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Initial public offer of equity shares on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in compliance with Chapter 8 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2019, as amended ("SEBI ICDR Regulations").



(Please scan this QR code to view the Red Herring Prospectus and the Abridged Prospectus)



HERO MOTORS LIMITED

(TO BE LISTED ON THE MAIN BOARD OF BSE AND NSE)

Our Company was incorporated in the name of Hero Briggs & Stratton Auto Private Limited as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1998, issued by the Registrar of Companies, Delhi and Haryana. Thereafter, our Company became a deemed public company, and the name of our Company was changed to Hero Briggs & Stratton Auto Limited with effect from August 25, 1998. Pursuant to the enactment of Companies (Amendment) Act, 2000 and effect of Section 43A(2A) of the Companies Act, 1956, our Company was again converted into a private limited company with effect from June 1, 2001, and the name of our Company was accordingly changed to Hero Briggs & Stratton Auto Private Limited. Thereafter, pursuant to the termination of the joint venture agreement with Briggs & Stratton International Inc. (USA) in 2001, the name of our Company was changed to Hero Auto Private Limited and a fresh certificate of incorporation dated April 11, 2001, was issued by the Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Company was changed to Hero Auto Limited upon conversion to a public limited company on October 30, 2003, pursuant to a fresh certificate of incorporation issued by the Registrar of Companies (Delhi and Haryana). Further, pursuant to the fresh certificate of incorporation dated September 18, 2004, issued by the Registrar of Companies, Delhi and Haryana, the name of our Company was changed to Hero Motors Limited to reflect the true nature of the Company's business, which is the name of our Company as on the date of the Red Herring Prospectus dated September 9, 2026 (the "RHP"). For details of changes in the name and registered office address of our Company, see "History and Certain Corporate Matters" on page 301 of the RHP.

Registered Office: Hero Nagar, GT Road, Ludhiana, Punjab - 141 003, India. Corporate Office: New Square, Office level, 7th Floor Plot No. C1-C, Jaypee Worldview, Sector 129, Noida, Uttar Pradesh, 201 304, India. Telephone: +91 191 4411 000. Contact person: Sakshi Dandia, Company Secretary and Compliance Officer. E-mail: investor@heromotors.com. Website: www.heromotors.com. Corporate Identity Number: U20299PB1998PLC2236002

THE PROMOTERS OF OUR COMPANY ARE PANKAJ MUNJAL, CHARU MUNJAL, ABHISHEK MUNJAL AND O P MUNJAL HOLDINGS

INITIAL PUBLIC OFFER OF UP TO 14% EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF HERO MOTORS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹14 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹14 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹19,600.00 MILLION COMPRISING A FRESH ISSUE OF UP TO 14% EQUITY SHARES AGGREGATING UP TO ₹16,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 14% EQUITY SHARES AGGREGATING UP TO ₹3,600.00 MILLION ("OFFER FOR SALE") BY THE SELLING SHAREHOLDERS, COMPRISING UP TO 14% EQUITY SHARES AGGREGATING UP TO ₹13,00.00 MILLION BY O P MUNJAL HOLDINGS ("PROMOTER SELLING SHAREHOLDER") AND UP TO 14% EQUITY SHARES AGGREGATING UP TO ₹2,600.00 MILLION BY HERO CYCLES LIMITED ("PROMOTER GROUP SELLING SHAREHOLDER") AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS"), AND SUCH OFFER FOR SALE, THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER". THE OFFER SHALL CONSTITUTE 14% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

NAME OF THE SELLING SHAREHOLDER	TYPE	DETAILS OF THE OFFER FOR SALE		WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)
		NUMBER OF EQUITY SHARES OFFERED	AMOUNT	
O P Munjal Holdings	Promoter Selling Shareholder	Up to 14% Equity Shares of face value of ₹10 each aggregating up to ₹3,600.00 million	10.00	
Hero Cycles Limited	Promoter Group Selling Shareholder	Up to 14% Equity Shares of face value of ₹10 each aggregating up to ₹2,600.00 million	10.00	

* The weighted average cost of acquisition is ₹10.027 per Equity Share and has been rounded to ₹10.00. * As certified by Ramnath C Agarwal & Co., Chartered Accountants by way of their certificate dated September 8, 2026.

PRICE BAND: ₹79 TO ₹84 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

THE FLOOR PRICE IS 7.9 TIMES THE FACE VALUE OF THE EQUITY SHARES AND

THE CAP PRICE IS 8.4 TIMES THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 178 EQUITY SHARES OF FACE VALUE OF ₹10 EACH AND

IN MULTIPLES OF 178 EQUITY SHARES OF FACE VALUE OF ₹10 EACH THEREAFTER.

THE PRICE TO EARNINGS RATIO ("P/E") BASED ON DILUTED EPS FOR FISCAL 2026 FOR OUR COMPANY AT THE LOWER END OF THE PRICE BAND (I.E. FLOOR PRICE) IS 69.30 TIMES AND AT THE UPPER END OF THE PRICE BAND (I.E. CAP PRICE) IS 73.68 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 50.20 TIMES FOR FISCAL 2026.

WEIGHTED AVERAGE RETURN ON NET WORTH FOR LAST THREE FINANCIAL YEARS IS 7.58%.

The details of the Fresh Issue, Offer for Sale and the post Offer market capitalization of the Company, each at the Floor Price and the Cap Price, are given below:

Particulars	OFFER SIZE AND MARKET CAPITALIZATION			
	At Floor Price of ₹79 per equity share		At Cap Price of ₹84 per equity share	
	Up to No. of Equity Shares of face value of ₹10 each	Up to Amount (₹ in Million)	Up to No. of Equity Shares of face value of ₹10 each	Up to Amount (₹ in Million)
Fresh Issue	71,943,367	6,000.00	71,428,571	6,000.00
Offer For Sale	50,632,911	4,000.00	47,619,047	4,000.00
Total Offer Size	1,28,582,278	10,000.00	1,19,047,618	10,000.00
Post Offer Market Capitalization	486,736,372	36,240.00	484,215,576	36,154.00

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS AND CLOSES ON TUESDAY, 15 SEPTEMBER, 2026

BID/ OFFER OPENS ON WEDNESDAY, 16 SEPTEMBER, 2026

BID/ OFFER CLOSES ON FRIDAY, 18 SEPTEMBER, 2026*

* The offer window opens and closes at 3:00 p.m. on Bid/Offer Closing Day.

We are one of India's leading automotive technology companies engaged in designing, developing, manufacturing and supplying highly engineered powertrain solutions catering to automotive original equipment manufacturers ("OEMs") in United States, Europe, India and the Association of Southeast Asian Nations ("ASEAN") region. (Source: CRISIL Report).

THE OFFER IS BEING MADE THROUGH THE BOOK BUILDING PROCESS IN ACCORDANCE WITH REGULATION 6(1) OF THE SEBI ICDR REGULATIONS.

THE EQUITY SHARES OF THE COMPANY WILL GET LISTED ON THE MAIN BOARDS OF BSE AND NSE.

BSE SHALL BE THE DESIGNATED STOCK EXCHANGE.

• QIB PORTION: NOT MORE THAN 50% OF THE OFFER • NON-INSTITUTIONAL PORTION: NOT LESS THAN 15% OF THE OFFER

• RETAIL PORTION: NOT LESS THAN 35% OF THE OFFER

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER. IN RELATION TO PRICE BAND, POTENTIAL INVESTORS SHOULD ONLY REFER TO THIS PRICE BAND ADVERTISEMENT FOR THE OFFER AND SHOULD NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION AVAILABLE IN ANY MANNER IN RELATION TO THE VALUATION OF THE COMPANY AS THESE ARE NOT ENDORSED, PUBLISHED OR CONFIRMED EITHER BY THE COMPANY OR THE BOOK RUNNING LEAD MANAGERS ("BRLMs").

In accordance with the recommendation of the Committee of Independent Directors of our company, pursuant to their resolution dated September 9, 2026, the above provided Price Band is justified based on Quantitative factors/ Key performance indicators disclosed in the "Basis for Offer Price" section on page 126 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Offer Price" section beginning on page 126 of the RHP and provided below in this advertisement.

RISK TO INVESTORS

For details, refer to section titled "Risk Factors" on page 21 of the RHP.

1. Geographical Concentration Risk: For Fiscals 2026, 2025 and 2024, 96.09%, 95.33% and 95.75% of our revenue from operations, respectively, was derived from India, Europe and United States collectively. An economic slowdown in these geographies/countries or tightening of laws or regulations may have an adverse impact on our business, financial condition, cash flows and results of operations.

2. End-industry concentration risk: Our business is substantially dependent on the e-bike and two-wheeler industries in India and overseas. Any adverse changes in the conditions affecting these industries can adversely impact our business, results of operations, cash flows and financial condition.

3. Supplier Risk: We depend on a limited number of suppliers for the

procurement of raw materials for our production. Any interruption in the supply of raw materials could adversely affect our business, financial condition, results of operations and cash flows. The table below provides the cost of raw materials consumed sourced from our top one, top five and top 10 suppliers in the years indicated:

Supplier	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)
Top Supplier*	365.80	3.17%	324.44	3.03%	296.10	2.80%

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Supplier	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)
Top 5 Suppliers*	1,410.63	12.23%	1,403.56	13.09%	1,393.24	13.15%
Top 10 Suppliers*	2,405.32	20.85%	2,339.32	21.82%	2,278.95	21.52%

* Suppliers may vary for each Fiscal. Our top 10 suppliers/vendors did not contribute to more than 50% of the total cost of raw materials consumed for Fiscal 2026, 2025 and 2024 on a consolidated basis.

4. **Business Risk:** We are subject to stringent quality, tolerance and delivery requirements from customers. Failure to comply may result in recalls, warranty claims, loss of business share, or cancellation order.
5. **Customer Concentration Risk:** Our business largely depends on our top 10 customers which contributed 72.89%, 78.03% and 76.96% of our revenue from operations in Fiscals 2026, 2025 and 2024. The loss of any of these customers could have an adverse effect on our business, results of operations, financial condition and cash flows. The following table sets forth our revenues from our top ten customers in the periods indicated:

Category	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)
Top 10 Customers	8,661.40	72.89%	8,501.96	78.03%	8,191.86	76.96%

Note: Our top 10 customers are based on the revenue contribution of the relevant customer in the relevant Fiscals, as the case maybe

6. **Technology and Product-transition Risk:** We may not be able to anticipate and respond swiftly to changing technological and market trends, as well as to develop new products aligned with customer demands in the automotive sector, which could have an adverse impact on our financial condition
7. **Competition Risk:** We compete with established global players (ZF Friedrichshafen AG, Musashi Co. Ltd., BorgWarner Inc., GKN PLC, Bafang, Mahle, Shimano Inc, Rohloff, Badve Group, Sandhar Technologies, Magnum) in the powertrain solutions industry. Inability to compete effectively could adversely affect our business, financial condition, results of operations and cash flows.
8. **Hazardous operations Risk:** Our manufacturing operations involve

hazardous activities (storage of petroleum/compressed gases, chemical handling), which could result in accidents, operational suspension, or civil/criminal liability.

9. **Brand and Reputation Risk:** Our business depends on maintaining brand reputation and product quality perception and any failure to do so could adversely affect customer relationships and financial performance.
10. **Operating Risk:** We operate six manufacturing facilities (four in India – three in Ludhiana, Punjab and one in Gautam Buddha Nagar, UP; one each in United Kingdom and Thailand), with two more under construction. Any shutdown or disruption at these facilities could reduce sales and adversely affect our operations
11. The price to earnings ratio based on diluted EPS for Fiscal 2026 for our company at the upper end of the price band is 73.68 times. The average industry price-to-earnings ratio is 50.20.
12. The average cost of acquisition of Equity shares for Selling shareholders ranges from ₹0.03* per Equity share to ₹10.07 per Equity share and the offer at upper end of the Price Band is ₹84 per Equity Share.

*The weighted average cost of acquisition is ₹0.027 per Equity Share and has been rounded to ₹0.03.

13. Weighted Average Return on Net Worth for Fiscals 2026, 2025 and 2024 is 7.58%.
14. Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years preceding the date of the RHP by the Promoters, Promoter Group, Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights

Period*	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price-Highest Price (in ₹)
Last 1 year	NIL	NA	NIL
Last 18 months	NIL	NA	NIL
Last 3 years	NIL	NA	NIL

*As certified by Ramesh CAgrawal & Co., Chartered Accountants pursuant to their certificate dated September 9, 2026.

15. The three BRLMs associated with the Offer have handled 102 public issues in the past three years out of which 27 issues closed below the offer price on listing date:

Name of BRLM	Total Issues	Issues Closed below IPO price as on listing date
ICICI Securities Limited*	33	9
JM Financial Limited*	34	6
DAM Capital Advisors Limited*	13	3
Common Issues	22	9
Total	102	27

*Issues handled where there were no common BRLMs

Basis for Offer Price	
1	100%
2	100%
3	100%
4	100%
5	100%
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