

Price Waterhouse LLP
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji Park, Dadar (West),
Mumbai - 400 028

B R Maheswari & Co LLP
Chartered Accountants
M-118, Block M,
Connaught Place, New Delhi,
Delhi - 110 001

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
Hero FinCorp Limited
34, Community Centre, Basant Lok,
Vasant Vihar, New Delhi - 110 057

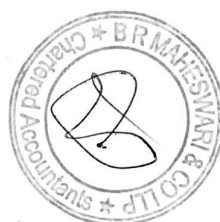
Report on the Audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying standalone financial results of Hero FinCorp Limited (hereinafter referred to as "the Company") for the year ended March 31, 2024, attached herewith, the Standalone Statement of Assets and Liabilities as on that date and the Standalone Statement of Cash Flows for the year ended on that date (the "Standalone Financial Results") which are included in the accompanying Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). We have initialed the Statement for identification purposes only.
2. In our opinion and to the best of our information and according to the explanations given to us, the Standalone Annual Financial Results:
 - (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act"), the Reserve Bank of India (the "RBI") guidelines and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2024 and also the Standalone Statement of Assets and Liabilities as at March 31, 2024 and the Standalone Statement of Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Report on standalone Financial Results
Page 2 of 4

Board of Directors' Responsibilities for the Standalone Financial Results

4. These Standalone Financial Results have been compiled from the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information, the Standalone Statement of Assets and Liabilities and the Standalone Statement of Cash Flows in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (the "Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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Report on standalone Financial Results
Page 3 of 4

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Standalone Annual Financial Results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.



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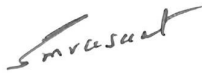
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Report on standalone Financial Results
Page 4 of 4

12. The Standalone Financial Results dealt with by this report have been prepared for the express purpose of filing with the National Stock Exchange of India Limited (NSE). These results are based on and should be read with the audited standalone financial statements of the Company, for the year ended March 31, 2024 on which we have issued an unmodified audit opinion vide our report dated May 03, 2024.

Our opinion on the Standalone Financial Results is not modified in respect of above matters.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264



Sharad Vasant
Partner
Membership Number : 101119

UDIN: 24101119BKFOBI3204

Place : Gurugram
Date : May 03, 2024

For B R Maheswari & Co. LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050



Sudhir Maheshwari
Partner
Membership Number : 081075

UDIN: 24081075BKFDJE5767

Place : Gurugram
Date : May 03, 2024

Hero FinCorp Limited

Registered office: 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Corporate office: 9, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Fax: 011-49487197, Tel. No: 011-49487150, Website: www.herofincorp.com

CIN: U74899DL1991PLC046774

Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024

₹ in Crore

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Income					
i Revenue from operations					
Interest income	1,889.36	1,774.56	1,487.13	6,977.30	5,363.69
Dividend income	0.71	-	0.74	0.71	0.74
Profit on sale of investments (net)	23.04	21.44	38.92	61.32	76.18
Rental income	-	-	-	-	0.11
Insurance commission	46.29	33.66	2.84	113.99	21.22
Others charges	166.44	155.72	132.63	601.92	541.83
Total revenue from operations	2,125.84	1,985.38	1,662.26	7,755.24	6,003.77
ii Other income	2.14	12.79	0.69	49.45	29.16
iii Total income (i + ii)	2,127.98	1,998.17	1,662.95	7,804.69	6,032.93
iv Expenses					
Finance costs	773.91	738.38	555.31	2,795.31	1,964.00
Net loss on fair value changes	126.12	57.98	134.40	346.46	302.05
Impairment on financial instruments	493.43	463.10	179.65	1,708.14	1,204.79
Employee benefits expenses	155.94	141.47	129.53	579.23	448.62
Depreciation and amortization	16.38	12.83	7.89	51.87	29.15
Other expenses	349.47	298.61	337.08	1,398.48	1,371.72
Total expenses	1,915.25	1,712.37	1,343.86	6,879.49	5,320.33
v Profit before tax (iii - iv)	212.73	285.80	319.09	925.20	712.60
vi Tax expense					
Current tax	91.98	75.59	60.65	307.46	197.70
Deferred tax / (credit) (net)	(8.12)	9.78	44.11	15.82	57.57
Total tax expense	83.86	85.37	104.76	323.28	255.27
vii Net profit after tax (v - vi)	128.87	200.43	214.33	601.92	457.33
viii Other comprehensive income/ (loss)					
a) Items that will not be reclassified to profit or loss:-					
Remeasurement of gains / (losses) on defined benefit plans	(0.34)	(0.59)	0.08	(1.76)	1.02
Income tax relating to items that will not be reclassified to profit or loss	0.08	0.15	(0.02)	0.44	(0.26)
Sub-total (a)	(0.26)	(0.44)	0.06	(1.32)	0.76
b) Items that may be reclassified to profit or loss:-					
Cash flow hedge reserve	2.37	(22.20)	16.54	(33.61)	(1.22)
Income tax relating to items that may be reclassified to profit or loss	(0.60)	5.59	(4.16)	8.46	0.31
Sub-total (b)	1.77	(16.61)	12.38	(25.15)	(0.91)
ix Other comprehensive income/ (loss) for the period/year, net of tax (a+b)	1.51	(17.05)	12.44	(26.47)	(0.15)
x Total comprehensive income for the period/year, net of tax	130.38	183.38	226.77	575.45	457.18
xi Earnings per equity share (refer note 8):					
(a) Basic (in ₹)	10.12	15.74	16.84	47.28	35.92
(b) Diluted (in ₹)	10.10	15.45	16.82	47.19	35.89
Face value per share (in ₹)	10.00	10.00	10.00	10.00	10.00



Hero FinCorp Limited
Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024

Notes:

- 1) Disclosure of standalone statement of assets and liabilities as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at March 31, 2024:

Particulars	₹ in Crore	
	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
A. Assets		
1 Financial Assets		
(a) Cash and cash equivalents	28.34	630.62
(b) Bank balance other than cash and cash equivalents	43.94	41.22
(c) Derivative financial instruments	133.67	115.83
(d) Trade receivables	10.07	1.30
(e) Loans	44,929.90	36,213.00
(f) Investments	2,432.89	2,298.81
(g) Other financial assets	133.68	144.52
2 Non-Financial Assets		
(a) Current tax assets (net)	153.62	146.41
(b) Deferred tax assets (net)	369.02	375.94
(c) Property, plant and equipment	153.41	57.39
(d) Right-of-use assets	101.31	39.52
(e) Intangible assets	9.24	9.35
(f) Other non-financial assets	66.18	56.72
Total Assets	<u><u>48,565.27</u></u>	<u><u>40,130.63</u></u>
B. Liabilities and Equity		
Liabilities		
1 Financial Liabilities		
(a) Trade payables:		
(i) Total outstanding dues of micro enterprises and small enterprises; and	0.21	0.13
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	415.29	475.47
(b) Debt securities	6,295.31	6,261.51
(c) Borrowings (other than debt securities)	31,854.86	23,930.45
(d) Subordinated liabilities	3,549.22	3,191.72
(e) Lease liabilities	109.85	45.87
(f) Other financial liabilities	393.75	827.86
2 Non-Financial Liabilities		
(a) Current tax liabilities (net)	40.85	1.03
(b) Provisions	61.38	48.31
(c) Other non-financial liabilities	69.00	59.66
Total Liabilities	<u><u>42,789.72</u></u>	<u><u>34,842.01</u></u>
3 Equity		
(a) Equity share capital	127.31	127.31
(b) Other equity	5,648.24	5,161.31
Total Equity	<u><u>5,775.55</u></u>	<u><u>5,288.62</u></u>
Total Liabilities and Equity	<u><u>48,565.27</u></u>	<u><u>40,130.63</u></u>



Hero FinCorp Limited

Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024

Notes:

2) Disclosure of standalone statement of cash flow as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024:

₹ in Crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	925.20	712.60
Adjustments for:		
Interest income	(6,977.30)	(5,363.69)
Finance costs	2,795.31	1,964.00
Depreciation and amortization	51.87	29.15
Impairment on financial instruments	1,708.15	1,204.79
Dividend income from investments	(0.71)	(0.74)
Employee share based payment expense	18.09	(0.73)
Net loss on sale of property, plant and equipment	0.99	1.45
Net loss on fair value changes	346.46	302.05
Profit on sale of investments	(61.32)	(76.18)
Cash inflow from interest on loans	6,735.98	5,030.50
Cash inflow from interest on fixed deposits	8.93	21.24
Cash outflow towards finance costs	(2,458.28)	(1,592.78)
Operating profit before working capital changes	3,093.37	2,231.66
Working capital adjustments		
(Increase)/ decrease in trade receivables	(8.77)	0.67
Increase in loans	(10,287.41)	(8,498.64)
(Increase)/ decrease in bank balance other than cash and cash equivalents	(3.33)	98.84
(Increase)/ decrease in other financial assets	10.83	(52.49)
Increase in other non financial assets	(13.82)	(0.39)
Increase in derivative financial instruments	(51.45)	(115.13)
Increase/ (decrease) in other financial liabilities	(437.79)	463.07
Increase/ (decrease) in trade payables	(60.10)	186.23
Increase in other non financial liabilities	9.34	7.40
Increase in provisions	11.30	5.74
Net cash used in operating activities before income tax	(7,737.83)	(5,673.04)
Income tax paid (net of refund)	(274.85)	(228.83)
Net cash used in operating activities (A)	(8,012.68)	(5,901.87)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(125.60)	(35.89)
Proceeds from sale of property, plant and equipment	3.48	2.29
Dividend received	0.71	0.74
Interest received on investments	110.00	48.94
Purchase of investments	(12,678.29)	(14,638.30)
Sale of investments	12,593.11	14,200.48
Investment in subsidiary	-	(300.00)
Net cash used in investing activities (B)	(96.59)	(721.74)



Hero FinCorp Limited
Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024

Notes:

2) Disclosure of standalone statement of cash flow as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024:

₹ in Crore

C. Cash flow from financing activities

Proceeds from conversion of partly paid equity shares to fully paid	0.02	-
Proceeds from issue of compulsorily convertible preference shares	-	2,000.00
Proceeds from issue of debt securities	5,136.50	4,963.52
Repayment of debt securities	(5,325.00)	(4,495.00)
Proceeds from issue of borrowings (other than debt securities)	21,892.37	17,705.72
Repayment of borrowings (other than debt securities)	(14,071.85)	(13,930.66)
Proceeds from issue of subordinated liabilities	55.00	255.00
Repayment of lease liability	(29.60)	(12.38)
Dividend paid on equity shares	(102.94)	-
Dividend paid on compulsorily convertible preference shares	(47.51)	-
Share issue expenses paid	-	(6.00)
Net cash generated from financing activities (C)	7,506.99	6,480.20

D. Net decrease in cash and cash equivalents (A+B+C)

Cash and cash equivalents at the beginning of the year	630.62	774.03
Cash and cash equivalents at the end of the year*	28.34	630.62

*Components of cash and cash equivalents

Balances with banks (current accounts)	28.34	218.56
Deposit with banks (original maturity less than three months)	-	412.06
	28.34	630.62



Hero FinCorp Limited
Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024

Notes:

- 3) Hero FinCorp Limited ('the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India ('the RBI').
- 4) The standalone financial results for the quarter and year ended March 31, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 03, 2024. The financial results for the year ended March 31, 2024 have been subjected to audit by joint statutory auditors in compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 5) The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- 6) The secured non-convertible debentures issued by the Company are fully secured by pari-passu charge by way of hypothecation of loan receivables of the Company, to the extent as stated in the respective information / placement memorandum. Further, the Company has maintained asset cover as stated in the information/ placement memorandum which is sufficient to discharge the principal amount and interest accrued but not due at all times for the secured non-convertible debt securities issued.
- 7) Pursuant to SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- 8) Earnings per equity share for the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023 have not been annualised.
- 9) Disclosure pursuant to Reserve Bank of India notification RBI/2020- 21/16 DOR.No.BP.BC/3/21.04.048/2020- 21 dated August 06, 2020 and RBI/2021-22/31/DOR.STR.REC.11/ 21.04.048/2021-22 dated May 05, 2021 pertaining to Resolution Framework for COVID-19 related stress:

₹ in Crore

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2023	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2024
Personal Loans	13.76	1.84	-	4.74	7.29
Corporate persons*	162.87	14.95	0.06	21.29	130.10
Of which MSMEs	161.73	14.95	0.06	21.11	128.32
Others	1.14	-	-	0.17	1.78
Total	176.63	16.79	0.06	26.03	137.39

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

- 10) Disclosure pursuant to Reserve Bank of India Notification RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

- a) Details in respect of loans not in default acquired through assignment during the year ended March 31, 2024

Particulars	During the year ended March 31, 2024
Count of loan accounts acquired	8,184
Amount of loan accounts acquired (₹ in Crore)	418.91
Retention of beneficial economic interest (MRR %)	10%
Weighted average maturity (residual maturity in years)	6.76
Weighted average holding period (in years)	0.76
Coverage of tangible security coverage	159%
Rating-wise distribution of rated loans	NA


- b) The company has not transferred any Special Mention Account (SMA) and loans not in default during the year ended March 31, 2024.
- c) The Company has not acquired or transferred any stressed loan during the year ended March 31, 2024.



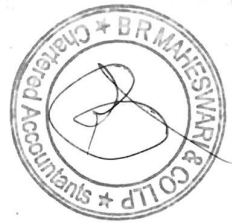
Hero FinCorp Limited
Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024

- 11) Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 as amended is attached as Annexure 1.
- 12) During the previous year, the Company had allotted 3,63,63,636 Compulsorily Convertible Preference Shares (CCPS) (comprising of 1,70,36,363 Class A CCPS and 1,93,27,273 Class B CCPS) of face value of ₹ 550 each aggregating to ₹ 2,000 crore. As per Section 43 of the Companies Act, 2013, the preference shares are classified as part of Share Capital. However, as per Ind AS 32 'Financial Instruments: Presentation' and terms and conditions of such preference shares, they are required to be classified as a financial liability.
In accordance with Ind AS 32 'Financial Instruments: Presentation', the Company had classified these CCPS as a financial liability and presented it in accordance with Schedule III division III of the Companies Act, 2013 (disclosed under the head of Subordinated liabilities). These CCPS are subsequently measured at fair value through profit or loss as per Ind-AS 109 requirements.
If these CCPS were classified in accordance with section 43 of the Companies Act, 2013 i.e., as equity, profit after tax for the year ended March 31, 2024 would be higher by ₹ 348.69 crore (March 31, 2023: ₹ 310.05 crore) and total equity would be higher by ₹ 2,611.24 crore (March 31, 2023: ₹ 2,310.05 crore) and subordinated liabilities would be lower by ₹ 2,611.24 crore as at March 31, 2024 (March 31, 2023: ₹ 2,310.05 crore).
- 13) The Company is engaged primarily in the business of financing, and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Company operates in a single geographical segment i.e. domestic.
- 14) The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between audited figures in respect of full financial year and year to date figures upto the end of the third quarter of the respective financial years. The figures upto the end of the third quarter ended December 31, 2023 were subjected to Limited Review.
- 15) The board of directors has approved payment of dividend of 3% per Class A & Class B Cumulative Compulsorily Convertible Preference Shares of face value of ₹ 550 each.
- 16) The board of directors has recommended a final dividend of ₹ 10 per equity share of ₹ 10 each (i.e. 100%) subject to shareholders approval in the ensuing Annual General Meeting.
- 17) Previous period/ year figures have been regrouped/ reclassified, wherever found necessary, to conform to current period/ year classification.

For and on behalf of the Board of Directors of
Hero FinCorp Limited


Abhimanyu Munjal
Jt. Managing Director & CEO
(DIN No. : 02822641)

Place: Gurugram
Date: May 03, 2024



Hero FinCorp Limited
Statement of Unaudited/Audited Standalone Financial Results for the quarter and year ended March 31, 2024

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the quarter and year ended March 31, 2024

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
a) Debt equity ratio (no. of times)	7.22	6.95	6.31	7.22	6.31
b) Debt service coverage ratio	N.A.	N.A.	N.A.	N.A.	N.A.
c) Interest service coverage ratio	N.A.	N.A.	N.A.	N.A.	N.A.
d) Outstanding redeemable preference shares (nos.)	-	-	-	-	-
e) Outstanding redeemable preference shares (values)	-	-	-	-	-
f) Capital redemption reserve / debenture redemption reserve	-	-	-	-	-
g) Net worth (₹ in Crore)	5,775.55	5,638.95	5,288.62	5,775.55	5,288.62
h) Current ratio	N.A.	N.A.	N.A.	N.A.	N.A.
i) Long term debt to working capital	N.A.	N.A.	N.A.	N.A.	N.A.
j) Current liability ratio	N.A.	N.A.	N.A.	N.A.	N.A.
k) Total debts to total assets (%)	85.86	84.49	83.19	85.86	83.19
l) Debtors turnover	N.A.	N.A.	N.A.	N.A.	N.A.
m) Inventory turnover	N.A.	N.A.	N.A.	N.A.	N.A.
n) Operating margin (%)	N.A.	N.A.	N.A.	N.A.	N.A.
o) Net profit margin (%)*	6.06	10.03	12.89	7.71	7.58
p) Bad debts to account receivable ratio	N.A.	N.A.	N.A.	N.A.	N.A.
q) Gross non performing assets (%)	4.26	4.74	5.38	4.26	5.38
r) Net non performing assets (%)	2.07	2.30	2.79	2.07	2.79
s) Provision coverage ratio (%)	52.42	52.62	49.60	52.42	49.60
t) Capital to risk weighted assets ratio (%) (Calculated as per RBI guidelines)	16.28	16.72	20.57	16.28	20.57
u) Liquidity Coverage Ratio (%) (Calculated as per RBI guidelines)	138.16	178.84	167.30	138.16	167.30

*not annualised for the quarter ended

Annexure 1.1

If the CCPS were classified in accordance with section 43 of the Companies Act, 2013 i.e., as equity, (refer note 12 of the unaudited/ audited standalone financial results for the quarter and year ended March 31, 2024), key ratios would have been as below:

Particulars	Quarter ended		Year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
a) Debt equity ratio (no. of times)	4.66	4.09	4.66	4.09
b) Net worth (₹ in Crore)	8,386.79	7,598.67	8,386.79	7,598.67
c) Total debts to total assets (%)	80.49	77.43	80.49	77.43
d) Net profit margin (%)	11.54	19.08	12.18	12.70

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Formulae for computation of ratios are as follows:

- (i) Debt equity ratio : $(\text{Debt securities} + \text{borrowings (other than debt securities)} + \text{subordinated debts}) / (\text{Equity share capital} + \text{other equity})$
- (ii) Net worth : $\text{Equity share capital} + \text{other equity}$
- (iii) Total debts to total assets (%) : $(\text{Debt securities} + \text{borrowings (other than debt securities)} + \text{subordinated debts}) / \text{Total assets}$
- (iv) Net profit margin (%) : $\text{Profit after tax} / \text{Total income}$
- (v) Gross non performing assets (%) : $\text{Gross stage 3 loans} / \text{Gross loans}$
- (vi) Net non performing assets (%) : $(\text{Gross stage 3 loans} - \text{impairment loss allowance for stage 3 loans}) / (\text{Gross loans} - \text{impairment loss allowance for stage 3 loans})$
- (vii) Provision coverage ratio (%) : $\text{Impairment loss allowance for stage 3 loans} / \text{Gross stage 3 loans}$



Hero FintCorp Limited
Disclosures in compliance with Regulations 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended March 31, 2024

Sl. No.	Details of the party (listed entity/ subsidiary) entering into the transaction		Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee (₹ in crore)	Value of transaction during the reporting period (₹ in crore)	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
	Name	PAN	Name	Relationship of the counterparty with the listed entity and its subsidiary				Opening balance	Closing balance	Nature of indebtedness	Cost	Tenure	Nature	Interest Rate (%)	Tenure	Secured/ Unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end usage)		
1	Hero Fincorp Limited		Hero MotoCorp Limited	Promoter	Subvention income	3.68	2.88	-	0.05										
					Dividend income		0.01												
2	Hero Fincorp Limited		Hero Housing Finance Ltd.	Subsidiary	Support services income	4.30	1.51	0.82	5.15										
					Rental income	As per lease agreement	3.17												
					Sale of assets	1.19	1.19												
					ESOP cross charge billing received	0.21	0.02												
3	Hero Fincorp Limited		Cosmic Kitchen Pvt. Ltd.	Entity controlled by Director's relative	Staff welfare expenses	2.60	1.25	-	(0.15)										
					Business promotion expenses		0.12												
4	Hero Fincorp Limited		Ather Energy Pvt. Ltd.	Fellow Associate	Loan repayment received		61.84	169.70	108.01						Loans	12% to 14%	Up to 37 months	Secured	Business purpose
					Interest income		9.56												
					Subvention income		0.23												
					Margin money paid		3.04	(5.48)	(2.44)										
5	Hero Fincorp Limited		Hero Mindmine Institute Pvt. Ltd.	Entity in which Director's relative is interested	Employee training expenses	0.26	0.02	-	-										
6	Hero Fincorp Limited		Hamari Asha Foundation	In accordance with Section 2(76)(vi) of Companies Act, 2013	Induction expenses	0.01	#	-	-										
					Business promotion expenses	0.27	0.27												
7	Hero Fincorp Limited		Elvy Lifestyle Pvt. Ltd.	In accordance with Section 2(76)(vi) of Companies Act, 2013	General office expenses	0.03	0.03	-	-										
8	Hero Fincorp Limited		Pawan Munjal	Non-Executive Director/ KMP	Sitting fees	0.12	0.07	-	(0.02)										
9	Hero Fincorp Limited		Pradeep Dinodia	Independent Director/ KMP	Sitting fees	0.32	0.15	-	(0.04)										
10	Hero Fincorp Limited		Vivek Chaand Sehgal	Independent Director/ KMP	Sitting fees	0.15	0.01	-	-										
11	Hero Fincorp Limited		Amar Raj Singh Bindra	Independent Director/ KMP	Sitting fees	0.12	0.12	-	(0.04)										



Hero FinCorp Limited
Disclosures in compliance with Regulations 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended March 31, 2024

Sl. No.	Details of the party (listed entity/ subsidiary) entering into the transaction		Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee (₹ in crore)	Value of transaction during the reporting period (₹ in crore)		In case monies are due to either party as a result of the transaction			In case any financial indebtedness is incurred to make or give loans, inter corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments			
	Name	PAN	Name	Relationship of the counterparty with the listed entity and its subsidiary			Opening balance	Closing balance	Nature of indebtedness	Cost	Tenure	Nature	Interest Rate (%)	Tenure	Secured/ Unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end usage)		
12	Hero Fincorp Limited		Renu Munjal	Managing Director/ KMP	Remuneration	17+ increment / variable on actual basis	6.66	-	-									
13	Hero Fincorp Limited		Abhimanyu Munjal	Jr. Managing Director & CEO/ KMP	Remuneration	17+ increment / variable on actual basis	4.49	-	-									
14	Hero Fincorp Limited		Sajin Mangalathu	Chief Financial Officer/ KMP	Remuneration	1.69	1.29	-	-									
					Reimbursement of expenses	#	#											
15	Hero Fincorp Limited		Shivendra Kumar Suman	Company Secretary/ KMP	Remuneration	2+ increment / variable on actual basis	0.51	-	-									
					Reimbursement of expenses		0.02											
16	Hero Housing Finance Limited		Nagesh Dinkar Pange	Independent Director/ KMP	Sitting fees	0.30	0.12	-	-									
17	Hero Housing Finance Limited		Geeta Mathur	Independent Director/ KMP	Sitting fees	0.30	0.12	-	-									
18	Hero Housing Finance Limited		Apul Nayyar	Whole Time Director & CEO/ KMP	Remuneration	7.00	2.16	-	-									
19	Hero Housing Finance Limited		Dhoop Mittal	Chief Financial Officer/ KMP	Remuneration	1.44	0.54	-	-									
20	Hero Housing Finance Limited		Suruchi Jassi	Company Secretary/ KMP	Remuneration	0.10	0.04	-	-									
21	Hero Housing Finance Limited		Ummeed Housing Finance Private Limited	Entity in which Director is interested	Service fees	27.00	#	-	-									

denotes amount less than ₹ 1 lakh

Notes:

- Transaction values are excluding taxes and duties.
- Amount in bracket denotes credit balance
- The value of transactions approved, in case of omnibus approval granted by the Audit Committee, are for the financial year 2023-24
- Related parties have been identified based on representations made by key managerial personnel and information available with the company.
- Remuneration to Key Managerial Personnel does not include gratuity and compensated absences as these are provided based on the Company as a whole.



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INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
Hero FinCorp Limited
34, Community Centre, Basant Lok,
Vasant Vihar, New Delhi - 110 057

Report on the Audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of Hero FinCorp Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), (Refer note 3 to the Statement) for the year ended March 31, 2024, the Consolidated Statement of Assets and Liabilities as on that date and the Consolidated Statement of Cash Flows for the year ended on that date (the "Consolidated Financial Results") which are included in the accompanying Statement of Unaudited/Audited Consolidated Financial Results for the quarter and year ended March 31, 2024 (the "Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). We have initialed the Statement for identification purposes only.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial results of subsidiary, the Statement:
 - a. includes the financial results of the Holding Company and its subsidiary company namely Hero Housing Finance Limited;
 - b. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations; and
 - c. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act"), the Reserve Bank of India (the "RBI") guidelines and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group, for the year ended March 31, 2024 and also the Consolidated Statement of Assets and Liabilities as at March 31, 2024 and the Consolidated Statement of Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated



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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Hero FinCorp Limited
Report on Consolidated Financial Results
Page 2 of 5

Financial Results” section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraph 12 of the “Other Matter” section below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors’ Responsibilities for the Consolidated Financial Results

4. These Consolidated Financial Results have been compiled from the annual consolidated financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information, the Consolidated Statement of Assets and Liabilities and the Consolidated Statement of Cash Flows of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, the relevant provisions of the Act, the circulars, guidelines and directions issued by the Reserve Bank of India (the “RBI”) from time to time (the “RBI Guidelines”) and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Results by the Board of Directors of the Holding Company, as aforesaid.
5. In preparing the Consolidated Financial Results, the respective Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group 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 Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the entities included in the Group are also responsible for overseeing the financial reporting process the Group.



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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Hero FinCorp Limited
Report on Consolidated Financial Results
Page 3 of 5

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 Results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.



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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Hero FinCorp Limited
Report on Consolidated Financial Results
Page 4 of 5

- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entity included in the Consolidated Financial Results, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
- 9. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 10. We also provide those charged with governance of the Holding Company 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.
- 11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matter

12. We did not audit the financial results of a subsidiary included in the consolidated financial results, whose financial results reflect total assets of Rs. 5,455.25 crores and net assets of Rs. 797.44 crores as at March 31, 2024, total revenues of Rs. 569.04 crores, total net profit after tax of Rs. 36.10 crores, and total comprehensive income of Rs. 36.66 crores for the for the year ended March 31, 2024, and cash flows (net) of Rs. (49.07) crores for the period from April 01, 2023 to March 31, 2024, as considered in the consolidated financial results. These financial results have been audited by other auditor whose report have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor who issued their unmodified opinion vide their report dated April 27, 2024 and the procedures performed by us as stated in paragraph 3 above.

Our opinion on the Statement is not modified in respect of the above matter.

13. The Consolidated Annual Financial Results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.



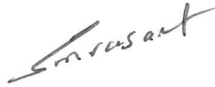
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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Hero FinCorp Limited
Report on Consolidated Financial Results
Page 5 of 5

14. The Consolidated Financial Results dealt with by this report have been prepared for the express purpose of filing with the National Stock Exchange of India Limited (NSE). These results are based on and should be read with the audited consolidated financial statements of the group, for the year ended March 31, 2024 on which we have issued an unmodified audit opinion vide our report dated May 03, 2024.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264



Sharad Vasant
Partner
Membership Number : 101119

UDIN: 24101119BKFOBJ3234

Place : Gurugram
Date : May 03, 2024

For B R Maheswari & Co. LLP
Chartered Accountants
Firm Registration Number: 001035N/N500050



Sudhir Maheshwari
Partner
Membership Number : 081075

UDIN: 24081075BKFDJF4632

Place : Gurugram
Date : May 03, 2024



Hero FinCorp Limited

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Corporate office: 9, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Fax: 011-49487197, Tel. No: 011-49487150, Website: www.herofincorp.com

CIN: U74899DL1991PLC046774

Statement of Unaudited/ Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

₹ in Crore

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Income					
i Revenue from operations					
Interest income	2,030.67	1,903.24	1,587.68	7,479.38	5,719.60
Dividend income	0.71	-	0.74	0.71	0.74
Profit on sale of investments (net)	23.95	22.30	43.89	64.70	85.63
Rental income	-	-	-	-	0.11
Gain on derecognition of financial instruments under amortised cost category	5.07	8.68	2.75	21.28	23.13
Insurance commission	46.29	33.66	2.84	113.99	21.22
Others charges	166.58	158.50	135.97	610.84	551.17
Total revenue from operations	2,273.27	2,126.38	1,773.87	8,290.90	6,401.60
ii Other income	6.65	15.18	5.67	68.82	45.95
iii Total income (i + ii)	2,279.92	2,141.56	1,779.54	8,359.72	6,447.55
iv Expenses					
Finance costs	858.85	816.69	613.59	3,097.36	2,173.95
Net loss on fair value changes	122.88	56.60	136.21	338.52	299.71
Impairment on financial instruments	496.72	468.15	180.96	1,722.39	1,212.23
Employee benefits expenses	187.70	170.83	153.20	692.71	542.15
Depreciation and amortization	21.31	15.72	11.07	65.96	37.93
Other expenses	373.59	318.11	353.37	1,482.23	1,446.36
Total expenses	2,061.05	1,846.10	1,448.40	7,399.17	5,712.33
v Profit before tax (iii - iv)	218.87	295.46	331.14	960.55	735.22
vi Tax expense					
Current tax	91.98	75.59	60.65	307.46	197.70
Deferred tax / (credit) (net)	(7.90)	9.78	44.11	16.04	57.57
Total tax expense	84.08	85.37	104.76	323.50	255.27
vii Net profit after tax (v - vi)	134.79	210.09	226.38	637.05	479.95
viii Other comprehensive income/ (loss)					
a) Items that will not be reclassified to profit or loss:					
Remeasurement of gains / (losses) on defined benefit plans	(0.18)	(0.66)	0.16	(1.43)	1.63
Income tax relating to items that will not be reclassified to profit or loss	0.08	0.15	(0.02)	0.44	(0.26)
Sub-total (a)	(0.10)	(0.51)	0.14	(0.99)	1.37
b) Items that may be reclassified to profit or loss:					
Cash flow hedge reserve	3.28	(22.36)	18.49	(33.38)	(0.76)
Income tax relating to items that may be reclassified to profit or loss	(0.60)	5.59	(4.16)	8.46	0.31
Sub-total (b)	2.68	(16.77)	14.33	(24.92)	(0.45)
Other comprehensive income/ (loss) for the period/ year, net of tax (a) + (b)	2.58	(17.28)	14.47	(25.91)	0.92
ix Total comprehensive income for the period/ year, net of tax	137.37	192.81	240.85	611.14	480.87
x Profit for the period/ year attributable to					
Owners of the Company	134.74	210.02	226.30	636.78	479.80
Non-controlling interests	0.05	0.07	0.08	0.27	0.15
xi Other comprehensive income/ (loss) for the period/ year, net of tax, attributable to					
Owners of the Company	2.58	(17.28)	14.46	(25.91)	0.91
Non-controlling interests	(0.00)	(0.00)	0.01	0.00	0.01
xii Total comprehensive income for the period/ year, net of tax, attributable to					
Owners of the Company	137.31	192.74	240.76	610.86	480.71
Non-controlling interests	0.06	0.07	0.09	0.28	0.16
xiii Earnings per equity share (refer note 8):					
(a) Basic (in ₹)	10.59	16.50	17.78	50.04	37.70
(b) Diluted (in ₹)	10.57	16.04	17.77	49.94	37.67
Face value per share (in ₹)	10.00	10.00	10.00	10.00	10.00



Hero FinCorp Limited

Statement of Unaudited/ Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

Notes:

- 1) Disclosure of consolidated statement of assets and liabilities as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at March 31, 2024:

₹ in Crore

Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
A. Assets		
1 Financial Assets		
(a) Cash and cash equivalents	98.78	750.14
(b) Bank balance other than cash and cash equivalents	59.07	41.22
(c) Derivative financial instruments	133.72	115.82
(d) Trade receivables	4.92	1.30
(e) Loans	49,880.47	39,871.27
(f) Investments	1,895.96	1,747.49
(g) Other financial assets	192.01	189.63
2 Non-Financial Assets		
(a) Current tax assets (net)	155.54	147.41
(b) Deferred tax assets (net)	369.02	376.15
(c) Property, plant and equipment	181.00	67.59
(d) Right-of-use assets	118.27	45.55
(e) Intangible assets under development	0.75	2.76
(f) Intangible assets	27.17	19.15
(g) Other non-financial assets	87.98	75.74
Total Assets	53,204.66	43,451.22
B. Liabilities and Equity		
Liabilities		
1 Financial Liabilities		
(a) Trade payables:		
(i) Total outstanding dues of micro enterprises and small enterprises; and	0.73	2.48
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	438.27	496.02
(b) Debt securities	6,703.72	6,747.08
(c) Borrowings (other than debt securities)	35,840.39	26,612.99
(d) Subordinated liabilities	3,625.37	3,267.79
(e) Lease liabilities	127.24	52.40
(f) Other financial liabilities	511.33	902.72
2 Non-Financial Liabilities		
(a) Current tax liabilities (net)	40.85	1.03
(b) Provisions	69.86	54.87
(c) Other non-financial liabilities	74.87	66.01
Total Liabilities	47,432.63	38,203.39
3 Equity		
(a) Equity share capital	127.31	127.31
(b) Other equity	5,638.66	5,116.13
(c) Non-controlling interests	6.06	4.39
Total Equity	5,772.03	5,247.83
Total Liabilities and Equity	53,204.66	43,451.22



Hero FinCorp Limited

Statement of Unaudited/ Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

Notes:

2) Disclosure of consolidated statement of cash flow as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024:

₹ in Crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	960.55	735.22
Adjustments for:		
Interest income	(7,477.66)	(5,717.89)
Finance costs	3,097.36	2,173.96
Depreciation and amortization	65.96	37.94
Impairment on financial instruments	1,722.40	1,212.23
Dividend income from investments	(0.71)	(0.74)
Discount on commercial paper	11.15	4.91
Employee share based payment expense	19.28	0.94
Net loss on sale of property, plant and equipment	0.74	1.60
Gain on derecognition of financial instruments underamortised cost category	(21.28)	(23.13)
Net loss on fair value changes	338.52	299.71
Profit on sale of investments	(64.70)	(85.64)
Cash inflow from interest on loans	7,218.91	5,379.03
Cash inflow from interest on fixed deposits	8.93	21.24
Cash outflow towards finance costs	(2,758.68)	(1,805.09)
Operating profit before working capital changes	3,120.77	2,234.29
Working capital adjustments		
(Increase)/ decrease in trade receivables	(8.77)	0.67
Increase in loans	(11,580.68)	(9,472.32)
(Increase)/ decrease in bank balance other than cash and cash equivalents	(18.46)	118.84
(Increase)/ decrease in other financial assets	18.92	(55.34)
Increase in derivative financial instruments	(51.51)	(115.13)
Increase in other non financial assets	(16.54)	(6.27)
Increase/ (decrease) in other financial liabilities	(395.06)	393.30
Increase/ (decrease) in trade payables	(54.38)	193.74
Increase in other non financial liabilities	8.88	9.90
Increase in provisions	13.78	7.22
Net cash used in operating activities before income tax	(8,963.05)	(6,691.10)
Income tax paid (net of refund)	(275.78)	(227.42)
Net cash used in operating activities (A)	(9,238.83)	(6,918.52)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(160.65)	(50.98)
Proceeds from sale of property, plant and equipment	4.28	2.70
Dividend received	0.71	0.74
Interest received on investments	114.14	51.94
Purchase of investments	(14,832.31)	(17,590.26)
Sale of investments	14,744.04	17,111.73
Net cash used in investing activities (B)	(129.79)	(474.13)



Hero FinCorp Limited

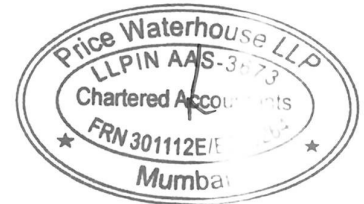
Statement of Unaudited/ Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

Notes:

2) Disclosure of consolidated statement of cash flow as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024:

₹ in Crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C. Cash flow from financing activities		
Proceeds from conversion of partly paid equity shares to fully paid	0.02	-
Proceeds from issue of equity shares of subsidiary to Non-controlling interest	0.61	1.81
Proceeds from issue of compulsorily convertible preference shares	-	2,000.00
Share issue expenses paid	(0.25)	(6.00)
Proceeds from issue of debt securities	5,349.00	5,105.90
Repayment of debt securities	(5,623.76)	(4,548.15)
Proceeds from issue of borrowings (other than debt securities)	23,907.37	19,005.10
Repayment of borrowings (other than debt securities)	(14,785.74)	(14,555.20)
Proceeds from issue of subordinated liabilities	55.07	279.91
Repayment of lease liability	(34.61)	(15.07)
Dividend paid on equity shares	(102.94)	-
Dividend paid on compulsorily convertible preference shares	(47.51)	-
Net cash generated from financing activities (C)	8,717.26	7,268.30
D. Net decrease in cash and cash equivalents (A+B+C)	(651.36)	(124.35)
Cash and cash equivalents at the beginning of the year	750.14	874.49
Cash and cash equivalents at the end of the year*	98.78	750.14
*Components of cash and cash equivalents		
Balances with banks (current accounts)	28.50	222.68
Deposit with banks (original maturity less than three months)	70.28	527.46
	98.78	750.14



Hero FinCorp Limited
Statement of Unaudited/ Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

Notes:

- 3) The consolidated financial results include results of the following:

Name of the company	% shareholding and voting power of Hero FinCorp Limited	Consolidated as
Hero Housing Finance Limited	99.24%	Subsidiary

- 4) The consolidated financial results for the quarter and year ended March 31, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 03, 2024. The consolidated financials results for the year ended March 31, 2024 have been subjected to audit by joint statutory auditors in compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 5) The consolidated financial results for the year ended March 31, 2024 have been prepared in accordance with and comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The consolidated financial statements, used to prepare the consolidated financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- 6) The secured non-convertible debentures issued by the Group are fully secured by pari-passu charge by way of hypothecation of receivables of the Group, to the extent as stated in the respective information / placement memorandum. Further, the Group has maintained asset cover as stated in the information/ placement memorandum which is sufficient to discharge the principal amount and interest accrued but not due at all times for the secured non-convertible debt securities issued.
- 7) Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, as amended, the Group has listed Commercial Papers on National Stock Exchange (NSE).
- 8) Earnings per equity share for the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023 have not been annualised.
- 9) The Group is engaged primarily in the business of financing, and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Group operates in a single geographical segment i.e. domestic.
- 10) The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between audited figures in respect of full financial year and year to date figures upto the end of the third quarter of the respective financial years. The figures upto the end of the third quarter ended December 31, 2023 were subjected to Limited Review.
- 11) During the previous year ended 31 March 2023, the Holding Company had allotted 3,63,63,636 Compulsorily Convertible Preference Shares (CCPS) (comprising of 1,70,36,363 Class A CCPS and 1,93,27,273 Class B CCPS) of face value of ₹ 550 each aggregating to ₹ 2,000 crores. As per Section 43 of the Companies Act, 2013, the preference shares are classified as part of Share Capital. However, as per Ind AS 32 'Financial Instruments: Presentation' and terms of conditions of such preference shares, they are required to be classified as a financial liability.
In accordance with Ind AS 32 'Financial Instruments: Presentation', the Holding Company had classified these CCPS as a financial liability and presented it in accordance with Schedule III division III of the Companies Act, 2013 (disclosed under the head of Subordinated liabilities). These CCPS are subsequently measured at fair value through profit or loss as per Ind-AS 109 requirements.
If these CCPS were classified in accordance with section 43 of the Companies Act, 2013 i.e., as equity, profit after tax for the year ended March 31, 2024, would be higher by ₹ 348.69 crores (March 31, 2023: ₹ 310.05 crore) and total equity would be higher by ₹ 2,611.24 crores (March 31, 2023: ₹ 2,310.05 crore) and subordinated liabilities would be lower by ₹ 2,611.24 crores as at March 31, 2024 (March 31, 2023: ₹ 2,310.05 crore).
- 12) Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 is attached as Annexure 1.
- 13) The board of directors has approved payment of dividend of 3% per Class A & Class B Cumulative Compulsorily Convertible Preference Shares of face value of ₹ 550 each.
- 14) The board of directors has recommended a final dividend of ₹ 10 per equity share of ₹ 10 each (i.e. 100%) subject to shareholders approval in the ensuing Annual General Meeting.
- 15) Previous period/ year figures have been regrouped/ reclassified, wherever found necessary, to conform to current period/ year classification.

For and on behalf of the Board of
Hero FinCorp Limited

A. M. J.

Abhimanyu Munjal
Jt. Managing Director & CEO
(DIN No. : 02822641)



Place: Gurugram
Date: May 03, 2024

Hero FinCorp Limited

Statement of Unaudited/ Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the quarter and year ended March 31, 2024

Particulars	For the quarter ended March 31, 2024	For the year ended March 31, 2024
a) Debt equity ratio (no. of times)	8.01	8.01
b) Debt service coverage ratio	N.A.	N.A.
c) Interest service coverage ratio	N.A.	N.A.
d) Outstanding redeemable preference shares (nos.)	-	-
e) Outstanding redeemable preference shares (values)	-	-
f) Capital redemption reserve / debenture redemption reserve	-	-
g) Net worth (₹ in Crore)	5,765.97	5,765.97
h) Current ratio	N.A.	N.A.
i) Long term debt to working capital	N.A.	N.A.
j) Current liability ratio	N.A.	N.A.
k) Total debts to total assets (%)	86.78	86.78
l) Debtors turnover	N.A.	N.A.
m) Inventory turnover	N.A.	N.A.
n) Operating margin (%)	N.A.	N.A.
o) Net profit margin (%)*	5.91	7.62
p) Bad debts to account receivable ratio	N.A.	N.A.
q) Gross non performing assets (%)	4.02	4.02
r) Net non performing assets (%)	2.00	2.00
s) Provision coverage ratio (%)	51.41	51.41

*not annualised for the quarter ended

Annexure 1.1

Key ratios if CCPS were classified as Equity in holding company in accordance with Companies Act, 2013 (refer note 11 to the Unaudited/ Audited Consolidated Financial Results for the quarter and year ended March 31, 2024):

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Debt equity ratio (no. of times)	5.20	4.54
b) Net worth (₹ in Crore)	8,377.20	7,553.49
c) Total debts to total assets (%)	81.87	78.98
d) Net profit margin (%)	11.78	12.23

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Formulae for computation of ratios are as follows:

- | | |
|---------------------------------------|---|
| (i) Debt equity ratio | $(\text{Debt securities} + \text{borrowings (other than debt securities)} + \text{subordinated debts}) / (\text{Equity share capital} + \text{other equity})$ |
| (ii) Net worth | $\text{Equity share capital} + \text{other equity}$ |
| (iii) Total debts to total assets (%) | $(\text{Debt securities} + \text{borrowings (other than debt securities)} + \text{subordinated debts}) / \text{Total assets}$ |
| (iv) Net profit margin (%) | $\text{Profit after tax} / \text{Total income}$ |
| (v) Gross non performing assets (%) | $\text{Gross stage 3 loans} / \text{Gross loans}$ |
| (vi) Net non performing assets (%) | $(\text{Gross stage 3 loans} - \text{impairment loss allowance for stage 3 loans}) / (\text{Gross loans} - \text{impairment loss allowance for stage 3 loans})$ |
| (vii) Provision coverage ratio (%) | $\text{Impairment loss allowance for stage 3 loans} / \text{Gross stage 3 loans}$ |

