)	-	55.08
Voluntary retirement scheme (VRS) expenses u/s 35DDA	32.21	(8.05)	-	24.16
Right-of-use assets and lease liabilities	8.85	1.27	-	10.12
	159.82	**1.06**	**-**	**160.88**
Deferred tax liabilities (net)	**434.82**	**74.76**	**-**	**509.58**

22 TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables ##		
Total outstanding dues of micro and small enterprises (MSME)	44.72	15.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,474.05	5,550.22
Total	**7,518.77**	**5,566.14**

Include payables to related parties (refer note 36)

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 financial statements

for the year ended March 31, 2026

Amount in crore of INR

Ageing of trade payables as on March 31, 2026:

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(1) MSME	15.04	29.68	-	-	-	44.72
(2) Others - Trade payables	4,256.52	522.98	0.92	1.27	4.30	4,785.99
(3) Others - Accruals						2,688.06
Total						**7,518.77**

Ageing of trade payables as on March 31, 2025:

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(1) MSME	1.87	14.05	-	-	-	15.92
(2) Others - Trade payables	3,448.35	208.29	2.86	3.29	7.16	3,669.95
(3) Others - Accruals						1,880.27
Total						**5,566.14**

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, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	44.72	15.92
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 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

23 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Capital creditors	108.69	143.83
Total	**108.69**	**143.83**
Current		
Capital creditors	259.33	157.01
Security deposits dealers and others	97.21	87.69
Unclaimed dividend *	30.27	22.28
Total	**386.81**	**266.98**

* Does not include any amounts outstanding as at 31 March 2026 (March 31, 2025: NIL) which are required to be credited to Investor Education and Protection Fund.

Note: The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 41.

24 OTHER LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Statutory remittances (contributions to provident fund and employee state insurance, withholding taxes, GST etc.)	185.97	327.74
Advance from customers	203.50	91.83
Deferred revenue (refer note below)	403.22	335.66
Others	2.76	2.59
Total	**795.45**	**757.82**

Contract liabilities-Deferred revenue

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as deferred revenue

Particulars	As at March 31, 2026	As at March 31, 2025
Opening contract liabilities	335.66	226.20
Deferred revenue booked during the year	472.96	393.39
Amount recognised in revenue	405.40	283.93
Closing contract liabilities	**403.22**	**335.66**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

25 REVENUE FROM OPERATIONS

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	**Sale of products**		
	Two wheelers (64.69 lakh units (previous year 58.99 lakh units))	39,128.34	33,672.37
	Spare parts	5,962.92	5,654.55
		45,091.26	**39,326.92**
(b)	**Income from services**		
	Dealers support services	91.27	100.03
	Dealer / Customer Program	49.71	58.77
	Services - others	1,274.43	1,095.35
		1,415.41	**1,254.15**
(c)	**Other operating revenue**		
	Duty drawback and other incentives	82.13	56.40
	Miscellaneous income	241.34	118.90
		323.47	**175.30**
	Total	**46,830.14**	**40,756.37**

Disaggregation of Revenue

Revenue is disaggregated by timing of revenue recognition are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Timing of revenue recognition		
Revenue transferred at a point of time	46,424.74	40,472.44
Revenue over a period of time	405.40	283.93
Total revenue from contracts and Customers	**46,830.14**	**40,756.37**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	45,858.32	40,908.42
Less: Trade discounts, volume rebates, etc.	(767.06)	(764.64)
Sale of products	**45,091.26**	**39,326.92**

26 OTHER INCOME

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	**Interest income**		
	Tax free bonds, debentures and other instruments classified as debt	116.02	128.55
	Deposit with dealers and others	170.38	312.03
(b)	**Dividend income**		
	Dividend received on investments	27.25	73.75
(c)	**Profit on sale of investments #**	128.13	157.64
(d)	**Gain on investments carried at fair value through profit or loss (Net)**	533.71	417.25
(e)	**Impairment of investments-subsidiaries (refer note 9)**	-	(41.20)
(f)	**Other non-operating income**		
	Exchange fluctuation-net	64.61	5.78
	Profit on sale of property, plant and equipments	0.91	2.12
	Total	**1,041.01**	**1,055.92**

Net off fair value adjustment upto previous year

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

27 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials and components consumed:		
Opening stock	843.84	857.33
Add: Purchase of raw materials and components	31,198.71	26,543.12
	32,042.55	**27,400.45**
Less: Closing stock	1,161.69	843.84
	30,880.86	**26,556.61**
Less: Cash discount	36.45	28.86
Consumption of raw materials and components	**30,844.41**	**26,527.75**

28 CHANGES IN INVENTORY OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	**Opening stock (Refer note 14)**		
	Two wheelers (includes goods in transit)	270.51	233.66
	Stock-in-trade	28.09	25.06
	Spare parts	98.76	82.38
	Work-in-progress	62.22	111.54
		459.58	**452.64**
(b)	**Closing stock (Refer note 14)**		
	Two wheelers (includes goods in transit)	332.94	270.51
	Stock-in-trade	40.78	28.09
	Spare parts	87.25	98.76
	Work-in-progress	76.62	62.22
		537.59	**459.58**
	Net (increase)/decrease in inventory	**(78.01)**	**(6.94)**

29 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	2,318.57	2,251.77
Contribution to provident and other funds	191.76	152.70
Employee stock compensation cost (refer note 40)	17.64	15.66
Staff welfare expenses	182.53	175.07
Total	**2,710.50**	**2,595.20**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026	For the year ended March 31, 2025
a)	Employer's contribution to provident fund and labour welfare fund	108.25	102.46
b)	Employer's contribution to superannuation fund	18.32	17.75
c)	Employer's contribution to gratuity fund *	60.23	28.17
d)	Employer's contribution to employee state insurance	4.96	4.32
		191.76	**152.70**

* In addition to this contribution made amounting to ₹ 21.36 crore (previous year: ₹ 16.08 crore) is recognised in other comprehensive loss.

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, 2026	As at March 31, 2025
Discount rate	6.60%	6.70%
Future salary increase	7.25%	7.25%
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 financial statements

for the year ended March 31, 2026

Amount in crore of INR

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Service cost:		
Current service cost	37.10	29.72
Past service cost	22.00	-
Net Interest expense/(income)	1.13	(1.55)
Components of defined benefit costs recognised in profit or loss	**60.23**	**28.17**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	4.17	(3.68)
Actuarial (gains)/ losses arising from changes in financial assumptions	4.08	20.21
Actuarial (gains)/ losses arising from experience adjustments	13.11	(0.45)
Components of defined benefit costs recognised in other comprehensive income	**21.36**	**16.08**
Total	**81.59**	**44.25**

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, 2026	As at March 31, 2025
Present Value of funded defined benefit obligation	563.92	489.73
Fair value of plan assets	563.92	489.73
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, 2026	For the year ended March 31, 2025
Opening defined obligation	489.73	449.48
Current service cost	37.10	29.72
Past service cost	22.00	-
Interest cost	33.53	30.09
Remeasurement (gains)/losses:		
Actuarial (gains)/ losses arising from changes in financial assumptions	4.08	20.21
Actuarial (gains)/ losses arising from experience adjustments	13.11	(0.45)
Benefits paid	(35.63)	(39.31)
Closing defined benefit obligation	**563.92**	**489.73**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening fair value of plan assets	489.73	449.48
Interest income	32.40	31.64
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	(4.17)	3.68
Contribution	81.59	44.25
Benefit paid	(35.63)	(39.31)
Closing fair value of plan assets	**563.92**	**489.73**

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 ₹ 21.59 crore (increase by ₹ 23.14 crore) (as at March 31, 2025: decrease by ₹ 27.21 crore (increase by ₹ 9.77 crore).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 20.62 crore (decrease by ₹ 19.39 crore) (as at March 31, 2025: increase by ₹ 26.27 crore (decrease by ₹ 9.46 crore).

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.

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2026	As at March 31, 2025
Weighted Average duration of the defined benefit obligation (in years)	8.0 years	8.0 years

The Company expects to make a contribution of ₹ 41.02 crore (as at March 31, 2025 ₹ 22.90 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 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at 31 March 2026	11.62	103.16	116.02	380.28	**611.08**
As at 31 March 2025	21.00	83.28	104.86	323.11	**532.25**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

30 FINANCE COSTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest cost on financial liabilities at amortised cost		
- On dealers security deposits	3.44	3.10
- On others	0.11	0.15
- Unwinding of discount on lease & other financial liabilities	19.21	16.67
Total	**22.76**	**19.92**

31 OTHER EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores and tools consumed	106.86	117.30
Packing, forwarding, freight etc.	1,190.59	1,046.62
Power and fuel	140.99	127.85
Rent (Refer note 7A)	38.05	34.16
Repairs and maintenance		
- Buildings	29.36	31.84
- Plant and machinery	172.70	149.73
- Others	13.56	12.68
Insurance charges	88.13	78.30
Rates and taxes	8.33	4.06
Advertisement and publicity	1,510.79	1,247.60
Donations[#]	-	0.02
Expenditure on corporate social responsibility	97.30	80.54
Payment to auditors (Refer below)	2.88	2.83
Loss on sale of property, plant and equipments	12.77	4.15
Loss allowance on trade receivables	-	6.31
Miscellaneous expenses	2,273.64	2,280.79
Total	**5,685.95**	**5,224.78**

[#] Donations include ₹ Nil (previous year ₹ Nil) under Section 182 of the Companies Act, 2013.

Payment to auditors

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) As Statutory Auditors		
- Audit fee	1.45	1.64
- Limited Review	0.81	0.81
- Other certifications	0.38	0.25
b) Tax audit fees	0.05	0.05
c) Out of pocket expenses	0.19	0.08
	2.88	**2.83**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

32 INCOME TAX EXPENSE

(a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
In respect of the current year	1,630.25	1,443.10
Deferred tax charge		
In respect of the current year	73.55	74.76
Total income tax expense recognised in the Statement of profit and loss	**1,703.80**	**1,517.86**

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligations	5.38	4.05
Total income tax benefit recognised in other comprehensive income	**5.38**	**4.05**

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	6,972.01	6,127.81
Income tax expense calculated at 25.168%	1,754.72	1,542.25
Effect of income exempt/ taxed on lower rate	(55.36)	(22.41)
Others	4.44	(1.98)
Income tax expense recognised in the Statement of profit and loss	**1,703.80**	**1,517.86**

33 EARNING PER SHARE

Particulars	As at March 31, 2026	As at March 31, 2025
Basic earnings per share (in ₹) (A/B)	263.34	230.53
Diluted earnings per share (in ₹) (A / C)	263.07	230.25
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, per statement of profit and loss (₹ in crore) (A)	5,268.21	4,609.95
Opening Balance	**20,00,10,836**	**19,99,21,741**
Effect of share options exercised	45,001	48,532
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**20,00,55,837**	**19,99,70,273**
Effect of share options	1,99,302	2,47,581
Weighted average number of equity shares for the purposes of diluted earnings per share (C)	**20,02,55,139**	**20,02,17,854**

34 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not-provided for)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Contingent liabilities		
In respect of excise and other matters	-	-
In respect of income tax matters (refer note (b) below)	31.49	182.27

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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.

b) The Income Tax Authorities had disallowed certain expenses incurred in prior periods and made a demand of ₹ 27 crore (previous year ₹ 178 crore). The Company is in the process of filing an appeal with the Income Tax Appellate Tribunal (ITAT). The Company has evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information had concluded that no provision is required for this demand as it is probable that the Company's position will be accepted upon ultimate resolution.

Further, there were investigations initiated by government agencies in the past and certain of those investigations have been concluded favorably. Based on the developments in favour of the Company's position and external legal advice, the Company after considering available information and facts, as of the date of approval of the financial statements, has not identified any material adjustments, disclosures or any effect to financial statements or financial information.

c) Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to ₹ 101.49 crore (March 31, 2025 ₹ 94.39 crore)	868.56	594.24

35 SEGMENT INFORMATION

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.

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, 2026

Particulars	Domestic	Overseas	Total
2025-26	43,363.29	3,466.85	46,830.14

Revenue from operations from external customers for the year ended March 31, 2025

Particulars	Domestic	Overseas	Total
2024-25	38,443.35	2,313.02	40,756.37

Disclosure as per the requirement of Ind AS 115, Revenue

For the year ended March 31, 2026:

Particulars	India	Outside India	Total
Sale of products	41,780.35	3,310.91	45,091.26
Income from services	1,373.29	42.12	1,415.41
Other operating revenue	209.65	113.82	323.47
Total	**43,363.29**	**3,466.85**	**46,830.14**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

For the year ended March 31, 2025:

Particulars	India	Outside India	Total
Sale of products	37,054.06	2,272.86	39,326.92
Income from services	1,232.67	21.48	1,254.15
Other operating revenue	156.62	18.68	175.30
Total	**38,443.35**	**2,313.02**	**40,756.37**

a) Domestic segment includes sales and services to customers domiciled in India.

b) Overseas segment includes sales and services rendered to customers domiciled outside India.

c) There are no material non-current assets and post employment benefits domiciled outside India.

d) There is no major individual customer whose revenue exceeds more than 10% of the entity's revenue.

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 Parkash-Partnership firm

B. Parties over which the Company has control

Subsidiaries

HMCL Americas Inc. USA

HMCL Netherlands B.V.

HMC MM Auto Limited

Hero Tech Center Germany GmbH

Subsidiaries of HMCL Netherlands B.V. (step down subsidiaries)

HMCL Colombia S.A.S.

HMCL Niloy Bangladesh Limited

C. Associate of the Company

Hero FinCorp Limited

Ather Energy Limited (formerly known as Ather Energy Private Limited)

Euler Motors Private Limited

D. Key management personnel and their relatives

Dr. Pawan Munjal	- Executive Chairman
Mr. Harshavardhan Chitale	- Chief Executive Officer (w.e.f Jan 05, 2026)
Mr. Vikram Sitaram Kasbekar	- Acting Chief Executive Officer (From May 01, 2025 till Jan 04, 2026)
	- Executive Director
Mr. Niranjan Kumar Gupta	- Chief Executive Officer (From May 01, 2023 till April 30, 2025)
	- Chief Financial Officer (till Feb 29, 2024)
Mr. Vivek Anand	- Chief Financial Officer (w.e.f March 01, 2024)
Mr. Dhiraj Kapoor	- Company Secretary and Compliance Officer (till Nov 14, 2025)
Mr. Prabhat Singh	- Company Secretary and Compliance Officer (w.e.f. Feb 05, 2026)
Mr. Annuvrat Munjal	- Assistant General Manager (w.e.f.Sept 06, 2023)

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Non Executive and Independent Directors

Mr. Pradeep Dinodia

Mr. Suman Kant Munjal

Dr. Jagmohan Singh Raju

Ms. Tina Trikha

Air Chief Marshal Birender Singh Dhanoa

Ms. Camille Tang

Mr. Rajnish Kumar

Ms.Vasudha Dinodia

E. Enterprises over which key management personnel and their relatives are able to control:

A. G. Industries Private Limited, A. G. Industries (Bawal) Private Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero Mindmine Institute Private Limited, Hero InvestCorp Private Limited, Hero Solar Energy Private Limited, Hero Rooftop Energy Private Limited, Munjal ACME Packaging Systems Private Limited, Hero Future Energies Private Limited, BML Munjal University, ACIC BMU Foundation, Eternal Design Private Limited, S.R. Dinodia & LLP, Raman Kant Munjal Foundation and Raman Munjal Vidya Mandir.

A) Parties in respect of which the Company is an associate

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Dividend paid		
Brijmohan Lal Om Parkash-Partnership firm	488.72	390.98
Bahadur Chand Investments Private Limited	700.58	560.47
Rental Income		
Brijmohan Lal Om Parkash-Partnership firm	0.02	0.02
Bahadur Chand Investments Private Limited	0.02	0.02

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Trade Receivable		
Brijmohan Lal Om Parkash-Partnership firm	-	-
Bahadur Chand Investments Private Limited	-	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

B) Parties over which the Company has control

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Sales*		
HMCL Colombia S.A.S.	991.73	545.76
HMCL Niloy Bangladesh Limited	608.10	511.53
Hero Tech Center Germany GmbH	0.13	-
Other operating revenues		
HMCL Colombia S.A.S.	27.73	11.11
HMCL Niloy Bangladesh Limited	15.85	10.96
Purchases of goods/services		
HMC MM Auto Limited	475.73	463.39
Hero Tech Center Germany GmbH	225.58	149.67
Purchase of Assets and its related services		
HMC MM Auto Limited	5.77	0.84
Expenses reimbursed		
HMCL Colombia S.A.S.	29.34	21.12
HMCL Niloy Bangladesh Limited	13.09	15.78

*Net of reimbursements amounting to ₹ 20.69 crore (March 31, 2025: ₹ 13.74 crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Trade Receivable		
HMCL Colombia S.A.S.	552.34	379.79
HMCL Niloy Bangladesh Limited	203.94	195.90
Trade Payable		
HMC MM Auto Limited	70.25	43.62
Hero Tech Center Germany GmbH	68.02	30.08

C) Associate of the Company

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Hero FinCorp Limited		
Dividend received	26.77	73.43
Dividend paid	0.02	0.02
Miscellaneous expenses	4.86	3.79
Sale	-	0.13
Ather Energy Limited (formerly known as Ather Energy Private Limited)		
Investment (refer note 9)	-	123.83
Service Income	0.95	0.67
Service Expense	4.63	1.37
Euler Motors Private Limited		
Investment (refer note 9)	720.00	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Trade payable		
Ather Energy Limited (formerly known as Ather Energy Private Limited)	0.39	0.01

D) Key management personnel and their relatives

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Managerial Remuneration/Sitting fees		
Dr. Pawan Munjal	122.31	109.41
Mr. Harshavardhan Chitale	3.59	-
Mr. Vikram Sitaram Kasbekar	17.47	14.08
Mr. Niranjan Kumar Gupta	8.72	17.93
Mr. Vivek Anand	5.64	7.75
Mr. Dhiraj Kapoor	1.45	1.64
Mr. Prabhat Singh	0.09	-
Relative of KMP	0.58	0.48

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend paid to KMP and their relatives	12.15	9.95
Lease rent recovery	2.23	2.12
Sale	-	0.11
Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors		
Mr. Pradeep Dinodia	1.00	1.97
Mr. Suman Kant Munjal	0.36	0.48
Dr. Jagmohan Singh Raju	1.52	1.18
Air Chief Marshal Birender Singh Dhanoa	1.29	1.57
Ms. Tina Trikha	1.37	1.47
Ms. Camille Tang	1.26	0.67
Mr. Rajnish Kumar	0.60	0.56
Ms. Vasudha Dinodia	0.69	0.72

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Payables (including commission)	70.11	62.94

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Managerial remuneration*		
Short-term benefits	151.69	141.10
Post-employment benefits	4.82	4.89
Share-based payments	2.76	5.80

* 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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

E) Enterprises over which key management personnel and their relatives are able to exercise control

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Purchase of raw materials and components etc.	1,770.69	1,661.37
Purchase of property, plant and equipments	21.02	32.95
Payment towards services etc.	19.44	8.43
Expenditure towards Corporate Social Responsibility (CSR)	16.64	20.15
Rental income	0.03	0.04
Dividend paid	15.29	12.23
Sale of Goods	-	0.01

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Payables	298.36	261.03
Receivables	0.03	0.05

Significant related party transactions included in the above are as under:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of raw materials and components etc.		
A. G. Industries Private Limited	835.02	705.85
Rockman Industries Limited	785.66	804.19
A. G. Industries (Bawal) Private Limited	150.01	151.32
Purchase of Assets		
Rockman Industries Limited	15.13	20.32
A. G. Industries Private Limited	5.89	12.52
A. G. Industries (Bawal) Private Limited	-	0.11
Payment for services etc.		
BML Munjal University	1.41	1.33
Hero Solar Energy Private Limited	0.37	0.41
Hero Rooftop Energy Private Limited	0.17	0.14
Cosmic Kitchen Private Limited	6.46	5.27
Raman Munjal Vidya Mandir	0.48	0.59
ACIC BMU Foundation	-	0.06
Hero Future Energies Private Limited	9.25	-
Eternal Design Private Limited	0.80	0.47
S. R. Dinodia & LLP	0.50	0.17
CSR		
Raman Kant Munjal Foundation	6.64	5.15
BML Munjal University	10.00	15.00
Rental Income		
Munjal ACME Packagning Systems Private Limited	0.01	0.02
Hero InvestCorp Private Limited	0.02	0.02
Dividend paid		
Hero InvestCorp Private Limited	15.29	12.23
Sale of Goods		
Hero Solar Energy Private Limited	-	0.01

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Significant closing balances of related parties are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Trade Payables		
A. G. Industries Private Limited	124.76	107.63
Rockman Industries Limited	117.23	129.79
A. G. Industries (Bawal) Private Limited	49.54	23.42

F) 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 On November 21, 2025, the Government of India notified the four Labour codes - The code on Wages, 2019, The Industrial Relations code, The code on Social Security, 2020, and The Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing Labour Laws. Based on the draft rules and FAQs issued by the ministry of labour and employment and best available information, the Company has estimated the financial implications thereof and has made an additional provision of ₹ 119 crore in the year ended March 31, 2026. Considering the materiality, regulatory driven and non - recurring nature of the impact, the company has presented such incremental impact under "Exceptional item". The Company continues to monitor the finalisation of central/state rules and other developments pertaining to labour codes and would provide appropriate accounting effect on the basis of such developments, if any.

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, 2026, pending with various authorities:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Financial year to which the Amount Relates	Amount*	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise duty	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)	2004-05 to 2017-18	34.35	1.42	32.94
		Commissioner Appeal	FY 2015-16	0.08	0.01	0.07
Goods and Services Tax Act, 2017^	Goods and Service Tax (GST)	Deputy Commissioner Appeals	2017-18	0.08	-	0.08
		Commissioner Appeal	2017-18 To 2023-24	940.54	54.74	885.8
		Additional Commissioner Appeals	2021-22	1.22	0.11	1.11
		Joint Commissioner Appeal	2018-19	0.02	-	0.02
		Goods and Service Tax Appellate Tribunal	2017-18 and 2018-19	2.01	0.37	1.64
		Special Commissioner Appeal	2017-18 and 2019-20	15.39	1.44	13.95
Finance Act, 1994	Service Tax	Supreme Court	2004-05 to 2005-06	0.89	0.45	0.44
		CESTAT	2004-05 to 2011-12	233.11	24.99	208.12
The Customs Act, 1982	Custom Duty	CESTAT	2014-15	0.25	0.01	0.24
Income-tax Act, 1961	Income -tax	Income Tax Appeal Tribunal	2021-22	2.29	-	2.29
Income Tax Act, 1961	Income -tax	Commissioner of Income Tax Appeals	2013-14, 2014-15, 2016-17 and 2018-19	24.51	0.18	23.33

*Amount of disputed tax liabilities are exclusive of interest, if any.

^ Including Central Goods and service Tax, 2017, respective States Goods and Service Tax, 2017 and Integrated Goods and Service Tax Act, 2017

Above excludes ₹ 90.80 crore in respect of disputes of Income-tax Act, 1961 which are paid/adjusted in full.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

The following matters have been decided in favour of the Company but the department has preferred appeals at higher levels:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period	Amount	Amount paid under protest	Amount unpaid
The Central Excise Act, 1944	Excise duty	Custom, Excise and Service Tax Appellate Tribunal	2010-11	82.80	-	82.80
Finance Act, 1994	Service Tax	Custom, Excise and Service Tax Appellate Tribunal	2016-17	1.99	0.15	1.84
Income-tax Act, 1961	Income -tax	High Court	1997-98, 1998-99, 2000-01, 2003-04, 2009-10, 2010-11, 2011-12 and 2012-13	6,232.87	-	6,232.87
Income-tax Act, 1961	Income -tax	Income Tax Appeal Tribunal	2009-10	2.18	-	2.18

39 RESEARCH AND DEVELOPMENT EXPENSES:

Expenses charged to revenue account

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material consumption*	103.49	101.87
Consumables	8.00	6.91
Employee Benefits	328.74	315.13
Depreciation and amortisation	200.98	177.92
Others	138.63	131.00
Total	**779.84**	**732.83**

* Includes intangible asset under development amounting to ₹ 50.01 crore (previous year ₹ 57.38 crore) expensed off during the year.

Capital expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Building	0.01	2.34
Equipments	32.96	30.05
Furniture and fixtures	0.90	2.93
Software	20.94	7.42
Vehicles	3.28	1.84
Data processing equipments	14.81	5.16
Intangible assets	255.54	245.79
	328.44	**295.53**
Capital Work-in-progress	20.69	11.11
Total	**349.13**	**306.64**

39A. The Ministry of Environment, Forest and Climate Change issued the Environment Protection (End-of-Life Vehicles) Rules, 2025 (ELV rules), effective from April 01, 2025. In accordance with ELV rules, Extended Producer Responsibility (EPR) obligations are imposed on producers ("vehicle manufacturers") for the scrapping of End-of-Life Vehicles. The obligations require acquiring EPR certificates from registered Vehicle Scrapping Facilities via a Centralised Online Portal (Portal), which is partially operational. However, the pricing mechanism for EPR certificates, and measurement framework for determining financial obligations are not yet made available.

Further, the Ministry of Environment, Forest and Climate Change notified the Battery Waste Management Rules, 2022 on February 24, 2025 (as amended from time to time), applicable to producers (manufacturers and importers included), dealers, consumers, and entities involved in the collection, segregation, transportation, refurbishment, and recycling of all types of waste batteries. As a producer of batteries, the Company is subject to these obligations, however, sufficient guidance on waste collection mechanisms and associated costs are not yet made available.

Consequently, the Company is currently unable to reliably estimate a range of possible outcomes and the financial implications of the above rules and will be evaluated once the implementation framework for determining the reliable estimate is established.

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. 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 ₹	Weighted Average Fair value of the Options at grant date ₹
ESOP 2014	23,110	22-Oct-14	21-Oct-21	2,159	1,228
ESOP 2016	41,290	22-Aug-16	21-Aug-23	2,469	1,324
RSU 2016	11,194	22-Aug-16	21-Aug-23	2	3,290
ESOP 2017	29,800	31-Oct-17	30-Oct-24	2,818	1,615
RSU 2017	15,769	31-Oct-17	30-Oct-24	2	3,663
ESOP 2018	1,25,000	25-Mar-19	24-Mar-26	2,033	1,138
RSU 2018	17,760	31-Jan-19	30-Jan-26	2	2,672
ESOP 2019	98,750	22-Oct-19	21-Oct-26	1,745	1,067
RSU 2019	5,210	22-Oct-19	21-Oct-26	2	2,308
ESOP 2020	1,01,375	27-Oct-20	26-Oct-27	2,085	1,200
RSU 2020	1,560	27-Oct-20	26-Oct-27	2	2,686
RSU 2021	39,210	11-Aug-21	10-Aug-25	2	2,699
PRSU 2021	34,895	11-Aug-21	10-Aug-25	2	2,439
RSU 2022	72,023	28-Jun-22	27-Dec-26	2	2,447
PRSU 2022	1,43,125	28-Jun-22	27-Dec-26	2	2,328
RSU 2023	72,169	26-Jun-23	25-Dec-27	2	2,584
PRSU 2023	1,36,381	26-Jun-23	25-Dec-27	2	2,321
RSU 2023 (1)	9,641	09-Aug-23	08-Feb-28	2	2,773
PRSU 2023 (1)	36,043	09-Aug-23	08-Feb-28	2	2,511
ESOP 2023	30,000	09-Aug-23	08-Aug-30	1,974	1,318
RSU 2024	59,137	25-Jun-24	24-Dec-28	2	5,011
PRSU 2024	1,12,244	25-Jun-24	24-Dec-28	2	4,442
RSU 2025	57,680	25-Jun-25	24-Jun-30	2	3,874
PRSU 2025	68,157	25-Jun-25	24-Jun-30	2	3,293
RSU 2025 (1)	820	12-Nov-25	11-Nov-30	2	3,874
PRSU 2025 (1)	1,843	12-Nov-25	11-Nov-30	2	3,293

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Fair value of stock 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 2025	PRSU 2025	RSU 2025 (1)	PRSU 2025 (1)	RSU 2024	PRSU 2024
Weighted Average Fair value of option/RSU/PRSU	3,874	3,293	3,874	3,293	5,011	4,442
Spot share price	4,301	4,301	4,301	4,301	5,510	5,510
Exercise price	2	2	2	2	2	2
Expected average volatility	26.00%	25.10%	26.00%	25.10%	25.33%	25.80%
Option life	5 years	5 years	5 years	5 years	4.5 years	4.5 years
Dividend yield	3.48%	3.48%	3.48%	3.48%	3.45%	3.45%
Average risk-free interest rate	5.85%	6.11%	5.85%	6.11%	7.09%	7.11%

Movements in stock options/RSU/PRSU during the year

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Number of options	Weighted average exercise price ₹	Number of options	Weighted average exercise price ₹
Movements in stock options during the year				
Outstanding at the beginning of the year	23,200	2,053	92,518	2,071
Granted during the year	-	-	-	-
Forfeited during the year	3,250	-	37,355	-
Exercised during the year	11,940	2,047	31,963	2,160
Outstanding at the end of the year	**8,010**	**2,066**	**23,200**	**2,053**
Exercisable at the end of the year	**8,010**	**2,066**	**23,200**	**2,053**
Movements in RSU/PRSU during the year				
Outstanding at the beginning of the year	2,90,594	2.00	4,24,467	2.00
Granted during the year	1,28,500	2.00	1,71,381	2.00
Forfeited during the year	1,17,205	2.00	2,48,122	2.00
Exercised during the year	67,001	2.00	57,132	2.00
Outstanding at the end of the year	**2,34,888**	**2.00**	**2,90,594**	**2.00**
Exercisable at the end of the year	8,596	2.00	5,614	2.00

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Stock options/RSU/PRSU exercised during the year

Options/RSU/PRSU Plans	For the year ended 31 March 2026		For the year ended 31 March 2025	
	No. of options exercised	Weighted Share price at exercise date ₹	No. of options exercised	Weighted Share price at exercise date ₹
ESOP 2017	-	-	5,208	5,140
ESOP 2018	4,920	5,251	10,630	4,674
ESOP 2019	575	5,530	2,525	4,852
ESOP 2020	6,445	4,346	13,600	4,960
RSU 2021	821	4,025	7,148	5,008
RSU 2022	13,205	4,630	18,799	5,232
RSU 2023	17,690	4,715	17,907	5,342
RSU 2023 (1)	-	-	3,053	5,217
RSU 2024	11,305	4,590	-	-
PRSU 2021	578	4,409	10,225	5,409
PRSU 2022	23,402	4,758	-	-
Total	**78,941**		**89,095**	

Stock options/RSU/PRSU outstanding at end of the year

Options/RSU/PRSU Plans	Options outstanding as at March 31, 2026	Options outstanding as at March 31, 2025	Remaining contractual life (in Years) as on March 31, 2026	Remaining contractual life (in Years) as on March 31, 2025	Exercise Price ₹
ESOP 2018	-	7,570	-	0.98	2,033
ESOP 2019	450	1,025	0.56	1.56	1,745
ESOP 2020	7,560	14,605	1.58	2.58	2,085
RSU 2021	-	821	-	0.36	2
PRSU 2021	-	578	-	0.36	2
RSU 2022	1,454	14,766	0.74	1.74	2
PRSU 2022	3,763	61,011	0.74	1.74	2
RSU 2023	15,430	37,186	1.74	2.74	2
PRSU 2023	63,325	77,467	1.74	2.74	2
RSU 2024	23,818	40,416	2.74	3.74	2
PRSU 2024	49,013	58,349	2.74	3.74	2
RSU 2025	32,289	-	4.24	-	2
PRSU 2025	43,133	-	4.24	-	2
RSU 2025 (1)	820	-	4.62	-	2
PRSU 2025 (1)	1,843	-	4.62	-	2
Total	**2,42,898**	**3,13,794**			

During the year ended March 31, 2026, the Company recorded an employee stock compensation expense of ₹ 17.64 crore (March 31, 2025: ₹ 15.66 crore) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2026 is ₹ 42.15 crore (March 31, 2025: ₹ 43.86 crore)

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore 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 summarises the capital of the Company:

Particulars	As at March 31, 2026	As at March 31, 2025
Equity Share capital	40.02	40.00
Other equity	21,538.07	19,766.85
Total Equity	**21,578.09**	**19,806.85**

Categories of financial instruments

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	2,025.85	3,521.91
Current		
Investments	11,874.90	6,097.33
Financial assets at amortised cost		
Non-current		
Investments	1,154.49	1,245.42
Loans	28.54	24.87
Others	52.88	45.99
Current		
Investments	300.07	513.27
Trade receivables	2,593.20	3,674.43
Cash and bank balances	603.65	353.15
Loans	27.92	27.07
Others	114.02	112.78
Total	**18,775.52**	**15,616.23**
Financial liabilities at amortised cost		
Non-Current		
Lease Liability	139.35	124.20
Other financial liabilities	108.69	143.83
Current		
Lease Liability	50.21	38.86
Trade payables	7,518.77	5,566.14
Other financial liabilities	386.81	266.98
Total	**8,203.83**	**6,140.01**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	447.56	-
Investments in equity instruments	172.02	-	19.72
Investments in preference shares	-	-	1,386.55
Current			
Investments in mutual funds	-	11,874.90	-

Particulars	Fair value as at March 31, 2025		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	2,152.14	-
Investments in equity instruments	119.28	-	240.96
Investments in preference shares	-	-	1,009.53
Current			
Investments in mutual funds	-	6,097.33	-

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.
- The fair value of unquoted equity shares is determined on the basis of valuation arrived at considering income approach (discounted cash flow) and market approach (comparable companies).
- Management uses its best judgement 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

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

estimates presented above are not necessarily indicative of all the amounts that the Company 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, 2026 and March 31, 2025.

41.3 Financial risk management objectives and Policies

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 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.

(A) 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 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. Future specific market movements cannot be normally predicted with reasonable accuracy.

Market risk exposures are measured using sensitivity analysis.

(I) 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, 2026	EURO	USD	JPY	GBP	CNY	COP	RMB
Trade Receivables	-	10.71	0.19	0.00	-	-	1.63
Trade Payables	(0.32)	(0.34)	-	(0.02)	-	(6.32)	-
Capital Creditors	(0.24)	(0.06)	(0.68)	-	-	-	-

Foreign Currency Exposure as at March 31, 2026	SGD	CHF	AED
Trade Receivables	0.00	-	-
Trade Payables	-	(0.00)	-
Capital Creditors	(0.00)	-	-

Foreign Currency Exposure as at March 31, 2025	EURO	USD	JPY	GBP	CNY	COP	RMB
Trade Receivables	-	9.67	0.09	-	-	-	0.04
Trade Payables	(0.05)	(0.04)	-	(0.00)	(2.35)	-	-
Capital Creditors	(0.35)	(0.04)	-	(0.00)	-	(20.81)	-

Foreign Currency Exposure as at March 31, 2025	SGD	CHF	AED
Trade Receivables	-	-	0.00
Trade Payables	(0.00)	(0.00)	-
Capital Creditors	-	-	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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 ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive or negative.

Currency	2025-26		2024-25	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	50.81	(50.81)	41.35	(41.35)
JPY	0.01	(0.01)	0.00	(0.00)
RMB	1.12	(1.12)	0.02	(0.02)
GBP	0.02	(0.02)	-	-
SGD	0.00	(0.00)	-	-
Trade Payable				
USD	(1.62)	1.62	(0.16)	0.16
EURO	(1.71)	1.71	(0.25)	0.25
SGD	-	-	(0.01)	0.01
GBP	(0.14)	0.14	(0.01)	0.01
COP	(0.01)	0.01	-	-
CHF	(0.01)	0.01	(0.00)	0.00
CNY	-	-	(1.38)	1.38
Capital Creditors				
USD	(0.26)	0.26	(0.17)	0.17
EURO	(1.30)	1.30	(1.59)	1.59
JPY	(0.02)	0.02	-	-
SGD	(0.02)	0.02	-	-
GBP	-	-	(0.00)	0.00
COP	-	-	(0.23)	0.23
Impact on profit or loss as at the end of the reporting period	**46.86**	**(46.86)**	**37.57**	**(37.57)**
Impact on total equity as at the end of the reporting period	**35.41**	**(35.41)**	**28.26**	**(28.26)**

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.

(II) Other price risks

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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

NAV price sensitivity analysis

The sensitivity analyses 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, 2026 would increase/decrease by ₹ 123.22 crore (for the year ended March 31, 2025 ₹ 82.49 crore).

(III) Interest rate risks

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.

(B) 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.

Movement in the expected credit loss allowance of financial assets

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at beginning of the year	**144.22**	**138.97**
Add: Provided during the year	25.14	34.60
Less: Reversals of provision	25.14	28.28
Less: Amounts written off	0.35	1.07
Balance at the end of the year	**143.87**	**144.22**

(C) 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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Trade payables	7,518.77	-	-	7,518.77
(ii) Other financial liabilities	386.81	108.69	-	495.50
(iii) Lease liabilities	61.67	142.43	51.80	255.90

Particulars	As at March 31, 2025			
	Less than 1 year	1 year to 5 year	More than 5 year	Total
(i) Trade payables	5,566.14	-	-	5,566.14
(ii) Other financial liabilities	266.98	153.88	-	420.86
(iii) Lease liabilities	49.72	131.44	42.14	223.30

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

42 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount required to be spent by the Company during the year	95.80	79.99
Amount of expenditure incurred	97.30	80.54
Total of previous years shortfall *	-	-
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)	16.64	20.15
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

43 The Company has sanctioned borrowing facilities, comprising fund based and non-fund based limits from various bankers on unsecured basis.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

44 Following are analytical ratios for the year ended March 31, 2026 and March 31, 2025:

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance
Current ratio	Current assets	Current liabilities	1.98	1.87	5.64%
Debt equity ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.01	0.01	6.71%
Debt service coverage ratio	Earnings available for debt service = Net profit after taxes + Depreciation + Finance cost+Loss on sale of property, plant and equipments+other adjustments	Debt service including lease payments during the year	101.95	117.30	-13.09%
Return on equity	Net profit after taxes	Average shareholder's equity	25.46%	24.40%	4.36%
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	19.04	18.66	2.03%
Trade receivables turnover ratio	Gross sale of products + Gross income from services	Average Trade receivables	19.00	16.28	16.67%
Trade payables turnover ratio	Purchase of stock in trade + Purchase raw material and components - cash discount + Other expenses	Average Trade Payables	5.63	5.70	-1.26%
Net capital turnover ratio*	Revenue from operations	Average Working capital (Current assets - current liabilities)	6.26	8.82	-29.01%
Net profit ratio	Net profit after taxes	Total income	11.00%	11.03%	-0.18%
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital employed = Total Net worth + Total debt (Including lease liabilities) + deferred tax liability	31.30%	30.02%	4.25%
Return on investment (ROI)	Income generated from investments carried at FVTPL and amortised cost	Investments carried at FVTPL and amortised cost	6.02%	6.76%	-10.99%

* Lower due to increase in Average Working Capital in comparison to increase in Revenue from Operations

45 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 willful 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) The Company has not traded or invested in crypto-currency or virtual currency during the financial year.

(vii) 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 financial statements

for the year ended March 31, 2026

Amount in crore of INR

(viii) 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.

(ix) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one registered Core Investment Company and one unregistered Core Investment Company as part of the Group.

(x) As required by provisions of Rule 3 of the Companies (Accounts) Rule, 2013, as amended, the Company has taken all back up of the books and papers of the Company maintained in electronic mode in server physically located in India on daily basis during the financial year ended March 31, 2026.

(xi) The Company has used an accounting software system for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software system. Additionally, the audit trail that was enabled and operated for the year ended March 31, 2025, has been preserved by the Company as per the statutory requirements for record retention.

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Independent Auditor's Report

To The Members of Hero MotoCorp Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Hero MotoCorp Limited** (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's share of profit / loss in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein 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 the other auditors on separate financial statements of such subsidiaries and associates audited by the other auditors/ joint auditor as referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit and their consolidated other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Investment in Associates and Equity Instruments** The Group holds investment in associates and equity instruments amounting to INR 5,478.47 crore (net) as at March 31, 2026. At each reporting period, the group assesses the recoverable amount of the investment in associates and fair value of equity instruments, respectively, in order to determine (i) whether there are any indications that the investment in associates have suffered an impairment loss and (ii) changes in fair value of equity instruments. To assess the recoverability of investment in associates and to determine the fair value of equity instruments, management is required to use appropriate methodology and apply significant assumptions relating to discount rate, long term growth rate and revenue multiples. We have identified the valuation methodology and aforementioned assumptions used by the management for estimation of the recoverable value and determination of fair value as the key audit matter because these assumptions are of particular importance due to the level of judgements involved. Refer note 3.15 and 9 of the Consolidated Financial Statements	**Principal audit procedures performed included the following:** Obtained understanding of the process and tested the internal controls related to the assumptions used by the management for determination of (a) recoverable value of the investment in associates and (b) fair value of investments in equity instruments. Challenged management on the appropriateness of the valuation methodology and performed following procedures: • Assessed the recoverable value of the associates based on latest available financial information; • Evaluated the objectivity and competency of the specialist engaged by the group and reviewed the valuation reports issued by such specialist; • With the assistance of our valuation specialist, we assessed the reasonableness of the methodology and assumptions used to determine the recoverable value of the investments in associates and fair value of investments in equity instruments, primarily related to discount rates, long term growth rate and revenue multiples; • Tested the arithmetical accuracy of the valuation models; and • Assessed appropriateness of disclosures made by the group.
2	**Assessment of impairment loss allowance basis expected credit losses (ECL) on loans** The auditors of Hero FinCorp Ltd ('HFCL'), an associate of the Parent, have reported assessment of impairment loss allowance basis expected credit losses (ECL) on loans as a key audit matter due to exercise of significant judgement by the management of the associate company around the determination of the impairment allowance in line with the ECL model specified under Ind AS 109 'Financial Instruments'. Refer note 3.15 and 9A of the Consolidated Financial Statements	**Principal audit procedures performed included the following:** In respect of the key audit matter reported to us by the auditors of HFCL, we performed inquiry and oversight of the audit procedures performed by them to address the key audit matter. As reported by the auditors of HFCL, the audit procedures performed by them included and were not limited to the following: Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management of associate company over: • the assumptions used in the calculation of ECL and its various aspects such as determination of Probability of Default, Loss Given Default, Exposure at Default, Staging of Loans, etc.; • the completeness and accuracy of source data used by the management in the ECL computation; and • Computation of ECL. Verified the appropriateness of the methodology and models used by the associate company and reasonableness of the assumptions used within the computation process to derive the impairment allowance in line with the Board approved ECL policy; Verified on a test check basis the completeness and accuracy of the source data used; Recomputed the impairment allowance for a sample of loans across the portfolio, to check arithmetical accuracy and compliance with the requirements of Ind AS 109 in the ECL computation; and Evaluated the reasonableness of the judgement involved in management overlays forming part of the impairment allowance, and the related approvals.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility & Sustainability Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and 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, compare with the financial statements of the subsidiaries and associates audited by the other auditors to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group 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 the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 information of the entities 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 of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by the other auditors, 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.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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 auditor's 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 of ₹ 2,055.58 crore as at March 31, 2026, total revenues of ₹ 2,471.65 crore and net cash inflows amounting to ₹ 59.45 crore 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 of ₹ 107.39 crore for the year ended March 31, 2026, as considered in the consolidated financial statements, in respect of one associate, whose financial statements 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 one associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and one associate is based solely on the reports of the other auditors. The consolidated financial statements also include the Group's share of net loss of ₹ 91.76 crore for the year ended March 31, 2026 as considered in the consolidated financial statements. The financial statements of the associate have been jointly audited by us along with a joint auditor whose report 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 the aforesaid associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the joint auditor and the procedures performed by us as stated in Auditor's Responsibilities paragraph above.

(b) Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and joint auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors/ joint auditor on the separate financial statements/ financial information of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group and its associates including relevant records so far as it appears from our examination of those books and the reports of other auditors and joint auditor except in relation to compliance with the requirements of audit trail, in respect of two associates, refer paragraph (i)(vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated

Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2026 taken on record by the Board of Directors of the 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, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modifications relating to the maintenance of accounts related to audit trail of associates are as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary company and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary company and two associate companies incorporated in India, the remuneration paid by the Parent and such subsidiary company and two associate companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act except for incentive/ commission payable to the directors including Non-Executive Directors of one associate for the year ended March 31, 2026, which is subject to the approval by the shareholders in ensuing Annual General Meeting of the associate through special resolution.

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

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer note 36 to the consolidated financial statements;

ii) The Group and its associates did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. Based on the report of the joint auditor in case of one associate company, provision has been made, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as at March 31, 2026.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and two of its associate companies incorporated in India. The subsidiary and one associate company, incorporated in India are not required to transfer any amounts to the Investor Education and Protection Fund.

iv) (a) The respective Managements of the Parent and its subsidiary and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors/joint auditor of such subsidiary and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 44(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiary and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiary and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors/ joint auditor of such subsidiary and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 44(viii) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiary and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors/joint auditor of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's/joint auditor's notice that has caused us or the other auditors/joint auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) As stated in the note 19 to the consolidated financial statements,

a. The final dividend proposed in the previous year, declared and paid by the Parent and its associate company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable. Based on the report of the associate, jointly audited by us along with joint auditor, the dividend declared during the year is in accordance with section 123 of the Act, as applicable.

b. The interim dividend declared and paid by the Parent during the year and until the date of this audit report is in accordance with section 123 of the Act, as applicable.

c. The board of Directors of the Parent has proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks, and based on the other auditor/joint auditor's reports of two associate companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiary company and the associate companies incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2026, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except for the instances mentioned below;

A. In case of an associate company:

a. In respect of an accounting software, which is operated by a third-party software service provider, in the absence of an independent auditor's system and organisation controls (SOC) report covering the audit trail requirement at database level, the other auditor is unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software at database level or whether there were any instances of the audit trail feature been tampered with.

B. In case of another associate company, jointly audited by us with the other auditor:

a. In respect of three accounting softwares used for maintaining loan records, the softwares have a feature of recording an audit trail (edit log) and the audit trail operated throughout the year for all relevant transactions recorded in the softwares, except that the audit trail feature was not enabled at the database level to log any direct data changes which was enabled on January 15, 2026. During the period April 1, 2025 to January 14, 2026, the audit trail feature at the database level was enabled through a privilege access management (PAM)

tool, which logs direct data changes except for the details of changes made and not retaining the log throughout the year. Accordingly, we and the joint auditor are unable to comment whether audit trail was enabled for database during the period April 1, 2025 to January 14, 2026, or there were any instances of the audit trail feature being tampered during the said period.

b. In respect of the accounting software used for maintaining loan records, which is operated by a third party software service provider, in the absence of an independent auditor's system and organisation controls (SOC) report covering the audit trail requirement, we and the joint auditor are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

c. In respect of one accounting software used for maintaining loan records, the audit trail feature was enabled at the application level and operated for all relevant transactions recorded in such software. The audit trail feature at the database level have been enabled through a privilege access management (PAM) tool, which logs direct data changes except for details of what are the changes made and logs are not being retained throughout the year. Accordingly, for database level, we and the joint auditor, are unable to comment whether audit trail was enabled or there were any instances of the audit trail feature being tampered with throughout the year.

Further, during the course of our audit, we and the other auditor/joint auditor, whose reports have been furnished to us by the Management of the Parent Company, did not come across any instance of the audit trail feature being tampered with in respect of the accounting software for which the audit trail feature was operating. Additionally, the audit trail that was operating has been preserved by the Parent and above referred subsidiary company and associate companies incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Euler Motors India Private Limited	U72900DL2015PTC275513	Associate	Clause ii(b)[1], iii(c)[2] and xvii[3] of Annexure A to the Independent Auditor's report.
Ather Energy Limited (formerly known as Ather Energy Private Limited)	U40100KA2013PTC093769	Associate	Clause xvii[3] of Annexure B to the Independent Auditor's report.
Hero FinCorp Limited	U74899DL1991PLC046774	Associate	Clause iii(d)[4], xi(a)[5] and xiii[6] of Annexure B to the Independent Auditor's Report.

[1] Clause pertains to submission of quarterly statements with the bank for working capital limits.

[2] Clause pertains to repayment of loans given and interest thereon.

[3] Clause pertains to cash losses incurred.

[4] Clause pertains to amount overdue for more than ninety days.

[5] Clause pertains to instances of fraud noticed or reported during the year.

[6] Clause pertains to compliance with section 177 and 188 of Companies Act, 2013.

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

Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 26094468RQTHJK9196

Place: New Delhi
Date: May 05, 2026

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of Hero MotoCorp Limited (hereinafter referred to as “Parent”) its subsidiary and associate companies which are companies incorporated in India, as of that date.

MANAGEMENT’S AND BOARD OF DIRECTORS’ RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, the audit evidence obtained by the other auditor and the audit evidence obtained by us along with the joint auditor of the associate, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary and associate companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Group's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor and joint auditor referred to in the Other Matter paragraph below, the Parent, its subsidiary and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the other auditor and joint auditor of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 26094468RQTHJK9196

Place: New Delhi
Date: May 05, 2026

Balance sheet

as at March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,325.25	5,219.13
(b) Capital work-in-progress	6	244.70	105.37
(c) Right-of-use assets	7	502.64	483.39
(d) Other intangible assets	7A	545.68	580.46
(e) Intangible assets under development	8	520.26	381.81
(f) Equity accounted investments in associates	9A	3,901.20	2,980.94
(g) Financial assets			
(i) Investments	9B	3,180.33	4,767.33
(ii) Loans	10	28.54	24.87
(iii) Others	11	54.04	47.09
(h) Income tax assets (net)	12	126.92	254.49
(i) Other non-current assets	13	118.50	111.55
Total non-current assets		**14,548.06**	**14,956.43**
Current assets			
(a) Inventories	14	2,650.09	2,013.34
(b) Financial assets			
(i) Investments	9B	12,204.83	6,635.99
(ii) Trade receivables	15	2,339.85	3,381.29
(iii) Cash and cash equivalents	16	686.71	383.55
(iv) Bank balances other than (iii) above	17	79.99	190.53
(v) Loans	10	27.92	27.07
(vi) Others	11	115.40	141.59
(c) Income tax assets (net)	12	-	198.12
(d) Other current assets	13	799.74	462.41
Total current assets		**18,904.53**	**13,433.89**
Total assets		**33,452.59**	**28,390.32**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	40.02	40.00
(b) Other equity	19	21,571.17	19,232.04
Equity attributable to owners of the Company		**21,611.19**	**19,272.04**
Non-controlling interests	20	199.83	132.05
Total equity		**21,811.02**	**19,404.09**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	7	219.06	196.21
(ii) Other financial liabilities	25	108.69	143.83
(b) Provisions	22	698.01	495.29
(c) Deferred tax liabilities (net)	23	711.48	674.92
Total non-current liabilities		**1,737.24**	**1,510.25**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	498.55	456.76
(ii) Lease liabilities	7	61.00	46.96
(iii) Trade payables	24		
Total outstanding dues of micro and small enterprises		54.28	21.50
Total outstanding dues of creditors other than micro and small enterprises		7,621.99	5,678.16
(iv) Other financial liabilities	25	411.71	282.94
(b) Other current liabilities	26	814.38	768.17
(c) Income tax liabilities (net)	12	139.35	-
(d) Provisions	22	303.07	221.49
Total current liabilities		**9,904.33**	**7,475.98**
Total equity and liabilities		**33,452.59**	**28,390.32**
The notes referred to above form an integral part of the consolidated financials statements	1 - 44		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Statement of profit and loss

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I INCOME			
(a) Revenue from operations	27	47,411.24	40,923.42
(b) Other income	28	1,058.13	1,044.08
Total income		**48,469.37**	**41,967.50**
II EXPENSES			
(a) Cost of raw materials consumed	29	31,186.16	26,607.07
(b) Purchases of stock-in-trade		796.53	547.91
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	30	(303.32)	(244.34)
(d) Employee benefits expense	31	2,829.47	2,680.07
(e) Finance costs	32	78.27	70.65
(f) Depreciation and amortisation expense	5, 7 and 7A	854.99	824.59
(g) Other expenses	33	5,857.27	5,386.87
Total expenses		**41,299.37**	**35,872.82**
III Profit before share of profit/(loss) of associates, exceptional items and tax (I - II)		**7,170.00**	**6,094.68**
IV Profit/(loss) from associates			
Share in net profit/(loss) of associates (net of tax)		384.58	(161.12)
V Profit before exceptional items and tax (III+IV)		**7,554.58**	**5,933.56**
VI Exceptional item			
Expense towards- New Labour Code		119.00	-
VII Profit before tax (V-VI)		**7,435.58**	**5,933.56**
VIII Tax expense	34		
(a) Current tax		1,638.11	1,448.02
(b) Deferred tax charge		21.77	109.73
Total tax expense		**1,659.88**	**1,557.75**
IX Profit after tax (VII -VIII)		**5,775.70**	**4,375.81**
X Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
(a) Re-measurement (losses) on defined benefit plans		(21.42)	(16.07)
(b) Income tax effect		5.38	4.05
(c) Share of Other comprehensive income/(loss) of associates		(0.08)	0.09
		(16.12)	**(11.93)**
Items that will be reclassified subsequently to profit or loss:			
(a) Exchange differences in translating the financial information of foreign operations		55.04	(18.83)
(b) Income tax effect		(13.85)	4.74
(c) Share of Other comprehensive income/(loss) of associates		31.54	(13.02)
		72.73	**(27.11)**
Other comprehensive income/(loss), net of tax		**56.61**	**(39.04)**
XI Total comprehensive income/(loss), net of tax (IX + X)		**5,832.31**	**4,336.77**
Net Profit/(loss) attributable to:			
- Owners of the Company		5,741.73	4,378.48
- Non-controlling interests		33.97	(2.67)
		5,775.70	**4,375.81**
Other comprehensive income/(loss) for the year attributable to:			
-Owners of the Company		43.90	(32.10)
-Non-controlling interests		12.71	(6.94)
		56.61	**(39.04)**
Total comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		5,785.63	4,346.38
- Non-controlling interests		46.68	(9.61)
		5,832.31	**4,336.77**
XII Earnings per share (face value of ₹ 2 each) in Rupees	35		
(a) Basic		287.01	218.96
(b) Diluted		286.72	218.69
The notes referred to above form an integral part of the consolidated financial statements	1 - 44		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Statement of Cash Flows

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars		Year ended March 31, 2026		Year ended March 31, 2025	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit after tax and share in profit/(loss) of associates		**5,775.70**		**4,375.81**
	Adjustments for:				
	Add: Depreciation and amortisation expense	854.99		824.59	
	Tax expense	1,659.88		1,557.75	
	Loss on property, plant and equipments sold/discarded	13.73		4.15	
	Finance costs	78.27		70.65	
	Employee stock compensation cost	17.64		15.66	
	Loss allowances on financial assets	14.67		158.41	
			2,639.18		**2,631.21**
	Less: Interest income	293.39		445.74	
	Dividend income	23.17		22.88	
	Profit on sale of investments	128.17		158.57	
	Gain on investments carried at fair value through profit or loss	533.04		414.64	
	Share of profit/(loss) in associates	384.58		(161.12)	
	Profit on sale of property, plant and equipments	0.92		2.25	
	Exchange differences in translating the financial information of foreign operations	(55.04)		18.82	
			1,308.23		**901.78**
	Operating profit before working capital changes		**7,106.65**		**6,105.24**
	Changes in working capital:				
	Adjustment for (increase)/decrease in operating assets:				
	Inventories	(636.75)		(257.44)	
	Trade receivables	1,026.77		(759.48)	
	Loans-current	(0.85)		(2.51)	
	Loans-non-current	(3.67)		(3.72)	
	Other financial assets	19.24		274.29	
	Other current assets	(337.33)		17.28	
	Other non-current assets	(0.03)		5.97	
			67.38		**(725.61)**
	Adjustment for increase/(decrease) in operating liabilities:				
	Trade payables	1,976.62		76.75	
	Other financial liabilities-current	21.64		18.98	
	Other current liabilities	46.21		164.32	
	Current provisions	81.58		62.05	
	Non-current provisions	181.30		160.81	
			2,307.35		**482.91**
	Cash generated from operations		**9,481.38**		**5,862.54**
	Less: Direct taxes paid (net of refund)		1,166.76		1,565.15
	Net cash generated from operating activities		**8,314.62**		**4,297.39**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on property, plant and equipments, intangible assets, capital work-in-progress and intangible assets under development including capital advances and capital creditors		(1,100.10)		(856.63)
	Proceeds from sale of property, plant and equipments		12.08		22.44
	Deposits (made)/withdrawn		118.53		(103.94)
	Sale of investments other than associates/subsidiaries		49,473.78		49,335.75
	Purchase of investments other than associates/subsidiaries		(52,584.40)		(50,498.20)
	Investment in associates		(720.00)		(123.83)
	Interest income		293.39		445.74
	Dividend income received from associates		5.78		52.43
	Dividend income received from other than associates		23.17		22.88
	Net cash (used) in investing activities		**(4,477.77)**		**(1,703.36)**

Statement of Cash Flows

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

Particulars		Year ended March 31, 2026		Year ended March 31, 2025	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest paid		(78.27)		(70.65)
	Repayment of principal amount of lease liabilities		(54.19)		(55.16)
	Dividend paid		(3,507.31)		(2,799.83)
	Additions to minority interest		61.83		10.00
	Proceeds from issue of equity share capital (including securities premium)		2.46		6.92
	(Repayment) / proceeds from current borrowings		41.79		93.33
	Net cash (used) in financing activities		**(3,533.69)**		**(2,815.39)**
D.	**INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		**303.16**		**(221.36)**
	Cash and cash equivalents at the beginning of the year		**383.55**		**604.91**
	Cash and cash equivalents at the end of the year		**686.71**		**383.55**

Movement of Borrowings	Non-Current Borrowings	Current Borrowings (including current maturities)	Interest expense on financial liabilities	Total
As on March 31, 2025	**-**	**456.76**	**3.79**	**460.55**
Cash Flows (net)	-	41.79	(47.66)	(5.87)
Non Cash:				
Interest expenses	-	-	48.99	48.99
As on March 31, 2026	**-**	**498.55**	**5.12**	**503.67**

Notes:

1. 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.
2. 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 - 44

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Statement of Changes in Equity

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

A. EQUITY SHARE CAPITAL

Amount in crore of INR

Particulars	As at March 31, 2026	
	Number of shares	Amount
Balance as at April 1, 2024	19,99,21,741	39.98
Issue of equity shares under employee share option plan (in absolute INR 178,190 (Note 41))	89,095	0.02
Balance as at March 31, 2025	20,00,10,836	40.00
Issue of equity shares under employee share option plan (in absolute INR 157,882 (Note 41))	78,941	0.02
Balance as at March 31, 2026	**20,00,89,777**	**40.02**

B. OTHER EQUITY*

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				
Balance as at April 1, 2024	#	**73.36**	**2,676.34**	**45.63**	**14,870.51**	**(6.90)**	**17,658.94**	**135.65**	**17,794.59**
Profit for the year	-	-	-	-	4,378.48	-	4,378.48	(2.67)	4,375.81
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	(24.96)	(7.14)	(32.10)	(6.94)	(39.04)
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**	**4,353.52**	**(7.14)**	**4,346.38**	**(9.61)**	**4,336.77**
Transaction with owners, recorded directly in equity									
Addition during the year	-	-	-	-	-	-	-	10.00	10.00
Charge against share-based payments	-	-	-	15.66	-	-	15.66	-	15.66
Transferred to securities premium on issue of shares	-	17.43	-	(17.43)	-	-	-	-	-
Payment of dividend	-	-	-	-	(2,799.83)	-	(2,799.83)	-	(2,799.83)
Adjustment on account of change in controlling interest	-	-	-	-	3.99	-	3.99	(3.99)	-
Issue of equity shares under employee stock option plan	-	6.90	-	-	-	-	6.90	-	6.90
Balance as at March 31, 2025	#	**97.69**	**2,676.34**	**43.86**	**16,428.19**	**(14.04)**	**19,232.04**	**132.05**	**19,364.09**
Profit for the year	-	-	-	-	5,741.73	-	5,741.73	33.97	5,775.70
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	15.44	28.46	43.90	12.71	56.61
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**	**5,757.17**	**28.46**	**5,785.63**	**46.68**	**5,832.31**

Statement of Changes in Equity

for the year ended March 31, 2026
CIN: L35911DL1984PLC017354

Amount in crore of INR

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									
Addition during the year	-	-	-	-	-	-	-	61.83	61.83
Charge against share-based payments	-	-	-	17.64	-	-	17.64	-	17.64
Transferred to securities premium on issue of shares	-	18.89	-	(18.89)	-	-	-	-	-
Payment of dividend	-	-	-	-	(3,501.09)	-	(3,501.09)	(6.22)	(3,507.31)
Transfer from share option outstanding account	-	-	0.46	(0.46)	-	-	-	-	-
Adjustment on account of change in controlling interest	-	-	-	-	34.51	-	34.51	(34.51)	-
Issue of equity shares under employee stock option plan	-	2.44	-	-	-	-	2.44	-	2.44
Balance as at March 31, 2026	#	**119.02**	**2,676.80**	**42.15**	**18,718.78**	**14.42**	**21,571.17**	**199.83**	**21,771.00**

* 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 - 44

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm's registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No.: 094468

Place: New Delhi
Date: May 05, 2026

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
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Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026 were approved by the Board of Directors and authorised for issue on May 05, 2026.

2 BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the 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 crore, up to two decimals unless otherwise stated.

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

2.3 Operating Cycle

Based on the nature of products/activities of the Group and its associates, the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group and its associates 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 off 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, 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, 2026	March 31, 2025
HMCL Americas Inc.	Subsidiary	United States of America	Company	100%	100%
HMC MM Auto Ltd.	Subsidiary	India	Company	60%	60%
HMCL Netherlands B.V.	Subsidiary	Netherlands	Company	100%	100%
HMCL Colombia SAS	Subsidiary	Colombia	HMCL Netherlands BV	58.79%	68%
Hero MotoCorp Do Brasil LTDA*	Subsidiary	Brazil	HMCL Netherlands BV	100%	-
HMCL Niloy Bangladesh Ltd.	Subsidiary	Bangladesh	HMCL Netherlands BV	55%	55%
Hero Tech Center Germany GmbH	Subsidiary	Germany	Company	100%	100%

* Yet to commence the operations

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

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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 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 off 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, 2026	March 31, 2025
Hero FinCorp Limited	Associate	India	Company	40.45%	41.15%
Ather Energy Limited (formerly known as Ather Energy Private Limited)	Associate	India	Company	30.07%	39.60%
Euler Motors Private Limited	Associate	India	Company	34.12%	-

3 GROUP MATERIAL 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 has been transferred to the buyer and performance obligation has been achieved, as per the terms of the sales.
- Revenue from providing services is recognised in the accounting period in which services are rendered.
- The Company arranges transportation and insurance at the time of dispatch of products and recover it from the customers and accordingly recognises it as revenue when the performance obligation is satisfied which takes place upon arrangement of transportation and dispatch of goods by the Company.
- 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 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.

Royalty income is recognised 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 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 recognises 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 recognises 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 recognised 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 amortised 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 7 for other disclosures.

3.3 Foreign currencies

In preparing the financial statements of the Group and its associates, 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

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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 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 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 (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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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 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.

Notes forming part of the financial statements

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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 recognised 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 derecognised 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 based on the estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of 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. 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.

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.

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 recognised 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).

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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 except for trade receivables that do not have a significant financing component which are measured at transaction price 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 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 intents 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.

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 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

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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.

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 material 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 gains are not recognised 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, 2026 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 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 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 and the period in which it will be received. Basis assessment, the Group has recognised the government grants in the Statement of profit and loss and accordingly classified as current and non-current assets.

(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.

4.1 Standards issued but not yet effective

New standards, interpretations and amendments adopted by the Group

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and require companies to disclose that they have applied the relief. This relief is immediate and applies retrospectively. The amendments also require companies to provide new disclosures to compensate for potential loss of information resulting from the relief. Such disclosures are to be provided for annual reporting periods beginning on or after April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Standards notified but not yet effective:

There are no standards that are notified and not yet effective as on the date.

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5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data Processing equipment	Total
Gross carrying amount								
At April 1, 2024	174.88	3,121.87	7,261.72	80.37	90.00	113.81	331.83	11,174.48
Additions	3.43	60.71	460.85	12.15	57.24	14.06	40.41	648.85
Disposals/Adjustments	(3.53)	(2.06)	(71.39)	(0.84)	(11.78)	(0.82)	(14.26)	(104.68)
Foreign currency translation reserve	-	-	(19.81)	0.03	0.01	(0.02)	0.15	(19.64)
At March 31, 2025	**174.78**	**3,180.52**	**7,631.37**	**91.71**	**135.47**	**127.03**	**358.13**	**11,699.01**
Additions	-	67.63	507.26	14.51	47.21	13.45	47.92	697.98
Disposals/Adjustments	(21.78)	(17.71)	(54.51)	(8.16)	(4.65)	(9.07)	(39.86)	(155.74)
Foreign currency translation reserve	-	-	46.02	-	-	-	-	46.02
At March 31, 2026	**153.00**	**3,230.44**	**8,130.14**	**98.06**	**178.03**	**131.41**	**366.19**	**12,287.27**
Accumulated depreciation								
At April 1, 2024	-	823.25	4,729.05	44.03	38.39	87.69	239.48	5,961.90
Depreciation expense	-	98.49	448.40	6.12	13.06	8.72	37.29	612.08
Disposals/Adjustments	-	(0.32)	(67.27)	(0.72)	(2.13)	(0.79)	(13.53)	(84.76)
Foreign currency translation reserve	-	-	(9.33)	-	-	-	-	(9.33)
At March 31, 2025	**-**	**921.42**	**5,100.85**	**49.43**	**49.32**	**95.62**	**263.24**	**6,479.88**
Depreciation expense	-	92.33	444.43	7.72	20.38	9.03	39.33	613.22
Disposals/Adjustments	-	(28.46)	(66.23)	(7.80)	(3.50)	(8.44)	(37.87)	(152.30)
Foreign currency translation reserve	-	-	21.22	-	-	-	-	21.22
At March 31, 2026	**-**	**985.29**	**5,500.27**	**49.35**	**66.20**	**96.21**	**264.70**	**6,962.02**
Net carrying amount								
At March 31, 2025	**174.78**	**2,259.10**	**2,530.52**	**42.28**	**86.15**	**31.41**	**94.89**	**5,219.13**
At March 31, 2026	**153.00**	**2,245.15**	**2,629.87**	**48.71**	**111.83**	**35.20**	**101.49**	**5,325.25**

6 CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work-in-progress*	244.70	105.37
(includes pre-operative expenses of ₹ 3.20 crore (March 31, 2025: ₹ 2.80 crore)		
Total	**244.70**	**105.37**

The following is the movement of Capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	**105.37**	**127.16**
Additions	213.40	92.46
Transfers	(74.07)	(114.25)
Closing balance	**244.70**	**105.37**

* Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

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7 RIGHT-OF-USE ASSETS

Particulars	Leasehold land right	Right-of-use assets	Total
Gross carrying amount			
At April 1, 2024	277.25	337.95	615.20
Additions	-	60.70	60.70
Disposals	-	(11.70)	(11.70)
Foreign currency translation reserve	-	(6.82)	(6.82)
At March 31, 2025	**277.25**	**380.13**	**657.38**
Additions	-	74.89	74.89
Disposals	-	(53.48)	(53.48)
Foreign currency translation reserve	-	27.25	27.25
At March 31, 2026	**277.25**	**428.79**	**706.04**
Accumulated depreciation			
At April 1, 2024	16.13	123.10	139.23
Depreciation expense	3.17	40.85	44.02
Disposals	-	(7.29)	(7.29)
Foreign currency translation reserve	-	(1.97)	(1.97)
At March 31, 2025	**19.30**	**154.69**	**173.99**
Depreciation expense	3.17	51.14	54.31
Disposals	-	(32.03)	(32.03)
Foreign currency translation reserve	-	7.13	7.13
At March 31,2026	**22.47**	**180.93**	**203.40**
Net carrying amount			
At March 31, 2025	**257.95**	**225.44**	**483.39**
At March 31, 2026	**254.78**	**247.86**	**502.64**

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	61.00	46.96
Non-current lease liabilities	219.06	196.21
Total	**280.06**	**243.17**

The following is the movement in lease liabilities:

Particulars	Amount
At April 1, 2024	242.98
Additions/Deletions	60.35
Finance cost accrued during the period	25.64
Payment of principal and interest amount of lease liabilities accrued during the year	(80.80)
Foreign Currency Translation Reserve	(5.00)
At March 31, 2025	**243.17**
Additions/Deletions	73.66
Finance cost accrued during the period	26.32
Payment of principal and interest amount of lease liabilities accrued during the year	(80.51)
Foreign Currency Translation Reserve	17.42
At March 31, 2026	**280.06**

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The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	74.54	59.55
One to five years	231.73	192.98
More than five years	41.45	52.68
Total	**347.72**	**305.21**

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 ₹ 40.55 crore during the year ended March 31, 2026 (previous year- ₹ 36.30 crore).

7A OTHER INTANGIBLE ASSETS

Particulars	Model fee/brand license/Product designs and development	Computer Software	Technical know how/Export licenses	Total
Gross carrying amount				
At April 1, 2024	1,437.08	275.51	2,912.50	4,625.09
Additions	170.37	34.89	-	205.26
Disposals/Adjustments	-	(0.05)	-	(0.05)
Foreign Currency Translation reserve	-	(0.14)	-	(0.14)
At March 31, 2025	**1,607.45**	**310.21**	**2,912.50**	**4,830.16**
Additions	122.11	29.68	-	151.79
Disposals/Adjustments	-	-	-	-
Foreign Currency Translation reserve	-	5.66	0.32	5.98
At March 31, 2026	**1,729.56**	**345.55**	**2,912.82**	**4,987.93**
Accumulated amortisation				
At April 1, 2024	975.15	197.10	2,909.19	4,081.44
Amortisation expense	139.05	27.89	1.55	168.49
Disposals/Adjustments	-	(0.04)	-	(0.04)
Foreign Currency Translation reserve	-	(0.19)	-	(0.19)
At March 31, 2025	**1,114.20**	**224.76**	**2,910.74**	**4,249.70**
Amortisation expense	157.45	28.98	1.03	187.46
Disposals/Adjustments	-	-	-	-
Foreign Currency Translation reserve	-	5.09	-	5.09
At March 31, 2026	**1,271.65**	**258.82**	**2,911.77**	**4,442.24**
Net block				
At March 31, 2025	**493.25**	**85.45**	**1.76**	**580.46**
At March 31, 2026	**457.91**	**86.72**	**1.05**	**545.68**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

8 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible Assets Under Development*	520.26	381.81
Total	**520.26**	**381.81**

The following is the movement in Intangible Assets under Development:

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	**381.81**	**356.90**
Additions	140.77	35.52
Transfers	(2.32)	(10.61)
Closing balance	**520.26**	**381.81**

* Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

9A INVESTMENTS

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31,2026 Current	As at March 31,2026 Non-Current	As at March 31,2025 Current	As at March 31,2025 Non-Current
Equity accounted investment in Associates						
Investment in equity instruments						
Unquoted Investments						
Investment in Associates (carrying amount determined using equity method of accounting)						
Hero FinCorp Limited						
Equity shares of Face Value of ₹ 10 each#	5,24,31,893	5,24,31,893	-	1,469.04	-	1,469.04
# (including Goodwill on acquisition of interest ₹ 50.76 crore (Previous Year ₹ 51.64 crore))						
Add: Group's share of profit (net of dividend received)**			-	937.98	-	922.61
			-	**2,407.02**	**-**	**2,391.65**
Ather Energy Limited (Formerly known as Ather Energy Private Limited)						
Equity Shares of Face Value of ₹ 1 each##	11,50,83,252	11,50,83,252	-	1,680.31	-	1,680.31
## (including Goodwill on acquisition of interest ₹ 355.30 crore (Previous Year ₹ 470.12 crore))						
Add: Group's share of profit/(loss)**			-	(586.92)	-	(1,091.02)
			-	**1,093.39**	**-**	**589.29**
Euler Motors Private Limited						
Equity shares of Face Value of ₹ 1 each###	10	-	-	0.01	-	-
Preference shares Series D of Face Value of ₹ 100 each (Compulsory convertible into equity instruments)	6,65,914	-	-	509.99	-	-
### (including Goodwill on acquisition of interest ₹ 260.91 crore)						
Add: Group's share of profit/(loss)**				(109.21)		
			-	**400.79**	**-**	**-**
Investment in equity instruments			**-**	**3,901.20**	**-**	**2,980.94**

** All the above associates are accounted for using equity method in these consolidated financial statements as set out in group accounting policies in Note 2.5.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9B INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31,2026		As at March 31,2025	
			Current	Non-Current	Current	Non-Current
Category-wise investments						
Investment in equity instruments			27.53	191.74	25.39	360.24
Investment in preference shares			-	1,386.55	-	1,009.53
Investment in bonds			302.40	1,154.48	513.27	1,245.42
Investment in mutual funds			11,874.90	447.56	6,097.33	2,152.14
			12,204.83	**3,180.33**	**6,635.99**	**4,767.33**
Investments carried at fair value through profit or loss (FVTPL)						
Investment in equity instruments of Other Entities						
Quoted Investments						
Bombay Stock Exchange Limited						
(Face Value of ₹ 2 each)	6,31,800	2,10,600	-	169.54	-	115.40
Gogoro Inc.						
(Face value of USD 0.002 each) (Previous year: Face value of USD 0.0001 each)	75,000	15,00,000	-	2.48	-	3.88
Face value of Bangladesh Takas 10 each						
ACME Pesticides Ltd.	50,000	50,000	0.08	-	0.05	-
Bangladesh Export Import Company Ltd.	32,025	32,025	0.27	-	0.25	-
Bangladesh Building Systems Ltd.	1,00,000	1,00,000	0.09	-	0.09	-
Baraka Patenga Power Ltd.	1,40,000	1,40,000	0.16	-	0.11	-
Baraka Power Ltd.	1,15,000	1,15,000	0.07	-	0.08	-
BBS Cables PLC	1,30,511	1,30,511	0.19	-	0.17	-
Beximo Green-Sukuk al Istisna's	2,89,085	2,89,085	1.38	-	0.92	-
British American Tobacco Bangladesh Company Ltd.	42,545	8,000	0.73	-	0.18	-
Coppertech Industries Ltd.	52,000	52,000	0.08	-	0.07	-
Delta Brac Housing Finance PLC	45,777	44,880	0.13	-	0.11	-
DBH First Mutual Fund	12,60,695	12,60,695	0.46	-	0.43	-
Export Import (Exim) Bank of Bangladesh Ltd.	19,93,013	18,93,013	0.46	-	0.88	-
GPH Ispat Ltd.	6,39,334	2,19,334	0.80	-	0.34	-
Green Delta Mutual Fund	20,00,000	20,00,000	0.54	-	0.53	-
IFAD Autos Ltd.	3,23,452	3,23,452	0.53	-	0.54	-
IFIC Bank PLC	16,83,159	16,83,159	0.69	-	0.84	-
Jamuna Bank Ltd.	-	3,29,110	-	-	0.45	-
LafargeHolcim Bangladesh PLC	3,20,475	3,20,475	1.27	-	1.03	-
Lankabangla Finance Ltd.	75,000	75,000	0.08	-	0.10	-
LR Global Bangladesh Mutual Fund One	13,80,000	13,80,000	0.35	-	0.34	-
Mercantile Bank PLC	7,72,140	7,72,140	0.51	-	0.56	-
National Credit and Commerce Bank PLC	32,98,260	32,98,260	3.26	-	2.53	-
National Tubes Ltd.	1,05,133	1,05,133	0.52	-	0.59	-
One Bank PLC	5,13,488	5,13,488	0.30	-	0.30	-
Power Grid Company of Bangladesh Ltd.	70,000	70,000	0.16	-	0.18	-
Robi Axiata PLC	2,95,000	2,55,000	0.66	-	0.47	-
Runner Automobiles Ltd.	1,51,800	1,51,800	0.46	-	0.28	-
Singer Bangladesh Ltd.	52,999	52,999	0.35	-	0.41	-
Southeast Bank PLC	10,14,973	10,14,973	0.75	-	0.70	-
Square Pharmaceuticals PLC	59,000	50,000	0.96	-	0.77	-
The Premier Bank PLC	7,96,525	7,96,525	0.31	-	0.51	-
United Power Generation & Distribution Company Ltd.	1,37,944	1,37,944	1.24	-	1.12	-
Walton Hi-Tech Industries PLC	8,131	7,392	0.24	-	0.24	-
Government Treasury Bond- 2Y BGTB 03/01/2026	-	50,000	-	-	0.36	-
Government Treasury Bond- 2Y BGTB 08/11/2025	-	50,000	-	-	0.35	-
Government Treasury Bond- 2Y BGTB 06/11/2026	4,00,000	4,00,000	3.12	-	2.81	-
Government Treasury Bond- 2Y BGTB 07/08/2026	2,00,000	2,00,000	1.55	-	1.41	-
Government Treasury Bond- 2Y BGTB 08/01/2027	2,00,000	2,00,000	1.54	-	1.41	-
Government Treasury Bond- 5Y BGTB 15/05/2029	3,00,000	3,00,000	2.42	-	2.16	-
Government Treasury Bond- 5Y BGTB 11/12/2029	1,00,000	1,00,000	0.81	-	0.71	-
Government Treasury Bond- 5Y BGTB 13/12/2028	1,000	1,000	0.01	-	0.01	-
Investments carried at fair value through profit or loss (FVTPL)			**27.53**	**172.02**	**25.39**	**119.28**
Investments carried at fair value through profit or loss (FVTPL)						
Investments in equity instruments of other entities						
Unquoted Investments						
Zero Motorcycles Inc.						
(Face Value of USD 0.001 each)	55,81,395	55,81,395	-	18.74	-	240.96
Clean Max Karkoram Private Limited						
(Face Value of ₹ 10 each)	16,129	-	-	0.98	-	-
Investments in equity instruments carried through profit or loss (FVTPL)			**-**	**19.72**	**-**	**240.96**
Investments carried at fair value through profit or loss (FVTPL)						
Investment in Associates						
Hero FinCorp Limited						
Investment in Preference Shares (Financial Instrument) of Face Value of ₹ 550 each	1,27,27,272	1,27,27,272	-	1,176.55	-	1,009.53
Euler Motors Private Limited						
Investment in Preference Shares (Financial Instrument) of Face Value of ₹ 100 each	2,68,219	-	-	210.00	-	-
Investment in Preference shares			**-**	**1,386.55**	**-**	**1,009.53**
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 fund						
Units of the face value of ₹ 10 each						
ICICI Prudential Mutual Fund						
Blended Plan B- Direct Plan- Growth Option (Merged with Banking and PSU Debt Fund Direct Plan Growth)	3,25,95,446	3,25,95,446	115.24	-	108.79	-
Corporate Bond Fund -Direct Plan -Growth	1,58,05,811	1,58,05,811	51.30	-	48.29	-
Credit Risk Fund -Direct Plan -Growth	3,02,39,527	3,02,39,527	112.01	-	103.01	-
All Seasons Bond Fund -Direct Plan -Growth	2,65,63,812	2,65,63,812	108.87	-	103.75	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9B INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31,2026		As at March 31,2025	
			Current	Non-Current	Current	Non-Current
Aditya Birla Sunlife Mutual Fund						
Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Plan Growth	34,19,78,125	34,19,78,125	443.54	-	-	415.34
Kotak Mutual Fund						
Debt Hybrid Fund Direct Growth	1,54,02,672	1,54,02,672	102.68	-	100.73	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Credit Risk Fund-Direct Growth Plan Growth Option	3,90,79,742	3,90,79,742	158.94	-	146.40	-
Corporate Bond Fund -Direct Plan Growth Plan	5,79,50,214	2,66,79,406	377.45	-	163.98	-
Short Duration Fund- Direct Growth Plan Growth Option	1,70,74,199	-	101.85	-	-	-
SBI Mutual Fund						
Conservative Hybrid Fund Direct Plan Growth	3,65,42,245	2,40,96,849	290.87	-	183.99	-
CPSE Bond Plus SDL SEP 2026 50:50 Index Fund - Direct Plan - Growth	19,63,39,110	19,63,39,110	252.73	-	-	236.58
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Banking & PSU Debt Fund - Direct Plan - Growth (erstwhile IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	2,86,29,997	2,86,29,997	75.13	-	70.97	-
Money Market Fund Direct Growth	-	1,17,07,957	-	-	50.11	-
HDFC Mutual Fund						
Low Duration Fund- Direct Plan- Growth Option	1,11,41,341	1,11,41,341	73.02	-	68.26	-
Credit Risk Debt Fund -Direct -Growth	12,32,09,558	8,55,79,216	335.43	-	216.89	-
Corporate Bond -Direct -Growth	5,60,97,827	-	191.48	-	-	-
Axis Mutual Fund						
Short Term-Direct Plan-Growth	2,03,55,074	2,03,55,074	71.46	-	66.97	-
Corporate Bond Fund-Direct Growth	9,54,02,193	-	178.95	-	-	-
DSP Mutual Fund						
Low Duration Fund- Direct Plan- Growth	1,03,95,299	1,03,95,299	22.21	-	20.86	-
Edelweiss Mutual Fund						
Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan Growth	78,38,10,661	78,38,10,661	1,069.96	-	-	1,002.95
Franklin Templeton Mutual Fund						
Money Market Fund -Direct Fund Plan Growth	6,65,17,451	1,57,84,510	360.90	-	80.23	-
Tata Mutual Fund						
Corporate Bond Fund Direct Plan Growth	15,53,80,167	-	202.46	-	-	-
HSBC Mutual Fund						
Corporate Bond Fund- Direct Growth	2,13,19,962	-	172.07	-	-	-
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Savings Fund-Direct Plan-Growth Option	51,55,314	51,55,314	297.64	-	278.19	-
Money Market Fund Direct Plan Growth	-	21,34,907	-	-	80.41	-
Aditya Birla Sunlife Mutual Fund						
Low Duration Fund -Growth-Direct Plan	43,63,469	43,63,469	332.05	-	310.53	-
Corporate Bond Fund -Growth-Direct Plan	2,55,84,226	-	301.70	-	-	-
Money Manager Fund-Growth- Direct Plan	61,48,928	-	241.14	-	-	-
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
ETF NIFTY SDL-2026 Maturity-30.04.2026	3,85,00,000	3,85,00,000	528.23	-	-	497.27

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9B INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31,2026		As at March 31,2025	
			Current	Non-Current	Current	Non-Current
Units of the face value of ₹ 1000 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Low Duration Fund- Direct Growth Plan Growth Option	1,72,138	1,72,138	71.51	-	66.88	-
Money Market Fund Direct Plan Growth	2,41,441	-	106.24	-	-	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Short Duration Fund-Direct Plan Growth	3,13,044	3,13,044	127.78	-	120.26	-
Ultra Short Term Fund- Direct Plan Growth (Formerly Medium Term Bond Fund-Direct Plan Growth)	6,29,377	6,29,377	189.57	-	177.68	-
Corporate Bond Fund - Direct Plan Growth	6,70,419	4,50,789	235.35	-	150.03	-
Money Market Fund-Direct Plan Growth	-	3,28,503	-	-	101.53	-
Kotak Mutual Fund						
Low Duration Fund Direct Growth	3,80,566	3,80,566	145.28	-	135.73	-
Corporate Bond Fund-Direct Growth	1,90,019	-	77.55	-	-	-
Money Market Fund-Direct Plan-Growth	5,81,284	1,35,274	275.80	-	60.13	-
Axis Mutual Fund						
Banking & PSU Debt Fund- Direct Growth	4,49,207	4,49,207	126.36	-	119.38	-
Money Market Fund Direct Growth	6,62,218	4,74,512	100.14	-	67.19	-
HDFC Mutual Fund						
Money Market Fund Direct Plan Growth	-	87,654	-	-	50.11	-
UTI Mutual Fund						
Money Market Fund Direct Plan Growth	4,08,282	1,63,734	133.36	-	50.11	-
TATA Mutual Fund						
Money Market Fund Direct Plan Growth	1,67,343	2,56,717	84.33	-	121.08	-
Edelweiss Mutual Fund						
Bharat Bond ETF April 2030	28,65,706	33,03,209	-	447.56	425.84	-
Equity fund						
Units of the face value of ₹ 10 each						
Edelweiss Mutual Fund						
Arbitrage Fund -Direct Plan Growth	26,05,33,634	16,46,14,121	568.46	-	336.53	-
Invesco Mutual Fund						
Arbitrage Fund - Direct Plan Growth	20,13,93,202	13,83,30,843	729.66	-	469.10	-
Kotak Mutual Fund						
Kotak Equity Arbitrage Fund- Direct Plan-Growth	7,89,28,991	5,43,37,517	331.73	-	213.83	-
DSP Mutual Fund						
DSP Arbitrage Fund- Dir- Growth	27,99,17,517	17,60,05,154	458.92	-	270.71	-
Axis Mutual Fund						
Axis Arbitrage Fund- Direct Growth	10,42,33,157	5,56,70,608	222.09	-	111.05	-
HDFC Mutual Fund						
Arbitrage Fund - Wholesale - Direct Plan - Growth	10,21,73,700	5,33,64,641	216.08	-	105.81	-
SBI Mutual Fund						
Arbitrage Opportunities Fund - Direct Plan - Growth	2,99,39,400	2,99,39,400	112.90	-	105.73	-
Aditya Birla Sunlife Mutual Fund						
Arbitrage Fund -Growth-Direct Plan	2,51,45,046	2,51,45,046	75.56	-	70.70	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9B INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31,2026		As at March 31,2025	
			Current	Non-Current	Current	Non-Current
Bandhan Mutual Fund (erstwhile IDFC Mutual Fund)						
Arbitrage Fund-Growth-(Direct Plan) Growth	5,51,07,033	2,70,68,890	202.77	-	93.42	-
TATA Mutual Fund						
Arbitrage Fund Direct Plan Growth	6,50,55,437	6,50,55,437	103.27	-	96.55	-
Baroda BNP Paribas Mutual Fund						
Arbitrage Fund- Direct Growth Growth	2,84,27,343	-	50.56	-	-	-
Liquid/Overnight fund						
Units of the face value of ₹ 100 each						
Nippon India Mutual Fund (Formerly Reliance Mutual Fund)						
Overnight Fund -Direct Growth Plan	-	54,74,277	-	-	75.07	-
Aditya Birla Sunlife Mutual Fund						
Liquid Fund -Growth-Direct Plan	-	17,94,203	-	-	75.13	-
Units of the face value of ₹ 1000 each						
Axis Mutual Fund						
Liquid Fund- Direct Growth	-	1,73,685	-	-	50.08	-
Kotak Mutual Fund						
Liquid Fund Direct Plan Growth	-	1,91,188	-	-	100.17	-
Aditya Birla Sunlife Mutual Fund						
Overnight Fund Direct plan Growth	10,57,562	-	154.06	-	-	-
ICICI Prudential Mutual Fund						
Overnight Fund Direct Plan Growth	10,33,884	-	150.05	-	-	-
HDFC Mutual Fund						
Overnight Fund- Direct Plan- Growth Option	6,41,705	-	256.21	-	-	-
Liquid Fund Direct Plan Growth	-	1,47,517	-	-	75.14	-
Investment in mutual funds			**11,874.90**	**447.56**	**6,097.33**	**2,152.14**
Investments carried at amortised cost						
Quoted Investments						
Investments in bonds						
Face Value of ₹ 1000 each						
8.00% Aditya Birla Finance Limited 2026-Maturity-09.10.2026	3,50,000	3,50,000	36.26	-	-	36.20
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,49,300	1,49,300	15.04	-	-	15.04
7.75% Muthoot Finance Limited 2026-Maturity-04.10.2026	1,50,000	1,50,000	15.11	-	-	15.11
7.75% Muthoot Finance Limited OP I TR II-Maturity-04.10.2026	1,20,000	1,20,000	12.09	-	-	12.09
Face Value of ₹ 1,00,000 each						
7.9050% Tata Capital Financial Services Limited 2026-Maturity-03.12.2026	3,000	3,000	31.51	-	-	31.43
8.25% Mahindra & Mahindra Financial Services Limited 2026-Maturity-26.03.2026	-	2,000	-	-	20.02	-
8.25% Mahindra & Mahindra Financial Services Limited 2026-Maturity-26.03.2026	-	1,500	-	-	15.01	-
8.30% Tata Capital Financial Services Limited 13 Mar 2026-Maturity-13.03.2026	-	2,500	-	-	25.13	-
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	4,000	4,000	43.16	-	-	43.10
8.75% Shriram Finance Limited 2026-Maturity-04.05.2026	5,000	5,000	53.94	-	-	53.84
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	1,500	1,500	-	15.67	-	15.69
8.90% Muthoot Finance Limited 2027 - Maturity - 07.10.2027	2,500	2,500	-	26.12	-	26.16
8.78% Muthoot Finance Limited 2027 - Maturity - 20.05.2027	1,000	1,000	-	10.76	-	10.77
8.75% Shriram Finance Limited - Maturity - 15.06.2026	3,000	3,000	30.12	-	-	30.06
8.20% Muthoot Finance Limited - Maturity - 30.04.2030	5,000	-	-	53.75	-	-
8.03% Muthoot Finance Limited OP II 2031 - Maturity - 20.01.2031	2,500	-	-	25.38	-	-
8.67% Muthoot Finance Limited 2030 - Maturity - 16.01.2030	2,500	-	-	25.95	-	-
8.75% Piramal Finance Limited 2027 - Maturity - 29.10.2027	2,500	-	-	26.09	-	-
8.75% Piramal Finance Limited 2027 - Maturity - 29.10.2027	5,000	-	-	52.19	-	-
Face Value of ₹ 10,00,000 each						
8.15% Bank Of Baroda Sr XV BD Perpetual-Maturity-13.01.2026	-	250	-	-	25.45	-
7.73% State Bank Of India SR II BD Perpetual -Maturity-24.11.2025	-	250	-	-	25.73	-
7.99% LIC Housing Finance Limited -Maturity-12.07.2029	500	500	-	53.79	-	54.04
6.83% HDFC Bank Limited - Maturity-08.01.2031	500	500	-	49.82	-	49.66
6.65% Food Corporation Of India Sr. IX -Maturity-23.10.2030	500	500	-	50.37	-	50.19
7.92% REC Limited Series 189-Maturity-31.03.2030	350	350	-	35.66	-	35.80
7.79% REC Limited Series 198B-Maturity-21.05.2030	150	150	-	16.26	-	16.32
6.39% National Bank For Agriculture And Rural Development-Maturity-19.11.2030	250	250	-	24.99	-	24.88
6.42% National Bank For Agriculture And Rural Development - Maturity-25.11.2030	200	200	-	19.99	-	19.91
7.25% HDFC Bank Limited Series X-006-Maturity-17.06.2030	500	500	-	52.86	-	52.86
7.54% National Highways Authority Of India Series VIII-Maturity-27.01.2030	500	500	-	51.29	-	51.44
7.05% LIC Housing Finance Limited-Maturity-21.12.2030	250	250	-	25.46	-	25.46
7.70% LIC Housing Finance Limited Sr 2-Maturity-10.03.2031	250	250	-	25.70	-	25.81
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	500	500	-	51.13	-	51.14
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.25	-	26.27
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	26.25	-	26.27
7.10% Tata Capital Financial Services Limited SR H-Maturity-29.09.2031	500	500	-	51.54	-	51.51
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.97	-	25.95
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	500	500	-	50.63	-	50.56
7.09% Food Corporation Of India SR X-Maturity-13.08.2031	250	250	-	25.95	-	25.92
7.05% HDFC Bank Limited SR AA-Maturity-01.12.2031	250	250	-	25.26	-	25.22

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

9B INVESTMENTS (CONTD.)

Particulars	Units As at March 31, 2026	Units As at March 31, 2025	As at March 31,2026		As at March 31,2025	
			Current	Non-Current	Current	Non-Current
7.41% Power Finance Corporation Ltd. SR 197-Maturity-15.05.2030	150	150	-	15.23	-	15.26
7.79% REC Limited Series 198B-Maturity-21.05.2030	100	100	-	10.89	-	10.94
6.80% REC Limited SR 203A-Maturity-20.12.2030	200	200	-	20.09	-	20.04
7.09% Food Corporation Of India SRX-Maturity-13.08.2031	250	250	-	25.91	-	25.89
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	-	350	-	-	37.06	-
7.15% Small Industries Development Bank Of India-Maturity-02.06.2025	-	150	-	-	15.88	-
7.34% National Housing Bank-Maturity-07.08.2025	-	250	-	-	26.49	-
6.50% Power Finance Corporation Ltd. SR 208-Maturity-17.09.2025	-	350	-	-	36.05	-
8.39% Power Finance Corporation Ltd.SR-130C-Maturity-19.04.2025	-	250	-	-	25.08	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	-	250	-	-	25.60	-
8.33% Rural Electrification Corporation Limited SR-133-Maturity-10.04.2025	-	250	-	-	25.60	-
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	-	250	-	-	25.30	-
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	250	26.17	-	-	25.76
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	-	250	-	-	25.31	-
5.70% National Bank For Agriculture And Rural Development SR22D-Maturity-31.07.2025	-	250	-	-	25.81	-
7.90% LIC Housing Finance Limited TR 421-Maturity-23.06.2027	500	500	-	53.02	-	53.02
7.40% National Bank For Agriculture And Rural Development SR 23A-Maturity-30.01.2026	-	300	-	-	30.36	-
6% HDFC Bank Limited Z-001-Maturity-29.05.2026	250	250	26.18	-	-	25.79
7.40% HDFC Bank Limited SR AA-006-Maturity-02.06.2025	-	250	-	-	26.51	-
6.01% LIC Housing Finance Limited TR 409-Maturity-19.05.2026	100	100	10.50	-	-	10.34
7.75% Small Industries Development Bank Of India SRVI-Maturity-27.10.2025	-	250	-	-	25.91	-
7.95% ICICI Home Finance Company Limited SRHDB Nov221 TR 2-Maturity-24.11.2025	-	250	-	-	25.68	-
6.00% HDB Financial Services Limited 2025-Maturity-19.06.2025	-	250	-	-	25.29	-
7.95% Cholamandalam Investment & Finance Company Limited 2027 - Maturity - 18.05.2027	250	250	-	26.63	-	26.56
7.95% Cholamandalam Investment & Finance Company Limited 2027 - Maturity - 18.05.2027	500	500	-	53.25	-	53.12
7.30% Credila Financial Services Limited 2029 - Maturity - 23.02.2029	250	-	-	24.38	-	-
Bonds in BRAC Bank Limited	1	1	2.32	-	-	-
Investment in bonds			**302.40**	**1,154.48**	**513.27**	**1,245.42**
Total Investments			**12,204.83**	**3,180.33**	**6,635.99**	**4,767.33**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-Current	Current	Non-Current
Aggregate book value of quoted investments	329.93	1,326.50	538.66	1,364.69
Aggregate market value of quoted investments	319.01	1,260.13	526.50	1,317.39
Aggregate carrying value of unquoted investments	11,874.90	5,755.03	6,097.33	6,383.57

Category-wise investment as per Ind AS 109 classification

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-Current	Current	Non-Current
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in Mutual Funds	11,874.90	447.56	6,097.33	2,152.14
Investment in Preference Shares	-	1,386.55	-	1,009.53
Investment in Equity Shares	-	19.72	-	240.96
Quoted				
Investment in equity instruments	27.53	172.02	25.39	119.28
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	302.40	1,154.48	513.27	1,245.42

Notes:

(1) The above does not include investments in subsidiaries and associates amounting to ₹ 3,901.20 crore (as at March 31, 2026) and ₹ 2980.94 crore (as at March 31, 2025) accounted for as per equity method.

(2) In previous year, Ather Energy Limited issued 2,85,480 bonus equity shares against existing 1,098 equity shares in the ratio 260:1.

The Holding company has further invested in Ather Energy Limited amounting to ₹ 123.83 crore (comprising of 18,488 CCPS and 10,51,047 equity shares).

In previous year, Ather Energy Limited has converted all its CCPS into equity shares. Hero MotoCorp was having 4,35,807 CCPS share (inclusive of 1,869 CCPS - Anti Dilutive) which got converted into 11,37,45,627 equity shares of Ather Energy at a rate of 261 equity shares per preference share. During the previous year, Ather Energy Limited, successfully completed its Initial Public Offering (IPO) of equity shares. Following the IPO, the equity shares of Ather Energy Limited were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

(3) During the current year, the Holding Company invested ₹ 510 crore in Euler Motors Private Limited through subscription to 10 units of Series D equity shares and 6,65,914 units of Series D CCPS, resulting in a 34.12% stake. Considering the Holding Company's shareholding and board representation, Euler Motors has been classified as an associate and accounted for in accordance with Ind AS 28 in the these financial statements.

Further, the Company invested ₹ 210 crore in 2,68,219 Series E CCPS of Euler Motors Private Limited. As the conversion ratio is not fixed, the instrument has been classified as a financial instrument and measured at FVTPL in accordance with Ind AS 109.

(4) During the year, an investment of USD 35 million (approximately ₹ 330 crore) was made in Zero Motorcycles, Inc. by the existing shareholder, along with certain restructuring arrangements, resulting in dilution of the Holding Company's shareholding from 6.90% to 0.8%. Management has considered the transaction valuation as a Level 2 input for fair valuation of the investment and, accordingly, recognised a fair value loss of ₹ 222 crore during the current year.

(5) During the year the Bombay Stock Exchange Limited has issued bonus shares in 2:1 ratio resulting in total no. of shares held by the Holding Company from 210,600 to 631,800.

(6) During the financial year 2025-26, Gogoro Inc. implemented a 1-for-20 reverse stock split, adjusting the par value per share from USD 0.0001 to USD 0.002. Consequently, the Company's investment holding in Gogoro Inc. was proportionally reduced from 1,500,000 shares to 75,000 shares, with no impact on aggregate cost basis.

(7) Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 42.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026	As at March 31, 2025
Hero FinCorp Limited	Non-Banking Financial Company	India	40.45%	41.15%
Ather Energy Limited (formerly known as Ather Energy Private Limited)	Business of designing and manufacturing smart electric vehicles and associated charging infrastructure	India	30.07%	39.60%
Euler Motors Private Limited	Business of designing and manufacturing smart electric commercial vehicles and associated charging and software infrastructure.	India	34.12%	-

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.

A. Hero FinCorp Limited

Particulars	As at March 31, 2026	As at March 31, 2025
Non-financial assets	1,181.63	1,141.36
Financial assets	59,010.01	58,901.03
Non-financial liabilities	(209.07)	(172.04)
Financial liabilities	(54,072.16)	(54,109.59)
Non-controlling interests	(10.66)	(7.61)

Hero FinCorp Ltd. being a non-banking financial company, does not bifurcate between current and non-current assets or liabilities, its financial statements presents financial and non-financial assets.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total revenue	9,583.26	9,832.73
Profit/(Loss) for the year	(226.01)	109.95
Other comprehensive income for the year	78.57	(26.99)
Total Comprehensive income for the year	(147.44)	82.96
Dividends received from the associate during the year	5.78	52.43

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements

Particulars	As at March 31, 2026	As at March 31, 2025
Net assets of the associate	5,899.75	5,753.15
Proportion of the Group's ownership interest in the associate	40.45%	41.15%
Group's ownership interest in the associate	2,386.46	2,367.43
Add: Goodwill on acquisition	50.76	51.64
Less:- Other Adjustments	(30.20)	(27.42)
Carrying amount of the Group's interest in the associate	**2,407.02**	**2,391.65**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

B. Ather Energy Limited (formerly known as Ather Energy Private Limited)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current assets	1,346.61	943.80
Current assets	3,374.90	1,156.80
Non-current liabilities	(753.64)	(434.40)
Current liabilities	(1,395.24)	(1,173.20)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue	3,671.76	2,255.00
Loss for the year	(517.17)	(812.30)
Other comprehensive income for the year	0.42	(4.60)
Total Comprehensive income for the year	(516.75)	(816.90)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements

Particulars	As at March 31, 2026	As at March 31, 2025
Net assets of the associate	2,572.63	493.00
Proportion of the Group's ownership interest in the associate	30.07%	39.60%
Group's ownership interest in the associate	**773.59**	**195.24**
Add: Goodwill on acquisition	355.30	470.12
Less:- Other Adjustments	(35.50)	(76.07)
Carrying amount of the Group's interest in the associate	**1,093.39**	**589.29**

C. Euler Motors Private Limited

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current assets	548.86	-
Current assets	878.56	-
Non-current liabilities	(705.68)	-
Current liabilities	(297.19)	-

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue	402.02	-
Loss for the year	(314.75)	-
Other comprehensive income for the year	(1.16)	-
Total Comprehensive income for the year	(315.90)	-

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements

Particulars	As at March 31, 2026	As at March 31, 2025
Net assets of the associate	424.55	-
Proportion of the Group's ownership interest in the associate	34.12%	-
Group's ownership interest in the associate	**144.86**	**-**
Add: Goodwill on acquisition	260.91	-
Less:- Other Adjustments	(4.98)	-
Carrying amount of the Group's interest in the associate	**400.79**	**-**

10 LOANS

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Loans to employees	28.54	24.87
Total	**28.54**	**24.87**
Current		
Unsecured, considered good		
Loans to employees	27.92	27.07
Total	**27.92**	**27.07**

Note:

1. These financial assets are carried at amortised cost, unless otherwise stated.
2. The Group's exposure to credit and currency risks, and impairment allowances related to Loans (Financial assets) is disclosed in Note 42.

11 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Unsecured, considered good		
Security Deposits	54.04	47.09
Accrual of incentive from State Government	185.06	185.06
Less: Loss allowance	(185.06)	(185.06)
Accrual of incentive from State Government (Net)	-	-
Total	**54.04**	**47.09**
Current		
Unsecured, considered good		
Interest accrued on deposits	9.52	16.58
Incentive from Government*	52.83	53.40
Security Deposit	8.77	6.90
Other recoverables	44.28	64.72
Total	**115.40**	**141.59**

Note:

1. These financial assets are carried at amortised cost, unless otherwise stated.
2. The Group's exposure to credit and currency risks, and impairment allowances related to other financial assets is disclosed in Note 42.

* Including EV Subsidy under various inititaives of Government of ₹ 52.83 crore (March 31, 2025 - ₹ 53.40 crore)

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

12 INCOME TAX ASSETS/(LIABILITIES) NET

Particulars	As at March 31, 2026	As at March 31, 2025
A. Income tax assets (net)		
Non-current		
Advance income tax	126.92	1,720.04
Less: Provision for taxation	-	1,465.55
Total	**126.92**	**254.49**
Current		
Advance income tax	-	198.12
Total	**-**	**198.12**
B. Income tax liabilities (net)		
Current		
Provision for taxation	1,662.49	-
Less: Advance income tax	1,523.14	-
Total	**139.35**	**-**

13 OTHER ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Unsecured, considered good		
Capital advances	102.13	95.21
Prepaid expenses	6.06	6.03
Balance with government authorities		
- Excise duty and others	0.31	0.31
- VAT/sales tax and others	10.00	10.00
Total	**118.50**	**111.55**
Current		
Unsecured, considered good		
Prepaid expenses	61.78	102.00
Advance to suppliers	320.25	276.85
Less: Loss allowance	(50.14)	(50.14)
Advance to suppliers (Net)	**270.11**	**226.71**
Other advances	24.52	22.62
Balance with government authorities		
- VAT/sales tax and others	116.91	71.55
- Goods and service TAX (GST)	301.87	12.72
- Export incentive receivable	24.55	26.81
Total	**799.74**	**462.41**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

14 INVENTORIES

(Lower of cost or net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components	1,078.99	839.28
Goods-in-transit of raw materials and components	134.23	47.54
Work-in-progress (Two Wheelers)	79.14	65.26
Finished goods		
Two wheelers	1,000.32	737.73
Goods-in-transit of two wheelers	0.01	4.68
Spare parts	152.35	133.51
Stock in trade	40.78	28.09
Stores and spares	141.32	131.38
Loose tools	22.95	25.87
Total	**2,650.09**	**2,013.34**

Note:

1. The mode of valuation of inventories has been stated in Note 3.12
2. The value of inventories above is stated after provisions (net of reversals) ₹ 118.40 crore (previous year ₹ 66.50 crore) for write down to net realisable value and provision for slow moving and obsolete items.

15 TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Trade receivables considered good- (Secured)	48.84	48.86
Trade receivables considered good- (Unsecured) *	2,291.01	3,332.43
Trade receivables credit impaired	157.93	145.36
	2,497.78	**3,526.65**
Less: Allowance for expected credit loss	157.93	145.36
Total	**2,339.85**	**3,381.29**

Note:

1. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.
2. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 42.

* Include receivables from related parties (Refer Note 38)

Trade receivables ageing as on March 31, 2026:

Particulars	Outstanding from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,574.83	722.54	42.48	-	-	-	2,339.85
Undisputed Trade Receivables - credit impaired	14.98	6.30	9.12	23.01	2.83	61.89	118.13
Disputed Trade Receivables - credit impaired	0.08	0.27	0.49	2.88	6.97	29.10	39.79
Total-Gross carrying amount	**1,589.89**	**729.11**	**52.09**	**25.89**	**9.80**	**90.99**	**2,497.77**
Expected loss rate	0.95%	0.90%	18.45%	100.00%	100.00%	100.00%	6.32%
Expected credit losses (Loss allowance provision)	15.06	6.57	9.61	25.89	9.80	90.99	157.92
Carrying amount of Trade receivable	**1,574.83**	**722.54**	**42.48**	**-**	**-**	**-**	**2,339.85**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Trade receivables ageing as on March 31, 2025:

Particulars	Outstanding from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,780.29	1,591.84	9.16	-	-	-	3,381.29
Undisputed Trade Receivables - credit impaired	2.52	27.42	10.13	10.34	6.22	59.06	115.69
Disputed Trade Receivables - credit impaired	-	-	0.01	0.63	6.29	22.74	29.67
Total-Gross carrying amount	**1,782.81**	**1,619.26**	**19.30**	**10.97**	**12.51**	**81.80**	**3,526.65**
Expected loss rate	0.14%	1.69%	52.54%	100.00%	100.00%	100.00%	4.12%
Expected credit losses (Loss allowance provision)	2.52	27.42	10.14	10.97	12.51	81.80	145.36
Carrying amount of Trade receivable	**1,780.29**	**1,591.84**	**9.16**	**-**	**-**	**-**	**3,381.29**

16 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.39	0.10
Balances with banks		
In current accounts	686.32	383.45
Total	**686.71**	**383.55**

17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In dividend current accounts (earmarked accounts)	30.26	22.27
In deposit accounts*	49.73	168.26
Total	**79.99**	**190.53**

* Includes fixed deposits aggregating ₹ 25 crore 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. The Bank has renewed the deposits (along with interest earned thereon). During the year the company has not recognised any interest income.

18 SHARE CAPITAL

A) Equity Share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
250,000,000 (as at March 31, 2025 - 250,000,000) Equity shares of ₹ 2 each	50.00	50.00
Total	**50.00**	**50.00**
Issued, subscribed and fully paid up		
200,089,777 (as at March 31, 2025 - 200,010,836) Equity shares of ₹ 2 each	40.02	40.00
Total	**40.02**	**40.00**

The Holding 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 Holding Company after distribution of all preferential amount, in proportion to their shareholding.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026		As at March 31, 2025	
	Nos.	₹ in crore	Nos.	₹ in crore
Opening Balance	20,00,10,836	40.00	19,99,21,741	39.98
Issued during the current year ₹ 1,57,882 (previous year ₹ 1,78,190) under Employee Stock Option Plan (refer Note 41)	78,941	0.02	89,095	0.02
Closing Balance	**20,00,89,777**	**40.02**	**20,00,10,836**	**40.00**

ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	% holding in the class	Nos.	% holding in the class
Pawan Munjal, Renu Munjal and Suman Kant Munjal (On behalf of Brijmohan Lal Om Parkash, Partnership firm)	2,79,27,058	13.96%	2,79,27,058	13.96%
Bahadur Chand Investments Private Limited	4,00,33,238	20.01%	4,00,33,238	20.02%
Life Insurance Corporation of India	1,08,06,207	5.40%	11,847,012	5.92%

Shares held by promoters at the end of March 31, 2026

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 Parkash, Partnership Firm)	2,79,27,058	13.96%	0.00%
Renu Munjal	1,11,482	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 Private Limited	4,00,33,238	20.01%	-0.01%
Hero Investcorp Private Limited	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%	0.00%
RK Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%

Shares held by promoters at the end of March 31, 2025

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 Parkash, Partnership Firm)	2,79,27,058	13.96%	-0.01%
Renu Munjal	1,11,482	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 Private Limited	4,00,33,238	20.02%	0.00%
Hero Investcorp Private Limited	8,73,766	0.44%	0.00%
Pawan Munjal Family Trust (Pawan Munjal & Aniesha Munjal)	2,01,100	0.10%	0.00%
RK Munjal & Sons Trust (Renu Munjal)	8,000	0.00%	0.00%

iii) Share options/RSUs granted under the Company's employee share option plan

Plan	Share Options Outstanding (In Nos.)		
	As at March 31, 2026	As at March 31, 2025	Expiry Date
ESOP 2018	-	7,570	March 24, 2026
ESOP 2019	450	1,025	October 21, 2026
ESOP 2020	7,560	14,605	October 26, 2027
RSU 2021	-	821	August 10, 2025
PRSU 2021	-	578	August 10, 2025
RSU 2022	1,454	14,766	December 27, 2026
PRSU 2022	3,763	61,011	December 27, 2026
RSU 2023	15,430	37,186	December 25, 2027
PRSU 2023	63,325	77,467	December 25, 2027
RSU 2024	23,818	40,416	December 24, 2028
PRSU 2024	49,013	58,349	December 24, 2028
RSU 2025	32,289	-	June 24, 2030
PRSU 2025	43,133	-	June 24, 2030
RSU 2025(1)	820	-	November 11, 2030
PRSU 2025(1)	1,843	-	November 11, 2030
Total	**2,42,898**	**3,13,794**	

Note: Also refer details of the employee stock option plan are provided in Note 41.

B) Preference share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
4,00,000 (as at 31 March 2025 - 4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00
4,00,000 (as at 31 March 2025 - 4,00,000) Cumulative redeemable preference shares of ₹ 100 each	4.00	4.00
Total	**8.00**	**8.00**

Note: The Holding Company has not issued preference share capital.

19 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve (# ₹ 29,750 in absolute INR)	#	#
Securities premium	119.02	97.69
General reserve	2,676.80	2,676.34
Share options outstanding account	42.15	43.86
Foreign currency translation reserve	14.42	(14.04)
Retained earnings	18,718.78	16,428.19
Total	**21,571.17**	**19,232.04**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Particulars		As at March 31, 2026	As at March 31, 2025
A.	**Capital Reserve**		
	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	97.69	73.36
	Premium on equity shares issued during the year *	21.33	24.33
	Closing balance	**119.02**	**97.69**

* Addition in securities premium represents premium of equity shares under various schemes amounting to ₹ 2.44 crore (Previous year: ₹ 6.90 crore) and ₹ 18.89 crore (Previous year: ₹ 17.43 crore) transferred from share option outstanding account on 78,941 equity shares (Previous year: 89,095 equity shares) issued and allotted during the year under ESOP scheme. Also refer Note 41.

	Particulars	As at March 31, 2026	As at March 31, 2025
C.	**General reserve**		
	Opening balance	2,676.34	2,676.34
	Amount transferred from share option outstanding account	0.46	-
	Closing balance	**2,676.80**	**2,676.34**
D.	**Share options outstanding account****		
	Opening balance	43.86	45.63
	Add: Net charge during the year	17.64	15.66
	Less: Transferred to securities premium on issue of shares	(18.89)	(17.43)
	Less: Transferred to general reserve	(0.46)	-
	Closing balance	**42.15**	**43.86**
	** Also refer Note 41.		
E.	**Foreign currency translation reserve**		
	Opening balance	(14.04)	(6.90)
	Exchange differences in translating the financial statements of foreign operations	38.03	(9.54)
	Income tax effect	(9.57)	2.40
	Closing balance	**14.42**	**(14.04)**
F.	**Retained earnings**		
	Opening balance	16,428.19	14,870.51
	Add: Profit for the year	5,741.73	4,378.48
	Adjustment on account of change in controlling interest	34.51	3.99
	Other Comprehensive income (net of income tax)	15.44	(24.96)
	Less: Appropriations		
	Final dividend	1,300.10	799.72
	Interim dividend	2,200.99	2,000.11
	Closing Balance	**18,718.78**	**16,428.19**

In respect of the year ended March 31, 2026, the directors propose that a dividend of ₹ 75 per share (March 31, 2025: ₹ 65 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 ₹ 1,500.67 crore (March 31, 2025: ₹ 1,300.07 crore).

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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

(iii) General reserve:- General Reserves are free reserves of the group which are kept aside out of company'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 till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

20 NON-CONTROLLING INTERESTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	132.05	135.65
Additions/adjustment during the year	61.83	10.00
Dividend paid during the year	(6.22)	-
Share of total comprehensive income/(loss) for the year	46.68	(9.61)
Adjustment on account of change in controlling interest	(34.51)	(3.99)
Closing balance	**199.83**	**132.05**

21 BORROWINGS

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured - at amortised cost		
Other loans from banks	498.55	456.76
Total	**498.55**	**456.76**

Lender	As at March 31, 2026	As at March 31, 2025	Repayment terms
Unsecured - Current			
Rate of Interest - 6.69% to 8.45% (Previous year- 7.85% to 9.15%)	67.05	82.25	Repayable on demand.
UPAS Loan from The Hongkong & Shanghai Banking Corporation Limited, Bangladesh Rate of interest - SOFR+3.5% (Previous year - SOFR+3%)	53.53	95.92	Repayable within a period of 180 to 365 days
UPAS Loan from BRAC Bank Rate of interest - SOFR+3.5% (Previous year - SOFR+3.5%)	74.71	70.88	Repayable within a period of 180 days
UPAS loan from Standard Chartered Bank, Bangladesh (Rate of Interest -SOFR+4%) (Previous year - SOFR+4%)	82.78	7.18	Repayable within a period of 90 days.
UPAS loan from Citi Bank, NA, Bangladesh (Previous year - SOFR+3.50%)	-	19.98	Repayable within a period of 180 to 365 days
UPAS Loan from City Bank, PLC (Rate of Interest -SOFR+4%) (Previous year - SOFR+4%)	66.53	46.56	Repayable within a period of 180 days.
Short term loan from City Bank,PLC (Previous year- Rate of Interest -12.90%)	-	35.19	Repayable within a period of 180 days.
Loan from Bancolombia Rate of Interest - SOFR + 3.50% (Previous year: SOFR + 3.50% to 6.90%)	123.41	84.50	Repayable within a period of 180 days.
Loan from Banco de Bogota Rate of Interest - IBR + 2.10% to 5% (Previous year: IBR + 5%)	9.29	0.21	Repayable on demand.
Loan from Banco Davivienda Rate of Interest - SOFR + 2.10% (Previous year: SOFR + 2.90%)	18.31	10.84	Repayable on demand.
Loan from Banco Bogota Rate of Interest - SOFR + 2.45% (Previous year: SOFR + 2.28%)	2.94	3.25	Repayable on demand.
Total	**498.55**	**456.76**	

*SOFR- Secured Overnight Financing Rate , IBR- Inter Bank Rate

The Group has not defaulted in repayment of any loan and interest thereon.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

22 PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Employee benefits (Refer Note (i) below)		
Compensated absences	44.34	49.03
Gratuity	1.57	1.07
Other employee benefits	19.36	15.14
Sub-total (A)	**65.27**	**65.24**
Warranties (Refer note (ii) below)	632.74	430.05
Sub-total (B)	**632.74**	**430.05**
Total (A+B)	**698.01**	**495.29**
Current		
Employee benefits (Refer Note (i) below)		
Compensated absences	9.95	10.91
Gratuity	0.08	0.02
Other employee benefits	8.09	3.08
Sub-total (A)	**18.12**	**14.01**
Warranties (Refer note (ii) below)	284.95	207.48
Sub-total (B)	**284.95**	**207.48**
Total (A+B)	**303.07**	**221.49**

Note:

1. The provision for employee benefits includes compensated leaves, gratuity and vested long term service reward (refer Note 31).
2. Movement in warranties provisions

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	637.53	422.30
Additions during the year	512.77	386.86
Amount utilised during the year	(232.61)	(169.68)
Reversals during the year	-	(1.95)
Closing balance	**917.69**	**637.53**

The provision of warranty claims (including goodwill warranty) represents the value as best estimate of the future economic outflow that will be required under the Group's obligations for warranties under local sale of goods legislation. 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, 2026, this particular provision had a carrying amount of ₹ 917.69 crore (March 31, 2025: ₹ 637.53 crore). In case the warranty claims differ by 10% from management's estimates, the warranty provisions would be an estimated ₹ 91.76 crore higher or lower (March 31, 2025: ₹ 63.75 crore higher or lower).

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

23 DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipments and intangible assets	516.10	503.68
Financial assets carried at fair value through profit and loss	256.52	174.40
Investments in associate	134.13	171.74
Sub-total (A)	**906.75**	**849.82**
Less: Deferred tax assets		
Deferred revenue	81.13	71.52
Accrued expenses deductible on payment	70.91	55.08
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	16.11	24.16
Right-of-use assets and lease liabilities	11.74	10.14
Others	15.38	14.00
Sub-total (B)	**195.27**	**174.90**
Total (A-B)	**711.48**	**674.92**

A. Movement of Deferred tax (assets)/liabilities as at March 31, 2026

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Foreign Currency Translation reserve	Closing Balance
Deferred tax liabilities					
Property, plant and equipments and intangible assets	503.68	10.76	-	1.66	516.10
Financial assets carried at fair value through profit and loss	174.40	82.12	-	-	256.52
Investments in associate	171.74	(37.61)	-	-	134.13
	849.82	**55.27**	**-**	**1.66**	**906.75**
Deferred tax assets					
Deferred revenue	71.52	9.61	-	-	81.13
Accrued expenses deductible on payment	55.08	15.83	-	-	70.91
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	24.16	(8.05)	-	-	16.11
Right-of-use assets and lease liabilities	10.14	1.60	-	0.00	11.74
Others	14.00	14.51	(13.85)	0.72	15.38
	174.90	**33.50**	**(13.85)**	**0.72**	**195.27**
Deferred tax liabilities (net)	**674.92**	**21.77**	**13.85**	**0.94**	**711.48**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Movement of Deferred tax (assets)/liabilities as at March 31, 2025

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Foreign Currency Translation reserve	Closing Balance
Deferred tax liabilities					
Property, plant and equipments and intangible assets	482.52	20.95	-	0.21	503.68
Financial assets carried at fair value through profit and loss	114.56	59.84	-	-	174.40
Investments in associate	135.61	36.13	-	-	171.74
	732.69	**116.92**	**-**	**0.21**	**849.82**
Deferred tax assets					
Deferred revenue	56.93	14.59	-	-	71.52
Accrued expenses deductible on payment	61.83	(6.75)	-	-	55.08
Voluntary Retirement Scheme (VRS) expenses u/s 35DDA	32.21	(8.05)	-	-	24.16
Right-of-use assets and lease liabilities	8.86	1.27	-	0.01	10.14
Others	2.73	6.13	4.74	0.40	14.00
	162.56	**7.19**	**4.74**	**0.41**	**174.90**
Deferred tax liabilities (net)	**570.13**	**109.73**	**(4.74)**	**(0.20)**	**674.92**

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, 2026		As at March 31, 2025	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses from HMC MM Auto Limited	-	-	13.16	3.42
Unabsorbed depreciation losses from HMC MM Auto Limited	59.01	15.34	63.62	16.54
Tax losses from HMCL Colombia SAS	253.89	50.78	269.25	88.85

24 TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables ##		
Total outstanding dues of micro enterprises and small enterprises	54.28	21.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,621.99	5,678.16
Total	**7,676.27**	**5,699.66**

Include payables to related parties (Refer Note 38)

Note: The Group's exposure to currency and liquidity risk related to the above trade payables is disclosed in Note 42.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Ageing of trade payables as on 31 March 2026:

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	24.60	29.68	-	-	-	54.28
(2) Others	4,321.41	605.94	1.01	1.27	4.30	4,933.93
(3) Others- Accruals	-	-	-	-	-	2,688.06
Total						**7,676.27**

Ageing of trade payables as on 31 March 2025:

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	7.45	14.05	-	-	-	21.50
(2) Others	3,324.09	459.72	2.90	3.51	7.70	3,797.92
(3) Others- Accruals	-	-	-	-	-	1,880.24
Total						**5,699.66**

25 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Capital creditors	108.69	143.83
Total	**108.69**	**143.83**
Current		
Capital creditors	260.12	160.98
Security deposits dealers and others	97.26	87.73
Unclaimed dividend*	30.27	22.28
Derivative instruments carried at fair value (forward contracts)	24.06	11.95
Total	**411.71**	**282.94**

* Does not include any amounts outstanding as at March 31, 2026 (March 31, 2025: Nil) which are required to be credited to Investor Education and Protection Fund.

Note: The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 42.

26 OTHER LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Statutory remittances (contributions to provident fund, employee state insurance, withholding taxes, goods and service tax etc.)	196.39	334.50
Advance from customers	211.45	92.69
Deferred revenue (refer note below)	403.37	334.55
Others	3.17	6.43
Total	**814.38**	**768.17**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Contract Liabilities-Deferred Revenue

Contract liability is comprised of consideration received from customers against which services are yet to be provided reported as deferred revenue

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening contract liabilities	**334.55**	**226.20**
Deferred revenue booked during the year	473.96	392.28
Amount recognised in revenue	405.14	283.93
Closing contract liabilities	**403.37**	**334.55**

27 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Sale of products		
Two wheelers	39,085.28	33,263.58
Spare parts	6,592.26	6,216.10
	45,677.54	**39,479.69**
(b) Income from services		
Dealers support services	86.93	100.51
Dealer/Customer Program	7.54	35.62
Services - others	1,276.38	1,096.67
	1,370.85	**1,232.80**
(c) Other operating revenue		
Duty drawback and other incentives	82.13	56.40
Miscellaneous income	280.72	154.53
	362.85	**210.93**
Total	**47,411.24**	**40,923.42**

Disaggregation of Revenue

Revenue is disaggregated by timing of revenue recognition are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Timing of revenue recognition		
Goods/Services transferred at a point of time	47,005.58	40,639.49
Over a period of time	405.66	283.93
Total revenue from contracts and customers	**47,411.24**	**40,923.42**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Reconciliation of Revenue from sale of products with the contracted price		
Contracted Price	46,464.13	40,256.01
Less: Trade discounts, volume rebates, etc.	(786.59)	(776.32)
Sale of products	**45,677.54**	**39,479.69**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

28 OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest income		
Tax free bonds, debentures and other instruments classified as debt	116.02	128.55
Deposit with bank and others	177.37	317.19
(b) Dividend income		
Dividend received on investments	23.17	22.88
(c) Profit on sale of investments #	128.17	158.57
(d) Gain on investments carried at fair value through profit or loss (net)	533.04	414.64
(e) Other non-operating income		
Exchange fluctuation (net)	79.44	-
Profit on sale of property, plant and equipments	0.92	2.25
Total	**1,058.13**	**1,044.08**

Net of fair value adjustment upto previous year.

29 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials and components consumed:		
Opening stock	886.82	895.77
Add: Purchase of raw materials, components and packing material	31,549.01	26,626.98
	32,435.83	**27,522.75**
Less: Closing stock	1,213.22	886.82
	31,222.61	**26,635.93**
Less: Cash discount	36.45	28.86
Consumption of raw materials and components	**31,186.16**	**26,607.07**

30 CHANGES IN INVENTORY OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Opening stock (Refer note 14)		
Two wheelers (includes goods-in-transit)	742.41	478.09
Stock-in-trade	28.09	25.06
Spare parts	133.51	107.92
Work-in-progress	65.26	113.86
	969.27	**724.93**
(b) Closing stock (Refer note 14)		
Two wheelers (includes goods-in-transit)	1,000.32	742.41
Stock-in-trade	40.78	28.09
Spare parts	152.35	133.51
Work-in-progress	79.14	65.26
	1,272.59	**969.27**
Net (increase)/decrease in inventory	**(303.32)**	**(244.34)**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

31 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	2,405.70	2,313.12
Contribution to provident and other funds	216.57	168.71
Employee stock compensation cost (Refer Note 41)	17.64	15.66
Staff welfare expenses	189.56	182.58
Total	**2,829.47**	**2,680.07**

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, 2026	For the year ended March 31, 2025
a)	Employer's contribution to provident fund and labour welfare fund	132.32	118.37
b)	Employer's contribution to superannuation fund	18.40	17.83
c)	Employer's contribution to gratuity fund *	60.86	28.17
d)	Employer's contribution to employee state insurance	4.99	4.34
	Total	**216.57**	**168.71**

'* In addition to this contribution made amounting to ₹ 21.42 crore (previous year - ₹ 16.07 crore) is recognised as other 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 Group 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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows:

Principal assumptions:	Funded	
	Gratuity As at March 31, 2026	Gratuity As at March 31, 2025
Discount rate	6.60%	6.70%
Future salary increase	7.25%	7.25%
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.

Principal assumptions:	Un-Funded	
	Gratuity As at March 31, 2026	Gratuity As at March 31, 2025
Discount rate	7.90%	7.04%
Future salary increase	7.50%	5.50%
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 (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
	Gratuity- funded		Gratuity- unfunded	
Service cost				
Current service cost	37.10	29.72	0.37	0.24
Past service cost	22.00	-	0.18	-
Net Interest expense/(income)	1.13	(1.55)	0.08	0.10
Components of defined benefit costs recognised in profit or loss	**60.23**	**28.17**	**0.63**	**0.34**
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	4.17	(3.68)	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	4.08	20.21	0.23	0.03
Actuarial (gains)/losses arising from experience adjustments	13.11	(0.45)	(0.17)	(0.04)
Components of defined benefit costs recognised in other comprehensive income	**21.36**	**16.08**	**0.06**	**(0.01)**
Total	**81.59**	**44.25**	**0.69**	**0.33**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026	As at March 31, 2025
Present Value of funded defined benefit obligation	563.92	489.73
Fair value of plan assets	563.92	489.73
Net liability arising from defined benefit obligation	**-**	**-**
Present Value of unfunded defined benefit obligation	1.65	1.09
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**1.65**	**1.09**

Net liability disclosed as follows (under Provisions- Note -22):

Particulars	Gratuity			
	As at March 31, 2026		As at March 31, 2025	
	Current	Non-Current	Current	Non-Current
Gratuity	0.08	1.57	0.02	1.07

Movements in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
	Gratuity-funded		Gratuity-unfunded	
Opening defined benefit obligation	489.74	449.48	1.09	1.37
Current service cost	37.10	29.72	0.37	0.23
Interest cost	33.53	30.09	0.08	0.10
Past service cost	22.00	-	0.18	-
Remeasurement (gains)/losses:				
Actuarial (gains)/losses arising from changes in financial assumptions	4.08	20.21	0.23	0.03
Actuarial (gains)/losses arising from experience adjustments	13.10	(0.45)	(0.20)	(0.04)
Benefits paid	(35.63)	(39.31)	(0.10)	(0.60)
Closing defined benefit obligation	**563.92**	**489.74**	**1.65**	**1.09**

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening fair value of plan assets	489.73	449.49
Interest income	32.40	31.64
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	(4.17)	3.68
Contribution	81.59	44.25
Benefit paid	(35.63)	(39.33)
Closing fair value of plan assets	**563.92**	**489.73**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

The Holding 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 ₹ 21.70 crore (increase by ₹ 21.46 crore) (as at March 31, 2025: Decrease by ₹ 27.28 crore (increase by ₹ 9.77 crore)).
- If the expected salary growth increases/(decreases) by 0.5%, the defined benefit obligation would increase by ₹ 20.74 crore (decrease by ₹ 19.50 crore) (as at March 31, 2025: increase by ₹ 26.27 crore (decrease by ₹ 9.46 crore)).

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.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2026	As at March 31, 2025
Average duration of the defined benefit obligation (in years)- Holding Company	8.0 years	8.0 years
Average duration of the defined benefit obligation (in years)- Subsidiary Company	19.50 years	19.48 years

The Group expects to make a contribution of ₹ 41.59 crore (as at March 31, 2025: ₹ 22.90 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 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
As at March 31, 2026	11.70	103.23	116.11	381.68	612.73
As at March 31, 2025	21.02	83.34	104.95	324.00	533.31

32 FINANCE COSTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest cost on financial liability at amortised cost		
- on dealers security deposits	3.44	3.10
- on borrowings	48.99	47.97
- on others	5.74	1.97
Unwinding of discount on lease & other financial liabilities	20.10	17.61
Total	**78.27**	**70.65**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

33 OTHER EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores and tools consumed	112.20	119.76
Packing, forwarding, freight etc.	1,227.18	1,060.50
Power and fuel	144.83	131.13
Rent (Refer Note 7)	40.55	36.30
Repairs and maintenance		
- Buildings	29.49	31.99
- Plant and machinery	176.02	152.44
- Others	14.35	15.16
Insurance charges	89.61	80.14
Rates and taxes	13.89	6.93
Royalty	9.39	7.96
Advertisement and publicity	1,577.57	1,292.86
Donations#	1.10	1.18
Expenditure on corporate social responsibility	97.45	80.67
Payment to auditors (Refer below)	5.82	5.10
Exchange fluctuation	-	37.80
Loss on sale of property, plant and equipment	13.73	4.15
Loss allowance on trade receivables	14.67	8.41
Miscellaneous expenses	2,289.42	2,314.39
Total	**5,857.27**	**5,386.87**

Donations include ₹ Nil (Previous year: ₹ Nil) under Section 182 of the Companies Act, 2013.

Payment to auditors

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) As Statutory Auditors		
- Audit fee (including audit fees for the auditors of other entities of Group)*	4.30	3.81
- Limited Review	0.87	0.87
- Other certifications	0.38	0.25
b) Tax audit fees	0.07	0.07
c) Out of pocket expenses	0.20	0.10
	5.82	**5.10**

* Paid to other auditors ₹ 2.94 crore (Previous year: ₹ 2.27 crore).

34 INCOME TAX EXPENSE

(a) Income tax expense recognised in the Statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
In respect of the current year	1,638.11	1,448.02
Deferred tax charge		
In respect of the current year	21.77	109.73
Total income tax expense recognised in the Statement of profit and loss	**1,659.88**	**1,557.75**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

(b) Income tax on other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Arising on income and expenses recognised in other comprehensive income		
Re-measurement of defined benefit obligations	5.38	4.05
Exchange differences in translating the financial statements of foreign operations	(13.85)	4.74
Total income tax benefit recognised in other comprehensive income	**(8.47)**	**8.79**

(c) The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	**7,435.58**	**5,933.56**
Income tax expense calculated at 25.168%	1,871.39	1,493.36
Effect of income exempt/taxed on lower rate	(134.35)	(12.29)
Effect of unused tax losses of subsidiaries not recognised as deferred tax assets	(25.37)	78.66
Others	(51.78)	(1.98)
Income tax expense recognised in the Statement of profit and loss	**1,659.88**	**1,557.75**

35 EARNING PER SHARE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic earnings per share (in ₹) (A/B)	287.01	218.96
Diluted earnings per share (in ₹) (A/C)	286.72	218.69
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 (₹ in crore) (A)	5,741.73	4,378.48
Opening Balance	**20,00,10,836**	**19,99,21,741**
Effect of share options exercised	45,001	48,532
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**20,00,55,837**	**19,99,70,273**
Effect of share options	1,99,302	2,47,581
Weighted average number of equity shares for the purposes of diluted earnings per share (C)	**20,02,55,139**	**20,02,17,854**

36 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not-provided for)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Contingent liabilities		
In respect of income tax matters (refer note (b) below)#	64.46	182.27
In respect of excise and other matters#	18.74	69.45

including proportionate share of contingent liability from associate companies

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 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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

b) The Income Tax Authorities had disallowed certain expenses incurred in prior periods and made a demand of ₹ 27 crore (Previous year: ₹ 178 crore). The Holding Company is in the process of filing an appeal with the Income Tax Appellate Tribunal (ITAT). The Holding Company has evaluated the demand and based on external legal advice, supporting documents for these expenses and other available information had concluded that no provision is required for this demand as it is probable that the Holding Company's position will be accepted upon ultimate resolution.

Further, there were investigations initiated by government agencies in the past and certain of those investigations have been concluded favorably. Based on the developments in favor of the Holding Company's position and external legal advice, the Holding Company after considering available information and facts, as of the date of approval of the financial statements, has not identified any material adjustments, disclosures or any effect to financial statements or financial information.

c) **Commitments**

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid) amounting to ₹ 102.13 crore (March 31, 2025: ₹ 95.38 crore)#	2,199.97	1,779.35

including proportionate share of commitments from associate companies

37 SEGMENT INFORMATION

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.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from operations	India	Outside India	Total
2025-26	41,502.53	5,908.71	47,411.24
2024-25	37,217.95	3,705.47	40,923.42

Disclosure as per the requirement of Ind AS 115, Revenue:

For the year ended March 31, 2026:

Particulars	India	Outside India	Total
Sale of products	40,185.07	5,492.47	45,677.54
Income from services	1,107.49	263.36	1,370.85
Other operating revenue	209.97	152.88	362.85
Total	**41,502.53**	**5,908.71**	**47,411.24**

For the year ended March 31, 2025:

Particulars	India	Outside India	Total
Sale of products	36,817.64	3,478.91	40,296.55
Income from services	242.86	173.08	415.94
Other operating revenue	157.45	53.48	210.93
Total	**37,217.95**	**3,705.47**	**40,923.42**

Non-current segment assets	India	Outside India	Total
As at March 31, 2026	6,941.04	442.91	7,383.95
As at March 31, 2025	6,822.95	313.25	7,136.20

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Note:

1. Domestic segment includes sales and services to customers domiciled in India.
2. Overseas segment includes sales and services rendered to customers domiciled outside India.
3. There are no material non-current assets and post employment benefits domiciled outside India.
4. There is no major individual customers whose revenue exceeds more than 10% of the Group's revenue.

38 RELATED PARTY DISCLOSURES UNDER IND AS 24

A. Parties in respect of which the Holding Company is an associate

Bahadur Chand Investments Private Limited - Core Investment Company

Brijmohan Lal Om Parkash - Partnership firm

B. Parties in respect of which the other Group Companies are associate

Marelli Europe S.p.A.

Marelli Powertrain India Private Limited

Marelli (China) Co. Limited

Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda

Niloy Motors Limited; Bangladesh

Nitol Motors Limited; Bangladesh

Nitol Electronics Limited; Bangladesh

Nitol Machineries Limited; Bangladesh

Nitol Insurance Company Limited; Bangladesh

Woven Holdings LLC

C. Associates of the Holding Company

Hero FinCorp Limited

Ather Energy Limited (formerly known as Ather Energy Private Limited)

Euler Motors 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	- Executive Chairman
Mr. Harshavardhan Chitale	- Chief Executive Officer (w.e.f. Jan 05, 2026)
Mr. Vikram Sitaram Kasbekar	- Acting Chief Executive Officer (w.e.f. May 01, 2025 till Jan 04, 2026)
	- Executive Director
Mr. Niranjan Kumar Gupta	- Chief Executive Officer (w.e.f. May 01, 2023 till April 30, 2025)
	- Chief Financial Officer (till Feb 29, 2024)
Mr. Vivek Anand	- Chief Financial Officer (w.e.f. Mar 01, 2024)
Mr. Dhiraj Kapoor	- Company Secretary and Compliance Officer (till Nov 14, 2025)
Mr. Prabhat Singh	- Company Secretary and Compliance Officer (w.e.f. Feb 05, 2026)
Mr. Annuvrat Munjal	- Assistant General Manager (w.e.f Sept 06, 2023)

Non Executive and Independent Directors

Mr. Pradeep Dinodia	Mr. Suman Kant Munjal
Dr. Jagmohan Singh Raju	Ms. Tina Trikha
Air Chief Marshal Birender Singh Dhanoa	Ms. Camille Tang
Mr. Rajnish Kumar	Ms. Vasudha Dinodia

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

F. Enterprises over which key management personnel and their relatives are able to control:

A. G. Industries Private Limited, A. G. Industries (Bawal) Private Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero Mindmine Institute Private Limited, Hero InvestCorp Private Limited, Hero Solar Energy Private Limited, Hero Rooftop Energy Private Limited, Munjal ACME Packaging Systems Private Limited, Hero Future Energies Private Limited, BML Munjal University, ACIC BMU Foundation, Eternal Design Private Limited, S. R. Dinodia & LLP, Raman Kant Munjal Foundation, Raman Munjal Vidya Mandir.

A) Parties in respect of which the Group is an associate

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Dividend paid		
Brijmohan Lal Om Parkash - Partnership firm	488.72	390.98
Bahadur Chand Investments Private Limited	700.58	560.47
Rental Income		
Brijmohan Lal Om Parkash - Partnership firm	0.02	0.02
Bahadur Chand Investments Private Limited	0.02	0.02

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Trade Receivable		
Brijmohan Lal Om Parkash - Partnership firm	-	-
Bahadur Chand Investments Private Limited	-	-

B) Parties in respect of which the other Group Companies are associate

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Marelli Europe S.p.A.		
Purchase of goods	-	0.09
Payment of development fee (Group)	-	0.05
Royalty	9.25	9.29
Investment	-	10.00
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda		
Purchase of goods	16.85	24.50
Testing Expenses	0.00	0.08
Marelli Powertrain India Private Limited		
Purchase of goods	36.33	93.80
Development Fee (Group)	1.38	11.60
Expense Reimbursement	0.44	0.57
Warranty Recovery	-	0.14
Woven Holdings LLC		
Investment	61.83	-
Sale of goods		
Niloy Motors Limited*	860.83	642.73
Nitol Motors Limited	2.84	0.25
Purchase of goods/services		
Nitol Insurance Company Limited	0.32	0.33
Rockman Industries Limited	0.99	1.05
Others		
Nitol Motors Limited	0.36	0.36
Niloy Motors Limited	53.07	28.90

* Including taxes and duties

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Trade Payable		
Marelli Europe S.p.A.	5.58	5.54
Marelli Sistemas Automotivos Industria E Comercio Brasil Ltda	7.07	3.49
Marelli Powertrain India Private Limited	12.68	24.57
Nitol Motors Limited	-	0.06
Rockman Industries Limited	0.25	1.56
Trade Receivable		
Marelli (China) Co. Limited	-	0.62
Niloy Motors Limited	125.60	90.35
Nitol Machineries Limited	1.28	1.27
Nitol Motors Limited	0.34	-

C) Associate of the Company

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Hero FinCorp Limited		
Dividend received	26.77	73.43
Dividend paid	0.02	0.02
Miscellaneous expenses	4.86	3.79
Sale	-	0.13
Ather Energy Limited (formerly known as Ather Energy Private Limited)		
Investment	-	123.83
Service Income	0.95	0.67
Service Expenses	4.63	1.37
Euler Motors Private Limited		
Investment (refer Note 9)	720.00	-

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Trade Payable		
Ather Energy Limited (formerly known as Ather Energy Private Limited)	0.39	0.01

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

D) Key management personnel and their relatives of Holding company

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Managerial Remuneration/Sitting fees/Commission		
Dr. Pawan Munjal	122.31	109.41
Mr. Harshavardhan Chitale	3.59	-
Mr. Vikram Sitaram Kasbekar	17.47	14.08
Mr. Niranjan Kumar Gupta	8.72	17.93
Mr. Vivek Anand	5.64	7.75
Mr. Dhiraj Kapoor	1.45	1.64
Mr. Prabhat Singh	0.09	-
Relative of KMP	0.58	0.48
Dividend paid to KMP and their relatives	12.15	9.95
Lease rent recovery	2.23	2.12
Sale	-	0.11
Commission/Sitting fees/expenses reimbursement to Non Executive and Independent Directors		
Mr. Suman Kant Munjal	0.36	0.48
Mr. Pradeep Dinodia	1.00	1.97
Dr. Jagmohan Singh Raju	1.52	1.18
Air Chief Marshal Birender Singh Dhanoa	1.29	1.57
Ms. Tina Trikha	1.37	1.47
Ms. Camille Tang	1.26	0.67
Mr. Rajnish Kumar	0.60	0.56
Ms. Vasudha Dinodia	0.69	0.72

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding at the year end		
Payables (including commission)	70.11	62.94

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Managerial remuneration*		
Short-term benefits	151.69	141.10
Post-employment benefits	4.82	4.89
Share-based payments	2.76	5.80

* 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.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

E) Enterprises over which key management personnel and their relatives are able to exercise control

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Transactions with the related parties		
Purchase of raw materials and components etc.	1,770.69	1,661.37
Purchase of property, plant and equipments	21.02	32.95
Payment towards services etc.	19.44	8.43
Expenditure towards Corporate Social Responsibility (CSR)	16.64	20.15
Rental Income	0.03	0.04
Dividend paid	15.29	12.23
Sale of Goods	-	0.01

Particulars	As at March 31, 2026	As at March 31, 2025
Balance outstanding as at the year end		
Payables	298.36	261.03
Receivables	0.03	0.05

Significant related party transactions included in the above are as under:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of raw materials and components etc.		
A.G. Industries Private Limited	835.02	705.85
Rockman Industries Limited	785.66	804.19
A.G Industries (Bawal) Private Limited	150.01	151.32
Purchase of Assets and related services		
Rockman Industries Limited	15.13	20.32
A.G. Industries Private Limited	5.89	12.52
A.G. Industries (Bawal) Private Limited	-	0.11
Payment for service etc.		
BML Munjal University	1.41	1.33
Hero Solar Energy Private Limited	0.37	0.41
Hero Rooftop Energy Private Limited	0.17	0.14
Cosmic Kitchen Private Limited	6.46	5.27
Raman Munjal Vidya Mandir	0.48	0.59
ACIC BMU Foundation	-	0.06
Hero Future Energies Private Limited	9.25	-
Eternal Design Private Limited	0.80	0.47
S. R. Dinodia & LLP	0.50	0.17
CSR		
Raman Kant Munjal Foundation	6.64	5.15
BML Munjal University	10.00	15.00
Rent Income		
Munjal ACME Packaging Systems Private Limited	0.01	0.02
Hero InvestCorp Private Limited	0.02	0.02
Dividend paid		
Hero InvestCorp Private Limited	15.29	12.23
Sale of Goods		
Hero Solar Energy Private Limited	-	0.01

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Significant closing balances of related parties are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables		
A.G. Industries Private Limited	124.76	107.63
Rockman Industries Limited	117.23	129.79
A.G Industries (Bawal) Private Limited	49.54	23.42

F) 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, 2026	For the year ended March 31, 2025
Raw material consumption	103.49	104.53
Consumables	8.50	7.22
Employee benefits expense	333.19	315.14
Depreciation and amortisation	200.98	177.92
Others*	141.80	134.24
Total	**787.96**	**739.05**

* Includes intangible asset under development amounting to ₹ 50.01 crore (Previous year: ₹ 57.38 crore) expensed off during the year.

Capital expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Building	0.01	2.36
Equipments	33.57	30.27
Furniture and fixtures	0.97	3.01
Software	21.29	7.56
Vehicles	3.28	1.86
Data processing equipments	14.84	5.19
Intangible assets	255.54	245.79
	329.50	**296.04**
Capital work-in-progress and intangible assets under development	21.91	23.79
Total	**351.41**	**319.83**

39A. The Ministry of Environment, Forest and Climate Change issued the Environment Protection (End-of-Life Vehicles) Rules, 2025 (ELV rules), effective from April 01, 2025. In accordance with ELV rules, Extended Producer Responsibility (EPR) obligations are imposed on producers ("vehicle manufacturers") for the scrapping of End-of-Life Vehicles. The obligations require acquiring EPR certificates from registered Vehicle Scrapping Facilities via a Centralised Online Portal (Portal), which is partially operational. However, the pricing mechanism for EPR certificates, and measurement framework for determining financial obligations are not yet made available.

Further, the Ministry of Environment, Forest and Climate Change notified the Battery Waste Management Rules, 2022 on February 24, 2025 (as amended from time to time), applicable to producers (manufacturers and importers included), dealers, consumers, and entities involved in the collection, segregation, transportation, refurbishment, and recycling

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

of all types of waste batteries. As a producer of batteries, the group is subject to these obligations, however, sufficient guidance on waste collection mechanisms and associated costs are not yet made available.

Consequently, the group is currently unable to reliably estimate a range of possible outcomes and the financial implications of the above rules and will be evaluated once the implementation framework for determining the reliable estimate is established.

40 On November 21, 2025, the Government of India notified the four Labour codes - The code on Wages, 2019, The Industrial Relations code, 2020, The code on Social Security, 2020, and The Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing Labour Laws. Based on the draft rules and FAQs issued by the ministry of labour and employment and best available information, the Company has estimated the financial implications thereof and has made an additional provision of ₹ 119 crore in the year ended March 31, 2026. Considering the materiality, regulatory driven and non - recurring nature of the impact, the company has presented such incremental impact under "Exceptional item". The Company continues to monitor the finalisation of central/state rules and other developments pertaining to labour codes and would provide appropriate accounting effect on the basis of such developments, if any.

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 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. 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 ₹	Weighted Average Fair value of the Options at grant date ₹
ESOP 2014	23,110	22-Oct-14	21-Oct-21	2,159	1,228
ESOP 2016	41,290	22-Aug-16	21-Aug-23	2,469	1,324
RSU 2016	11,194	22-Aug-16	21-Aug-23	2	3,290
ESOP 2017	29,800	31-Oct-17	30-Oct-24	2,818	1,615
RSU 2017	15,769	31-Oct-17	30-Oct-24	2	3,663
ESOP 2018	1,25,000	25-Mar-19	24-Mar-26	2,033	1,138
RSU 2018	17,760	31-Jan-19	30-Jan-26	2	2,672
ESOP 2019	98,750	22-Oct-19	21-Oct-26	1,745	1,067
RSU 2019	5,210	22-Oct-19	21-Oct-26	2	2,308
ESOP 2020	1,01,375	27-Oct-20	26-Oct-27	2,085	1,200
RSU 2020	1,560	27-Oct-20	26-Oct-27	2	2,686
RSU 2021	39,210	11-Aug-21	10-Aug-25	2	2,699
PRSU 2021	34,895	11-Aug-21	10-Aug-25	2	2,439
RSU 2022	72,023	28-Jun-22	27-Dec-26	2	2,447
PRSU 2022	1,43,125	28-Jun-22	27-Dec-26	2	2,328
RSU 2023	72,169	26-Jun-23	25-Dec-27	2	2,584
PRSU 2023	1,36,381	26-Jun-23	25-Dec-27	2	2,321
RSU 2023 (1)	9,641	09-Aug-23	08-Feb-28	2	2,773
PRSU 2023 (1)	36,043	09-Aug-23	08-Feb-28	2	2,511
ESOP 2023	30,000	09-Aug-23	08-Aug-30	1,974	1,318

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Plan	Number of Options/RSU/ PRSU	Grant date	Expiry date	Exercise Price ₹	Weighted Average Fair value of the Options at grant date ₹
RSU 2024	59,137	25-Jun-24	24-Dec-28	2	5,011
PRSU 2024	1,12,244	25-Jun-24	24-Dec-28	2	4,442
RSU 2025	57,680	25-Jun-25	24-Jun-30	2	3,874
PRSU 2025	68,157	25-Jun-25	24-Jun-30	2	3,293
RSU 2025 (1)	820	12-Nov-25	11-Nov-30	2	3,874
PRSU 2025 (1)	1,843	12-Nov-25	11-Nov-30	2	3,293

Fair value of stock 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 2025	PRSU 2025	RSU 2025 (1)	PRSU 2025 (1)	RSU 2024	PRSU 2024
Weighted Average Fair value of option/RSU/PRSU	3,874	3,293	3,874	3,293	5,011	4,442
Spot share price	4,301	4,301	4,301	4,301	5,510	5,510
Exercise price	2	2	2	2	2	2
Expected average volatility	26.00%	25.10%	26.00%	25.10%	25.33%	25.80%
Option life	5 years	5 years	5 years	5 years	4.5 years	4.5 years
Dividend yield	3.48%	3.48%	3.48%	3.48%	3.45%	3.45%
Average risk-free interest rate	5.85%	6.11%	5.85%	6.11%	7.09%	7.11%

Movements in stock options/RSU/PRSU during the year

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Number of options	Weighted average exercise price ₹	Number of options	Weighted average exercise price ₹
Movements in stock options during the year				
Outstanding at the beginning of the year	23,200	2,053	92,518	2,071
Granted during the year	-	-	-	-
Forfeited during the year	3,250	-	37,355	-
Exercised during the year	11,940	2,047	31,963	2,160
Outstanding at the end of the year	**8,010**	**2,066**	**23,200**	**2,053**
Exercisable at the end of the year	**8,010**	**2,066**	**23,200**	**2,053**
Movements in RSU/PRSU during the year				
Outstanding at the beginning of the year	2,90,594	2.00	4,24,467	2.00
Granted during the year	1,28,500	2.00	1,71,381	2.00
Forfeited during the year	1,17,205	2.00	2,48,122	2.00
Exercised during the year	67,001	2.00	57,132	2.00
Outstanding at the end of the year	**2,34,888**	**2.00**	**2,90,594**	**2.00**
Exercisable at the end of the year	8,596	2.00	5,614	2.00

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

Stock options/RSU/PRSU exercised during the year

Options/RSU/PRSU Plans	For the year ended 31 March 2026		For the year ended 31 March 2025	
	No. of options exercised	Weighted Share price at exercise date ₹	No. of options exercised	Weighted Share price at exercise date ₹
ESOP 2017	-	-	5,208	5,140
ESOP 2018	4,920	5,251	10,630	4,674
ESOP 2019	575	5,530	2,525	4,852
ESOP 2020	6,445	4,346	13,600	4,960
RSU 2021	821	4,025	7,148	5,008
RSU 2022	13,205	4,630	18,799	5,232
RSU 2023	17,690	4,715	17,907	5,342
RSU 2023 (1)	-	-	3,053	5,217
RSU 2024	11,305	4,590	-	-
PRSU 2021	578	4,409	10,225	5,409
PRSU 2022	23,402	4,758	-	-
Total	**78,941**		**89,095**	

Stock options/RSU/PRSU outstanding at end of the year

Options/RSU/PRSU Plans	Options outstanding as at March 31, 2026	Options outstanding as at March 31, 2025	Remaining contractual life (in Years) as on March 31, 2026	Remaining contractual life (in Years) as on March 31, 2025	Exercise Price ₹
ESOP 2018	-	7,570	-	0.98	2,033
ESOP 2019	450	1,025	0.56	1.56	1,745
ESOP 2020	7,560	14,605	1.58	2.58	2,085
RSU 2021	-	821	-	0.36	2
PRSU 2021	-	578	-	0.36	2
RSU 2022	1,454	14,766	0.74	1.74	2
PRSU 2022	3,763	61,011	0.74	1.74	2
RSU 2023	15,430	37,186	1.74	2.74	2
PRSU 2023	63,325	77,467	1.74	2.74	2
RSU 2024	23,818	40,416	2.74	3.74	2
PRSU 2024	49,013	58,349	2.74	3.74	2
RSU 2025	32,289	-	4.24	-	2
PRSU 2025	43,133	-	4.24	-	2
RSU 2025 (1)	820	-	4.62	-	2
PRSU 2025 (1)	1,843	-	4.62	-	2
Total	**2,42,898**	**3,13,794**			

During the year ended March 31, 2026, the Holding Company recorded an employee stock compensation expense of ₹ 17.64 crore (March 31, 2025: ₹ 15.66 crore) in the Statement of Profit and Loss and the balance in share options outstanding account as at March 31, 2026 is ₹ 42.15 crore (March 31, 2025: ₹ 43.86 crore)

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore 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, 2026	As at March 31, 2025
Debt (Borrowings including current maturity) (A)	498.55	456.76
Equity share capital	40.02	40.00
Other equity	21,571.17	19,232.04
Total Equity (B)	**21,611.19**	**19,272.04**
Gearing Ratio (A/B) in percentage	**2.31%**	**2.37%**

Categories of financial instruments

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets		
Financial assets at fair value through profit or loss		
Non-current		
Investments	2,025.85	3,521.91
Current		
Investments	11,902.43	6,122.72
Financial assets at amortised cost		
Non-current		
Investments	1,154.48	1,245.42
Loans	28.54	24.87
Others	54.04	47.09
Current		
Investments	302.40	513.27
Trade receivables	2,339.85	3,381.29
Cash and bank balances	766.70	574.08
Loans	27.92	27.07
Other financial assets	115.40	141.59
Total	**18,717.60**	**15,599.31**
Financial liabilities at amortised cost		
Non-current		
Lease liabilities	219.06	196.21
Other financial liabilities	108.69	143.83
Current		
Borrowings	498.55	456.76
Lease liabilities	61.00	46.96
Trade payables	7,676.27	5,699.66
Other financial liabilities	411.71	282.94
Total	**8,975.28**	**6,826.36**

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

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, 2026		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	447.56	-
Investments in equity instruments	172.02	-	19.72
Investments in preference shares	-	-	1,386.55
Current			
Investments in mutual funds	-	11,874.90	-
Investments in equity instruments	27.53	-	-

Particulars	Fair value as at March 31, 2025		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	2,152.14	-
Investments in equity instruments	119.28	-	240.96
Investments in other instruments	-	-	1,009.53
Current			
Investments in mutual funds	-	6,097.33	-
Investments in equity instruments	25.39	-	-

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.
- The fair value of unquoted equity shares is determined on the basis of valuation arrived at considering income approach (Discounted Cash Flows) and market approach.

Notes forming part of the financial statements

for the year ended March 31, 2026

Amount in crore of INR

- Management uses its best judgement 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, 2026 and March 31, 2025.

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, 2026	Amount in SGD	Amount in CHF	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	0.00	-	14.23	-	0.19
Trade Payables	-	0.00	(870.52)	(0.42)	-
Capital Creditors	0.00	-	(0.06)	(0.24)	(0.68)

Foreign currency exposure as at March 31, 2026	Amount in AED	Amount in GBP	Amount in CNY	Amount in COP	Amount in RMB
Trade Receivables	-	0.00	-	-	1.63
Trade Payables	-	(0.02)	-	(6.32)	(0.99)
Capital Creditors	-	-	-	-	-

Foreign currency exposure as at March 31, 2025	Amount in SGD	Amount in CHF	Amount in USD	Amount in EURO	Amount in JPY
Trade Receivables	-	-	13.16	-	0.09
Trade Payables	-	-	(684.39)	-	-
Capital Creditors	-	-	(0.04)	(0.35)	-

Foreign currency exposure as at March 31, 2025	Amount in AED	Amount in GBP	Amount in CNY	Amount in COP	Amount in RMB
Trade Receivables	-	-	-	-	0.04
Trade Payables	-	-	(2.35)	-	(0.94)
Capital Creditors	-	-	-	(20.81)	-

Notes forming part of the financial statements

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Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ 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 ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	As at March 31, 2026		As at March 31, 2025	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	50.81	(50.81)	41.58	(41.58)
JPY	0.01	(0.01)	0.00	(0.00)
GBP	0.02	(0.02)	-	-
SGD	0.00	(0.00)	-	-
AED	-	-	0.02	(0.02)
RMB	1.12	(1.12)	0.02	(0.02)
Payable				
USD	(27.63)	27.63	(22.77)	22.77
EURO	(2.28)	2.28	(0.46)	0.46
SGD	-	-	(0.01)	0.01
RMB	(0.68)	0.68	(0.56)	0.56
COP	(0.01)	0.01	-	-
CHF	(0.01)	0.01	(0.00)	0.00
GBP	(0.14)	0.14	(0.01)	0.01
CNY	-	-	(1.38)	1.38
Capital Creditors				
USD	(0.26)	0.26	(0.17)	0.17
EURO	(1.30)	1.30	(1.59)	1.59
SGD	(0.02)	0.02	-	-
COP	-	-	(0.23)	0.23
JPY	(0.02)	0.02	-	-
GBP	-	-	(0.00)	0.00
Impact on profit or loss as at the end of the reporting period	19.60	(19.60)	14.44	(14.44)
Impact on total equity as at the end of the reporting period	**14.81**	**(14.81)**	**10.90**	**(10.90)**

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."

Notes forming part of the financial statements

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Amount in crore of INR

The Group write off the receivable in case of certainty of the 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 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, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	**145.36**	**140.26**
Add: Provided during the year	38.51	35.93
Less: Reversals of provision	25.16	29.68
Less: Amounts written back	1.07	1.15
Add: Foreign currency translation reserve	0.28	-
Balance at the end of the year	**157.92**	**145.36**

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 analysis 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, 2026 would increase/decrease by ₹ 123.22 crore (for the year ended March 31, 2025: increase/decrease by ₹ 82.49 crore).

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, 2026	As at March 31, 2025
Borrowings	**498.55**	**456.76**

The profit for the year ended March 31, 2026 would increase/decrease by ₹ 4.78 crore (for the year ended March 31, 2025: increase/decrease by ₹ 4.10 crore) 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.

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Amount in crore of INR

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, 2026			
	Less than 1 year	1-5 years	More than 5 years	Total
(i) Borrowing	498.55	-	-	498.55
(ii) Trade payables	7,669.69	6.58	-	7676.27
(iii) Other financial liabilities	411.71	108.69	-	520.40
(iv) Lease liabilities	74.54	231.73	41.45	347.72

Particulars	As at March 31, 2025			
	Less than 1 year	1-5 years	More than 5 years	Total
(i) Borrowing	456.76	-	-	456.76
(ii) Trade payables	5,685.55	14.11	-	5,699.66
(iii) Other financial liabilities	282.94	143.83	-	426.77
(iv) Lease liabilities	59.55	192.98	52.68	305.21

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	As % of Consolidated Profit or (Loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	Hero MotoCorp Limited	96.86%	17,878.71	98.21%	5,268.20	99.63%	(15.98)	98.20%	5,252.22
Subsidiaries	**Indian**								
	HMC MM Auto Limited	0.35%	65.34	0.25%	13.64	0.37%	(0.06)	0.25%	13.58
	Foreign								
	HMCL Netherlands B.V.	0.05%	9.81	0.02%	0.86	0.00%	-	0.02%	0.86
	HMCL Colombia S.A.S.	0.78%	144.54	1.19%	63.93	0.00%	-	1.20%	63.93
	HMCL Niloy Bangladesh Limited	1.37%	252.33	0.09%	4.82	0.00%	-	0.09%	4.82
	HMCL Americas Inc.	0.16%	29.23	0.01%	0.37	0.00%	-	0.01%	0.37
	HMCL Tech Center Germany Gmbh	0.43%	78.50	0.23%	12.07	0.00%	-	0.23%	12.07
	Total	**100.00%**	**18,458.46**	**100.00%**	**5,363.89**	**100.00%**	**(16.04)**	**100.00%**	**5,347.85**
	Adjustments arising out of consolidation	-	(454.51)	-	(10.38)	-	41.17	-	30.79
	Non-controlling interest	-	(199.83)	-	(33.97)	-	(12.71)	-	(46.68)
Associates*	**Indian**								
	Hero FinCorp Limited	10.54%	2,272.86	1.22%	70.24	72.28%	31.73	1.76%	101.97
	Ather Energy Limited (formerly known as Ather Energy Private Limited)	5.07%	1,093.40	8.02%	460.77	0.32%	0.14	7.97%	460.91
	Euler Motors Private Limited	1.86%	400.79	-1.90%	(108.82)	-0.89%	(0.39)	-1.89%	(109.21)
	Total		**21,571.17**		**5,741.73**		**43.90**		**5,785.63**

* Investments accounted as per equity method

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Amount in crore of INR

44 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 has been declared as willful defaulter by any bank or financial Institution or other lender.

(iii) None of the entities within the Group has entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) There are no transactions which have 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) None of the entities within the Group has traded or invested in crypto-currency or virtual currency during the financial year.

(vii) 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 subsidiaries 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 subsidiaries or associate companies incorporated in India or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) There are no funds which have been received by the Holding Company or its subsidiaries 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 subsidiaries 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.

(ix) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one registered Core Investment Company and one unregistered Core Investment Company as part of the Group.

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Form AOC-1

Amount in crore of INR

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	**HMC MM Auto Ltd.**	**HMCL Americas Inc.**		**HMCL Netherlands B.V.**		**HMCL Colombia S.A.S.[3]**		**HMCL Niloy Bangladesh Ltd.[3]**		**HMCL Tech Center Germany GmbH**	
Reporting period/Year	**Year ended March 31, 2026**	**Year ended March 31, 2026**		**Year ended March 31, 2026**		**Year ended March 31, 2026**		**Year ended March 31, 2026**		**Year ended March 31, 2026**	
Reporting Currency	INR	INR	USD	INR	USD	INR	COP [4]	INR	BDT [4]	INR	EURO [4]
Exchange Rate	1.00	94.83	1.00	94.83	1.00	0.03	1.00	0.77	1.00	109.00	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 [4] Thousand MN	INR crore	BDT [4] MN	INR crore	EURO [4] MN
Share Capital	105.00	33.19	3.50	454.51	47.93	173.60	67.31	75.76	981.30	27.52	2.53
Reserves	(39.66)	(1.26)	(0.13)	(123.40)	(13.01)	(30.48)	(11.82)	171.48	2,221.21	55.02	5.05
Total Assets	268.95	31.93	3.37	332.14	35.02	1,077.33	417.73	791.03	10,246.49	119.46	10.96
Total Liabilities [2]	268.95	31.93	3.37	332.14	35.02	1,077.33	417.73	791.03	10,246.49	119.46	10.96
Investments	-	-	-	320.45	33.79	-	-	29.86	386.85	-	-
Turnover [5]	482.42	1.09	0.11	-	-	1,655.91	642.07	825.82	10,697.10	238.17	21.85
Profit/(Loss) Before Taxation	13.64	0.84	0.09	(2.86)	(0.30)	64.12	24.86	8.27	107.10	17.58	1.61
Provision for Taxation	-	0.44	0.05	-	-	8.93	3.46	(3.14)	(40.63)	(4.74)	(0.43)
Profit/(Loss) after Taxation	13.64	0.40	0.04	(2.86)	(0.30)	73.05	28.33	5.13	66.47	12.84	1.18
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Percentage holding	60%	100%		100%		58.79%		55%		100%	

Note:

1 Financial information has been extracted from the standalone audited financial statements for the year ended March 31, 2026, and have been translated at the exchange rate prevailing on March 31, 2026.

2 Total liabilities are inclusive of share capital and reserves.

3 HMCL Colombia SAS and HMCL Niloy Bangladesh Ltd. are subsidiaries of HMCL Netherlands B.V.

4 COP- Colombian Peso; BDT-Bangladesh Taka.

5 Turnover includes other income and other operating revenue.

6 There are no subsidiaries which have been liquidated or sold during the year.

CONSOLIDATED

FORM AOC-1

Amount in crore of INR

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 Ltd.	Ather Energy Limited (formerly known as Ather Energy Private Limited)	Euler Motors Pvt. Ltd.
1	Latest audited Balance Sheet Date	Year ended March 31, 2026	Year ended March 31, 2026	Year ended March 31, 2026
2	Shares of Associate held by the company on the year end			
	- Number of equity instruments	5,24,31,893	11,50,83,252	6,65,924****
	- Amount of Investment in Associates (Rs in crore)	1,469.04	1,680.31	510.00
	- Extend of Holding %	40.45%	30.07%	34.12%
3	Description of how there is significant influence	Equity holding more than 20% but less than 50%	Equity holding more than 20% but less than 50%	Equity holding more than 20% but less than 50%
4	Reason why the associate is not consolidated	-	-	-
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs in crore)	2,386.46	773.66	144.86
6	Profit/(Loss) for the year*			
	i. Considered in Consolidation	(60.04)	(157.22)	(107.79)
	ii. Not Considered in Consolidation**	(87.40)	(359.53)	(208.11)

* Profit/(Loss) include necessary adjustment on account of dividend distribution tax.

** Represent portion of Profit attributable to other shareholders.

*** There are no associate or joint venture which have been liquidated or sold during the year.

**** No. of Equity shares: 10 and No. of Series D Preference shares: 6,65,914

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

Dr. Pawan Munjal
Executive Chairman
DIN-00004223

Pradeep Dinodia
Non-Executive Director
DIN-00027995

Harshavardhan Chitale
Chief Executive Officer

Tina Trikha
Chairperson Audit Committee (Director)
DIN-02778940

Prabhat Singh
Company Secretary & Compliance Officer
Membership No.- F8724

Vivek Anand
Chief Financial Officer

Place: New Delhi
Date: May 05, 2026

Corporate Information

Company Secretary & Compliance Officer
Mr. Prabhat Singh

Statutory Auditors
Deloitte Haskins & Sells LLP
Chartered Accountants
(FR No: 117366W/W100018)
7th Floor Building 10 Tower B,
DLF Cyber City Complex, DLF City Phase II,
Gurugram -122002, Haryana, India
Tel. no: +91 124 6792000
Fax: +91 124 6792012

Head of Internal Audit
Mr. Sohrab Prakash

Internal Audit Partners
Pricewaterhouse Coopers Private Limited
Building No. 8, 8th Floor,
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Gurugram - 122 002, Haryana, India
Tel: 0124-4620000, 3060000
Fax: 0124-4620620
Web: www.pwc.com/in

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Tel: +91 124 443 4000
Web: www.ey.com

Grant Thornton Bharat LLP
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Jacaranda Marg, DLF Phase II,
Gurugram-122 002, Haryana, India
Tel: 0124-4628000
Email: contact@in.gt.com

Principal Bankers
Bank of America N.A.
Citibank N.A.
HDFC Bank
HSBC Bank
ICICI Bank
Kotak Mahindra Bank
Standard Chartered Bank

Registered and Corporate Office
The Grand Plaza,
Plot No. 2, Nelson Mandela Road,
Vasant Kunj - Phase-II,
New Delhi - 110 070, India
Tel: +91-11-4604 4220
Fax: +91-11-4604 4399
CIN: L35911DL1984PLC017354
Website: www.heromotocorp.com

Registrar and Share Transfer Agent
KFin Technologies Ltd.
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana, India - 500 032.
Toll Free No: 1800 309 4001
Email: einward.ris@kfintech.com
Web: www.kfintech.com

Plant Locations and R&D Centre

Gurugram Plant
37 km Stone, Delhi-Jaipur Highway,
Sector 33, Gurugram - 122 001
Haryana, India
Tel: +91-124-289 4200, 237 2123
Fax: +91-124-237 3141/42

Dharuhera Plant
69 km Stone, Delhi-Jaipur Highway,
Dharuhera, Dist. Rewari - 123 110
Haryana, India
Tel: +91-1274-264 000
Fax: +91-1274-267 018

Haridwar Plant
Plot No. 3, Sector 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar - 249 403, Uttarakhand, India
Tel: +91-1334-238 500, 239 514/16
Fax: +91-1334-239 512/13

Neemrana Plant
SP 101-103, 108 & 109,
RIICO Industrial Area,
Phase – II, Delhi-Jaipur Highway,
Neemrana, District Alwar,
Rajasthan - 301 705, India
Tel: +91-149-4673000

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: +91-2676-229114

Tirupati Plant
Sy No.1, Industrial Park
Madanapalem Village
Satyavedu-Cherivi Road
Satyavedu Mandal
Tirupati District
Andhra Pradesh - 517588, India
Tel: +91-8576-227200

R&D Centre
Centre for Innovation & Technology
SPL-1, RIICO Industrial Area, Kukas,
Phase-II, NH-11C, Jaipur,
Rajasthan - 302 028, India
Tel: 1800 266 0018

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: 0180001160 44

Colombia Branch Office
HMCL Sucursal Colombia
Calle 13 No 100-35 of 117,
Colombia

Bangladesh Plant
HMCL Niloy Bangladesh Ltd.
Padmabilla, Shakharigati,
Kotwali, Jessore, Bangladesh
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Kronstaudener Weg 1, D-83071
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Tel: +49 (0) 8036 3031120



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(CIN: L35911DL1984PLC017354)

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