

HMCL:ICK:11/14A:SECT:13

October 23, 2013

Fax/Email/Courier

Asst. Vice President,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
MUMBAI - 400 051

The Secretary,
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

Dear Sir,

Re: Outcome of Board Meeting and Press Release

Further to our letter no. HMCL:ICK:11/14A:SECT:13 dated October 11, 2013 intimating you about the meeting of the Board of Directors ("Board") to be held on Wednesday, October 23, 2013, we wish to inform you that the Board in its said meeting have considered and adopted the Un-audited Financial Results for the Second quarter and Half year ended September 30, 2013 and taken on record the Limited Review Report of the Statutory Auditors thereon, copies of the same are annexed herewith.

We are also enclosing herewith a copy of the press release.

Kindly take the same on record.

Thanking you,

Yours faithfully,
for Hero MotoCorp Ltd.



ILAM C. KAMBOJ
A.V.P. - Legal & Company Secretary

Encl: as above

HERO MOTORCYCLES LIMITED

Regd. office:- 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057
Unaudited Financial Results for the quarter and half year ended September 30, 2013.

Part-I

S. No.	Particulars	Quarter ended September 30, 2013 Unaudited	Quarter ended June 30, 2013 Unaudited	Quarter ended September 30, 2012 Unaudited	Half year ended September 30, 2013 Unaudited	Corresponding half year ended September 30, 2012 Unaudited	Year ended March 31, 2013 Audited
		(1)	(2)	(3)	(4)	(5)	(6)
No. of two wheelers sold		14,16,276	15,59,282	13,32,805	29,75,559	29,75,077	40,75,593
1 Income from Operations		5,69,446	6,12,484	5,15,118	11,80,393	11,35,896	23,59,274
(a) Net sales/ income from Operations (Net of excise duty)		2,975	3,268	3,628	6,243	7,578	18,337
(b) Other Operating Income		5,72,421	6,15,952	5,18,746	11,86,573	11,43,474	23,76,811
Total Income from operations (net)							
2 Expenses							
(a) Cost of materials consumed		4,11,448	4,47,029	3,69,997	8,58,477	8,54,775	17,36,486
(b) Change in inventories of finished goods and work-in-progress		(1,893)	(1,453)	(10,979)	(3,343)	(17,501)	3,280
(c) Employees benefits expenses		22,897	22,150	19,216	45,049	39,678	82,092
(d) Depreciation and amortisation expenses		28,481	27,438	28,951	56,129	59,299	1,14,173
(e) Other expenses		56,897	56,719	50,593	1,13,618	1,00,917	2,26,503
Total Expenses		5,16,042	5,61,668	4,75,778	10,46,910	10,37,146	21,42,538
3 Profit from Operations before Other Income, Finance cost (1-2)		54,377	44,084	42,948	1,18,645	1,06,306	2,14,273
4 Other Income		11,546	11,226	9,934	22,772	20,377	39,835
5 Profit before finance costs (3+4)		66,123	75,310	52,902	1,41,435	1,26,683	2,54,111
6 Finance costs		296	295	295	591	588	1,191
7 Profit before tax (5-6)		65,829	75,015	52,607	1,40,844	1,26,095	2,52,920
8 Tax expense		17,683	20,157	8,549	37,845	20,491	41,104
9 Net Profit for the period (7-8)		48,141	54,858	44,058	1,02,999	1,05,604	2,11,816
10 Paid-up Equity Share Capital		3,994	3,994	3,994	3,994	3,994	3,994
Face value of the share (Rs.)		200	200	200	200	200	200
11 Reserves excluding Revaluation Reserve							4,96,430
12 Basic and diluted earnings per share Face value Rs. 2/- each (In Rupees)		24.11	27.47	22.06	51.58	52.88	106.07

Part-II

Select information for the quarter and half year ended September 30, 2013						
Particulars	Quarter ended September 30, 2013 (refer note 3)	Quarter ended June 30, 2013 (refer note 3)	Quarter ended September 30, 2012 (refer note 3)	Half year ended September 30, 2013	Corresponding half year ended September 30, 2012	Year ended March 31, 2013
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
-Number of shares	(Rs. 200 per share) 11,99,75,018	(Rs. 200 per share) 9,54,28,010	(Rs. 200 per share) 9,54,28,010	(Rs. 200 per share) 11,99,75,018	(Rs. 200 per share) 9,54,28,010	(Rs. 200 per share) 9,54,28,010
-Percentage of holding to total holding	60.09%	47.79%	47.79%	60.09%	47.79%	47.79%
2 Promoters and promoter group shareholding						
a) Pledged/encumbered						
Number of shares	NIL	NIL	31,25,000	NIL	31,25,000	NIL
Percentage of shares (as a % of total shareholding of promoter and promoter group)	-	-	3.00%	-	3.00%	-
Percentage of shares (as a % of the total share capital of the company)	-	-	1.56%	-	1.56%	-
b) Non-encumbered						
Number of shares	7,97,12,482	10,42,59,490	10,11,34,490	7,97,12,482	10,11,34,490	10,42,59,490
Percentage of shares (as a % of total shareholding of promoter and promoter group)	100.00%	100.00%	97.00%	100.00%	97.00%	100.00%
Percentage of shares (as a % of the total share capital of the company)	39.92%	52.21%	50.65%	39.92%	50.65%	52.21%
B INVESTOR COMPLAINTS						
Pending at the beginning of quarter						
Received during the quarter						
Deposited off during the quarter						
Remaining unresolved at the end of the quarter						

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Statement of Assets and Liabilities as per Clause 41 of the Listing Agreement

(Rupees in lacs)

Sr.no.	Particulars	Half year ended September 30, 2013	Year ended March 31, 2013
		Unaudited (1)	Audited (3)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds:		
	a) Capital	3,994	3,994
	b) Reserves and Surplus	5,99,942	4,96,630
	Sub-total - Shareholders' funds	6,03,936	5,00,624
2	Non-current liabilities		
	a) Long-term liabilities	2,276	30,216
	b) Deferred tax liabilities (Net)	7,903	13,241
	c) Long-term provisions	3,439	3,016
	Sub-total - Non-current liabilities	13,618	46,473
3	Current liabilities		
	a) Trade payables	2,22,623	1,87,334
	b) Other current liabilities	1,50,268	88,764
	c) Short-term provisions	807	1,40,970
	Sub-total - Current liabilities	3,73,698	4,17,068
	TOTAL EQUITY AND LIABILITIES	9,91,252	9,64,165
B	ASSETS		
1	Non-current assets		
	a) Fixed assets	2,84,283	3,13,307
	b) Long-term investments non-current	50,960	61,447
	c) Long-term loans and advances	71,061	78,006
	d) Other non-current assets	4,212	3,644
	Sub-total - Non-current assets	4,10,516	4,56,404
2	Current assets		
	a) Current investments	3,38,704	3,00,936
	b) Inventories	63,957	63,676
	c) Trade receivables	87,030	66,500
	d) Cash and cash equivalents	23,607	18,104
	e) Short-term loans and advances	63,939	55,355
	f) Other current assets	3,499	3,190
	Sub-total - Current assets	5,80,736	5,07,761
	TOTAL -ASSETS	9,91,252	9,64,165

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Notes:-

- 1 The above results for the quarter and half year ended September 30, 2013 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors ("Board") in their respective meetings held on Wednesday, October 23, 2013
- 2 As the Company's business activity falls within a single primary business segment viz 'Two-wheelers, its parts and ancillary services' and is a single geographical segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", specified in the Companies (Accounting Standard) Rules, 2006 are not applicable.
- 3 During the quarter under review, pursuant to the Scheme of Arrangement (the Scheme) for amalgamation of Hero Investments Private Limited (HIPL) with the Company, the Company allotted 86,531,210 shares of Rs. 2 each to the shareholders of HIPL as on the record date. Consequent to the allotment in pursuance of the above scheme, the promoters shareholding is 39.92% and the public shareholding is 60.08%.
- 4 In line with Notification No. G.S.R. 378 (E) dated May 11, 2011 issued by The Ministry of Corporate Affairs, Government of India, the exchange differences arising after April 1, 2007 on reporting of long term foreign currency monetary items at rates at end of quarter compared to those at which they were initially recorded, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, have been added to or deducted from the cost of the asset and shall be depreciated over the balance useful life of the asset.
- 5 Previous period/year figures have been regrouped/ reclassified wherever necessary, to make them comparable.
- 6 The above results of the Company are available on the Company's website www.heromotocorp.com and also on www.bseindia.com and www.nseindia.com

For and on behalf of the board

New Delhi
October 23, 2013

Per our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Vijay Agarwal
Partner
Membership No.- 94468

New Delhi
Dated:- October 23, 2013

Sd/-
BRIJMOHAN LALL MUNJAL
Chairman



New Delhi, October 23rd, 2013:

HERO MOTOCORP RIDES INTO THE FESTIVE SEASON WITH ROBUST NUMBERS FOR Q2'14

REPORTS PAT OF RS. 481CRORE & TURNOVER OF RS 5726 CRORE FOR THE JUL-SEPT QUARTER

Financial Results for Q2, FY'14

- Total sales for the quarter stands at **14,16,276** units
- Total turnover (Net sales and other operating income) Rs. 5726 Crore
- Profit Before Tax (PBT) stands at Rs.658 crore
- Net Profit After Tax (PAT) stands at Rs 481crore
- EBIDTA margin for the quarter at 14.5 per cent

“With our performance in the second quarter (July-September) of FY'14, we have clearly demonstrated that we can have good margins even as we strengthen our market leadership. When we commenced our solo journey a little over two years ago, protecting our market share was the top-most priority. Having achieved that, our strategy now clearly is to build on that leadership and make our business more profitable through several innovations, including a cost rationalization initiative. The results are already showing. Going forward, as we move to consolidate our leadership through technology, innovation and youth-focused products, we will certainly strive to keep improving our profitability as well.

“These numbers bode well for the festive season. The sentiments are positive and there is a momentum for us in the market, and we are definitely looking at demonstrating our leadership by record dispatch and retail sales during the festive period.

“The country, however, is passing through a very challenging time, which is also reflected in the sluggishness in the industry. The Rupee depreciation, which has adversely impacted several sectors, has also pulled up the costs of essential commodities such as steel, nickel, copper and rubber. Going forward, these higher input prices, combined with increasing labour costs, are likely to put a lot of pressure on margins in the industry. We will, therefore, be innovative in tackling these cost pressures to protect our margins.”

PAWAN MUNJAL

Managing Director & Chief Executive Officer

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Making an impressive entry into the festive season, **Hero MotoCorp Ltd. (HMCL)**, the world's largest two-wheeler manufacturer, today reported strong results for the second quarter (July-September) of this financial year (FY 2013-14).

With sales of 14,16,276 two-wheelers in Q2 FY'14, the company registered a total turnover (Net Sales & other Operating Income) of Rs 5726 crore and net profit after tax (PAT) of Rs 481 crore. HMCL had reported a total turnover of Rs. Rs.5187 and PAT of Rs 441 crore in the corresponding quarter in the previous fiscal (2012-13). EBIDTA margin (Earnings Before Interest, Depreciation & Amortization) for the second quarter (July-September) of this financial year (FY 2013-14) stood at 14.5 per cent.

The cumulative sales for first half of the year (April-Sept'13) stands at 29,75,558 two-wheelers. The company registered a total turnover (Net Sales & other Operating Income) of Rs 11,886 crore and net profit after tax (PAT) of Rs 1,030 crore in this period. HMCL had reported a total turnover of Rs. Rs.11,435 and PAT of Rs 1,056 crore in the corresponding period in the previous fiscal (2012-13). EBIDTA margin (Earnings Before Interest, Depreciation & Amortization) for the first half (FY 2013-14) stood at 14.7 per cent.

The Q2 of FY'14 marked several milestones in Hero MotoCorp's journey towards next-generation technological excellence.

Demonstrating Technological Excellence & Innovation through '15 new offerings'

In a reiteration of its capability to develop indigenous technologies, HMCL recently showcased next-gen features to be introduced in its new product line-up, namely, **i3S Technology (Idle Stop & Start System)** for two-wheelers which will soon make its debut in the all-new **Splendor iSmart; Integrated Braking System (IBS)** that is being introduced in the all-new **Pleasure and Electronic Immobiliser** which will debut on the new **150cc Xtreme**. Hero has filed for patents for these technological innovations.

Apart from these offerings, HMCL also showcased a series of radical refreshes and variants of existing platforms that include technologically superior & internationally styled **Karizma & ZMR**, the new **100-cc HF Dawn, HF Deluxe & HF Deluxe Eco**; the New **100-cc Splendor Pro** and **125-cc Super Splendor**; new **100cc Passion Pro, Glamour & Glamour FI**. All these models have been re-designed keeping in mind Hero's philosophy of SafeTech, StyleTech and Innovation.

The "game-changing" Hero Centre of Global Innovation and R&D

HMCL recently commenced construction of its Rs 450 Crore "**Hero Centre of Global Innovation and Research & Design (R&D)**" at Kukas, on the outskirts of Jaipur in Rajasthan. Once operational, HMCL's current R&D centres, located at the Gurgaon and Dharuhera factories, will shift to 'Hero Centre of Global Innovation and R&D' – thus creating a nucleus for the key technological functions.

A NEW vision for a NEW Hero

With HMCL fast augmenting its presence globally and further strengthening its leadership in the domestic market, the company unveiled a global vision for brand 'Hero' - to be achieved by year 2020:

- Surpass 100 million units in cumulative production
- Annual bike and scooter sales of 12 million
- More than 20 manufacturing and assembly plants across the globe
- Sales in more than 50 countries
- Turnover of Rs 60,000 crore

Robust Globalisation Strategy

In July 2013, Hero MotoCorp began its quest in **Africa** with the launch of brand Hero in **Kenya, Burkina Faso and Ivory Coast**. HMCL has also set-up its first international assembly unit at Nairobi in Kenya. The company followed it with the launch of operations in **Peru in Latin America**. As of today, Hero two-wheelers sell in 11 markets across the globe - *Peru in Latin America; Guatemala, Honduras & El Salvador in Central America; Columbia in South America; Kenya in East Africa; Burkina Faso and Ivory Coast in West Africa, Sri Lanka, Nepal and Bangladesh in Asia*)

Hero Mileage

Hero MotoCorp introduced an innovative campaign titled "**Hero Mileage**" during the second quarter, capturing Hero's best-in-class fuel-efficiency across its product range; and the tagline – "**Thoda Extra Kilometer Per Litre**" - has gone on to become part of the youth lingo in a very short time.

For further information please contact:

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Deloitte Haskins & Sells

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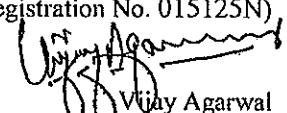
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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF HERO MOTOCORP LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HERO MOTOCORP LIMITED** ("the Company") for the quarter and half year ended September 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II – Select Information for the quarter and half year ended September 30, 2013 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm Registration No. 015125N)


Vijay Agarwal
Partner
(Membership No. 094468)

Place: New Delhi, 23 October, 2013

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