

# B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
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To

**Board of Directors of Hero FinCorp Limited**

We have audited the accompanying annual financial results of Hero FinCorp Limited ('the Company') for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The annual financial results for the year ended 31 March 2018 included in the statement, are based on the previously issued financial results of the Company prepared in accordance with the Accounting Standard as per section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, audited by the predecessor auditors, whose report dated 30 April 2018 expressed unmodified opinion on those financial results, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standard ('Ind AS') which have been audited by us.

Attention is also drawn to the fact that the figures for the half year ended 31 March 2019 and the corresponding half year ended in the previous year as reported in these financial results are the balancing figures between audited figures (including Ind AS adjustment) in respect of the full financial year and the published year to date figures upto the end of the first half year of the relevant financial year. Also, the figures up to the end of the first half year had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed half yearly financial results upto the end of the half year which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these 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 of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

For B S R & Co. LLP

Chartered Accountants

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

**Jiten Chopra**

Partner

Membership No.: 092894

Place: Gurugram

Date: 24 April 2019

**Hero FinCorp Limited**

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

Fax: 011-26153913, Tel. No: 011-46044100, Website: www.herofincorp.com

CIN: U74899DL1991PLC046774

**Standalone Balance sheet as at March 31, 2019****(All amount in Rupees crores unless otherwise stated)**

<b>Particular</b>	<b>As at March 31, 2019 (Audited)</b>	<b>As at March 31, 2018 (Audited)</b>
<b>Assets</b>		
<b>Financial assets</b>		
Cash and cash equivalents	106.66	0.26
Bank balance other than cash and cash equivalents	0.55	0.48
Trade receivable	4.34	5.78
Loans	19,215.68	13,158.06
Investments	961.87	57.47
Other financial assets	51.44	41.20
<b>Non-financial Assets</b>		
Current tax assets (net)	16.25	10.11
Deferred tax assets (net)	176.41	122.92
Property, plant and equipment	78.31	95.01
Other intangible assets	16.61	14.49
Other non-financial assets	23.73	18.33
<b>Total assets</b>	<b>20,651.85</b>	<b>13,524.11</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Financial liabilities</b>		
Trade payable:		
(i) Total outstanding dues of micro enterprises and small enterprises	0.02	0.08
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	116.17	72.14
Debt securities	6,781.25	5,672.09
Borrowing (other than debt securities)	9,117.52	4,813.65
Subordinated liabilities	424.10	300.00
Other financial liabilities	457.83	358.82
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	33.53	14.87
Provisions	23.09	14.80
Other non-financial liabilities	31.83	25.78
<b>Total liabilities</b>	<b>16,985.34</b>	<b>11,272.23</b>
<b>Equity</b>		
Equity share capital	114.15	98.45
Other equity	3,552.36	2,153.43
<b>Total equity</b>	<b>3,666.51</b>	<b>2,251.88</b>
<b>Total liabilities and equity</b>	<b>20,651.85</b>	<b>13,524.11</b>



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**Standalone Financial Results for the year ended March 31, 2019**

**(All amount in Rupees crores unless otherwise stated)**

Particulars	Half year ended		Year ended	
	March 31, 2019 (Audited#)	March 31, 2018 (Audited#)	March 31, 2019 (Audited)	March 31, 2018 (Audited)
<b>Income</b>				
<b>I Revenue from operations</b>				
Interest income	1,219.22	814.41	2,229.90	1,533.88
Dividend income	0.49	0.01	0.50	0.01
Profit on sale of investment	37.32	0.47	39.07	3.28
Rental income	7.85	11.09	17.48	22.85
Net gain/(loss) on fair value changes	2.61	(0.03)	2.52	0.04
Insurance commission	0.48	-	0.48	-
Other charges	146.40	81.58	202.57	130.94
<b>Total revenue from operations</b>	<b>1,414.37</b>	<b>907.53</b>	<b>2,492.52</b>	<b>1,691.00</b>
<b>II Other income</b>	-	-	-	-
<b>III Total income (I + II)</b>	<b>1,414.37</b>	<b>907.53</b>	<b>2,492.52</b>	<b>1,691.00</b>
<b>IV Expenses</b>				
Finance costs	646.74	358.90	1,119.96	683.66
Impairment allowance on loans	40.43	36.14	136.90	136.15
Employee benefits expenses	105.15	79.91	208.18	144.27
Depreciation and amortization	12.45	14.28	24.05	26.50
Other expenses	326.25	297.86	589.77	485.20
<b>V Total expenses</b>	<b>1,131.02</b>	<b>787.09</b>	<b>2,078.86</b>	<b>1,475.78</b>
<b>VI Profit before tax (III - V)</b>	<b>283.35</b>	<b>120.44</b>	<b>413.66</b>	<b>215.22</b>
<b>VII Tax expense</b>				
Current tax	112.98	62.18	198.05	125.44
Tax adjustment relating to earlier year	-	(3.25)	-	(3.25)
Deferred tax (credit) (net)	(14.58)	(18.84)	(52.76)	(52.80)
<b>Total tax expense</b>	<b>98.40</b>	<b>40.09</b>	<b>145.29</b>	<b>69.39</b>
<b>VIII Net profit after tax from operations (VI - VII)</b>	<b>184.95</b>	<b>80.35</b>	<b>268.37</b>	<b>145.83</b>
<b>IX Other comprehensive income/ (loss)</b>				
Items that will not be reclassified to profit or loss:-				
Remeasurement of (losses)/gains on defined benefit plans	(0.55)	0.58	(2.08)	(0.74)
Income tax benefit on above	0.20	(0.20)	0.73	0.26
<b>X Other comprehensive income/(loss) for the period, net of tax</b>	<b>(0.35)</b>	<b>0.38</b>	<b>(1.35)</b>	<b>(0.48)</b>
<b>XI Total comprehensive income/(loss) for the period, net of tax</b>	<b>184.60</b>	<b>80.73</b>	<b>267.02</b>	<b>145.35</b>
<b>XII Earnings per equity share :</b>				
(a) Basic (in Rupees)*	17.90	8.61	25.97	15.63
(b) Diluted (in Rupees)*	17.86	8.60	25.92	15.61

\*not annualised for the half year ended

# Figures for the half year ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures (including Ind AS adjustments) in respect of full financial year and published year to date figures upto the end of first half year of the relevant financial year.



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CIN: U74899DL1991PLC046774

**Notes:**

- 1) The Company is a Non-Banking Finance Company registered with the Reserve Bank of India ('the RBI').
- 2) The financial results for the year ended March 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 24, 2019.
- 3) The 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. The Company has adopted Ind AS from April 1, 2018 with effective transition date of April 1, 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind 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.

The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2017 and the corresponding adjustments pertaining to comparative as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2019 based on the Press Release issued by the Ministry of Corporate Affairs on January 18, 2016. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

- 4) In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, audit of financial results for the half year ended March 31, 2019 has been carried out by the Statutory Auditors.

The financial statements for the period/year ended 31 March 2018 as per previous GAAP were audited by the erstwhile Statutory Auditor. These results have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

- 5) As required by paragraph 32 of Ind-AS 101, the reconciliation of net profit as reported under the previous GAAP and restated as per Ind AS for the period/year ended March 31, 2018 is as under:

Particulars	(Rupees in crores)	
	Half year ended March 31, 2018	Year ended March 31, 2018
<b>Net profit after tax as per previous GAAP</b>	<b>108.04</b>	<b>162.45</b>
<b>Add/(less) :</b>		
Decrease in interest income pursuant to application of effective interest rate method	(17.53)	(18.90)
Income recognition on stage III assets	2.65	13.54
Impact of provision as per expected credit loss	(28.48)	(28.29)
Actuarial gain/(loss) on defined benefit obligation transferred to other comprehensive income	(0.58)	0.74
Others	0.04	0.18
Deferred tax on above (to the extent applicable)	16.21	16.11
<b>Profit after tax as per Ind AS</b>	<b>80.35</b>	<b>145.83</b>
Other comprehensive income/(loss) (net of tax)	0.38	(0.48)
<b>Total comprehensive income (after tax) under Ind AS</b>	<b>80.73</b>	<b>145.35</b>



The reconciliation of other equity as reported under the previous GAAP and restated as per Ind AS as at March 31, 2018 is as under

Particulars	(Rupees in crores)
	Year ended March 31, 2018
<b>Other equity as per previous GAAP</b>	<b>2,202.82</b>
<b>Add/(less) :</b>	
Decrease in interest income pursuant to application of effective interest rate method	(63.97)
Income recognition on stage III assets	27.49
Impact of provision as per expected credit loss	(54.59)
Others	0.71
Deferred tax on above (to the extent applicable)	40.97
<b>Other equity under Ind-AS</b>	<b>2,153.43</b>

- 6) Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per 'Annexure 1' attached.
- 7) During the year, the Company has made a rights issue of 15,751,300 equity share of Rs. 10 each at a premium of Rs.740 per share in the ratio of four equity shares for every twenty five equity shares held on the record date. The Company has received final call money for all equity shares except for 98,739 equity shares against which Rs. 375 per share is outstanding.
- 8) The secured redeemable non-convertible debenture amounting to Rs. 2,791 crores are secured by first pari-passu charge by way of hypothecation of book debts and receivables.
- 9) The board of directors has recommended a dividend of Rs. 4.25/- per equity share of Rs.10 each (i.e. 42.50%) subject to shareholders approval in the ensuing Annual General Meeting.
- 10) 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.

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

*Renu Munjal*

**Renu Munjal**  
Managing Director  
(DIN: 00012870)



Place: New Delhi  
Date: April 24, 2019

**Hero FinCorp Limited**  
**Annexure 1**  
Additional information

**a) Credit Rating**

The CRISIL Limited (CRISIL) and ICRA Limited (ICRA) have assigned following ratings to the Company:

Facility	CRISIL	ICRA
Secured non-convertible debentures	AA+/Stable	AA+/Stable
Unsecured sub-ordinated Tier-II non-convertible debentures	AA+/Stable	AA+/Stable
Long term bank facilities	AA+/Stable	AA+/Stable
Short term bank facilities	A1+	A1+
Commercial papers	A1+	A1+

**b) Asset cover available**

Not applicable

**c) Debt-Equity Ratio**

Debt-Equity Ratio	As at March 31, 2019	As at March 31, 2018
Debt-Equity ratio	4.45	4.79

**d) Net worth**

(Rupees in crores)

Net worth	As at March 31, 2019	As at March 31, 2018
Net worth	3,666.51	2,251.88

**e) Debt service coverage ratio**

Not applicable

**f) Interest service coverage ratio**

Not applicable

**g) Outstanding redemption reserve/ debenture redemption reserve**

Not applicable, since, debenture redemption reserve is not required in respect of privately placed debenture in terms of Rules 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014

**h) Outstanding redeemable preference shares (quantity and value)**

Not applicable



i) Following is the information regarding interest and principal repayment of non-convertible debentures:

ISIN	Credit Rating	Previous due date of interest and principal			Interest/Premium			Principal			Next due date of interest and principal			Interest/Premium		
		Date	Amount (Rs. in Crore)	Payment Status	Date	Amount (Rs. in Crore)	Payment Status	Date	Amount (Rs. in Crore)	Payment Status	Date	Amount (Rs. in Crore)	Payment Status	Date	Amount (Rs. in Crore)	Payment Status
INE957N07047	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	23-Apr-18	1.79	Paid	23-Apr-20	20.00	Paid	23-Apr-19	1.80				
INE957N07096	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	24-Sep-18	0.89	Paid	24-Sep-20	10.00	Paid	24-Sep-19	0.89				
INE957N07179	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	09-May-18	1.74	Paid	09-May-19	20.00	Paid	09-May-19	1.74				
INE957N07203	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	13-Jul-18	16.59	Paid	12-Jul-19	188.50	Paid	12-Jul-19	16.54				
INE957N07260	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	07-Feb-19	13.31	Paid	07-Feb-20	170.00	Paid	07-Feb-20	13.31				
INE957N07302	CRISIL AA+/Stable	Not yet due*	Not yet due*	Paid	19-May-18	20.67	Paid	19-May-20	260.00	Paid	19-May-19	20.67				
INE957N07310	CRISIL AA+/Stable	Not yet due*	Not yet due*	Paid	07-Jun-18	21.78	Paid	05-Jun-20	275.00	Paid	07-Jun-19	21.78				
INE957N07344	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	18-Nov-18	22.42	Paid	18-Nov-20	295.00	Paid	18-Nov-19	22.42				
INE957N07351	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	18-Aug-18	6.55	Paid	18-Aug-22	85.00	Paid	18-Aug-19	6.55				
INE957N07377	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	08-Jul-18	3.21	Paid	08-Jul-21	80.00	Paid	08-Jul-19	6.48				
INE957N07393	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	18-Aug-18	1.28	Paid	08-Jul-20	100.00	Paid	18-Aug-19	8.81				
INE957N07401	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	08-Jul-20	105.00	Not Applicable	08-Jul-19	8.77				
INE957N08011	CRISIL AA+/Stable	Not yet due*	Not yet due*	Paid	17-Sep-18	9.40	Paid	15-Sep-25	100.00	Paid	16-Sep-19	9.32				
INE957N08029	CRISIL AA+/Stable	Not yet due*	Not yet due*	Paid	03-Aug-18	8.98	Paid	03-Aug-26	100.00	Paid	05-Aug-19	9.03				
INE957N08037	ICRA AA+/Stable	Not yet due*	Not yet due*	Paid	20-Jun-18	8.52	Paid	18-Jun-27	100.00	Paid	20-Jun-19	8.52				
INE957N08045	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	24-Nov-28	125.00	Not Applicable	06-Dec-19	12.26				
INE957N07419	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	06-Nov-20	100.00	Not Applicable	06-Nov-19	9.60				
INE957N07427	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	26-Nov-20	50.00	Not Applicable	26-Nov-19	4.75				
INE957N07435	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	07-May-21	25.00	Not Applicable	21-Dec-19	2.31				
INE957N07443	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	27-Dec-28	50.00	Not Applicable	27-Dec-19	4.78				
INE957N07450	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	03-Jan-20	35.00	Not Applicable	03-Jan-20	9.23				
INE957N07104	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	18-Feb-21	16.00	Not Applicable	18-Feb-21	9.41				
INE957N07146	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	10-Jun-21	12.00	Not Applicable	10-Jun-21	6.93				
INE957N07187	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	07-Jan-20	5.50	Not Applicable	07-Jan-20	1.88				
INE957N07195	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	13-Sep-19	25.00	Not Applicable	13-Sep-19	7.66				
INE957N07245	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	09-Jun-20	4.00	Not Applicable	09-Jun-20	1.17				
INE957N07252	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	16-Jan-20	25.00	Not Applicable	16-Jan-20	6.34				
INE957N07286	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	11-Apr-19	200.00	Not Applicable	11-Apr-19	32.42				
INE957N07294	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	11-May-20	30.00	Not Applicable	11-May-20	7.74				
INE957N07328	CRISIL AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	12-Jun-20	200.00	Not Applicable	12-Jun-20	51.38				
INE957N07336	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	03-Aug-20	75.00	Not Applicable	03-Aug-20	18.15				
INE957N07369	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	08-Apr-21	115.00	Not Applicable	08-Apr-21	33.09				
INE957N07385	ICRA AA+/Stable	Not yet due*	Not yet due*	Not Applicable	Not yet due*	Not yet due*	Not Applicable	29-May-20	150.00	Not Applicable	29-May-20	26.45				

\*Not yet due- Principal repayment or interest payment was not due



**Dated: April 24, 2019**

To,  
The Secretary,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Subject: Declaration for Unmodified opinion with Audit Report on Annual Audited Financial Statements for the half year and financial year ended March 31, 2019**

Dear Sir/Madam,

This is in reference to Regulation 52(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that the Statutory Auditors of the Company M/s B S R & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) has issued audit report with unmodified opinion(s) in respect of Annual Audited Financial Statements for the half year and financial year ended on March 31, 2019.

Kindly take the above information on record.

Thanking You,

Your Faithfully

**For Hero FinCorp Limited**



**Shivendra Suman**  
**Head – Compliance Company Secretary**  
**Membership No.: A18339**





April 24, 2019

**TO WHOMSOEVER IT MAY CONCERN**

It is certified that the proceeds of Non-Convertible Debentures issued during the financial year ended March 31, 2019 were utilized for the purpose of which they were issued and there is no deviation including its end use, from the objects stated in the respective offer document.

**For Hero FinCorp Limited**



**Renu Munjal**  
**Managing Director**

DIN: 00012870

Address: B-109, Greater Kailash  
Part I, New Delhi - 110048