

ANNUAL REPORT

HERO EDU SYSTEMS PRIVATE LIMITED

Financial Year 2024-25



0120-2674207

www.esync-ebike.com

10th KM Stone, G.T. Road, P.O. Dujana, Dadri
Distt. Gautam Buddha Nagar, UP-203207



BOARD OF DIRECTORS



Mr. Anil Rathi
Whole-time Director



Mr. Abhishek Munjal
Non-Executive Director



Mr. Amit Gupta
Non-Executive Director



Mr. Holger Jens Pries
Non-Executive Director

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER



Mr. Ravi Garg
Company Secretary



Mr. Mrintunjay Mishra
Chief Financial Officer

CORPORATE INFORMATION

Corporate Identity Number	: U34100UP2022PTC175717
Bankers	: Axis Bank Ltd.
Registered Office	: 10 th KM Stone, G.T. Road, P.O. Dujana, Dadri Distt. Gautam Buddha Nagar, UP-203207
Auditors	: S.R. Dinodia & Co. LLP, Chartered Accountants (FRN: 001478N/500005)
Company Secretary	: Mr. Ravi Garg
Chief Financial Officer	: Mr. Mrintunjay Mishra
Registrar And Share Transfer Agent	: Alankit Assignments Limited Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055
E-Mail	: investorrelations@heromotors.com
Website	: www.esync-ebike.com

HERO EDU SYSTEMS PRIVATE LIMITED

BOARD'S REPORT

To the Members,

The Board of Directors of your Company has the pleasure in presenting the 3rd Annual Report of the Company on the business and operations together with the Audited Financial Statements for the year period March 31, 2025.

1. FINANCIAL RESULTS: -

The financial statements for the period ended March 31, 2025 forming part of this Annual Report, have been prepared in accordance with the applicable accounting standards as notified by the Ministry of Corporate Affairs.

Key highlights of financial performance of your Company for the period under review are provided below:

(Amount in ₹ lakh)		
Particulars	Financial Year (2024-25)	Financial Year (2023-24)
Income from operations	374.69	-
Other income	3.26	-
Profit / (Loss) before Finance costs and Depreciation	377.95	-
Finance costs	-	-
Depreciation and amortisation expense	27.36	1.19
Other Expenses	446.77	4.12
Profit / (Loss) before tax	(96.18)	(5.31)
Provision for current taxes	-	-
Deferred Tax (Credit) / Charge	(13.06)	0.46
Profit / (loss) after tax	(83.12)	(5.77)
Other Comprehensive Income / (Loss)	0.64	-
Total comprehensive income, net of tax	(82.48)	(5.77)
Earnings per share (Basic & Diluted)	(0.78)	(0.58)

2. STATE OF COMPANY'S AFFAIRS

Your Company is wholly owned subsidiary of Hero Motors Limited. The main business of the Company is procuring, manufacturing, assembling, integrating, producing, buying, selling, distributing, trading, importing, exporting, repairing, refurbishing, dealing in all types of electric and allied components, sub- components, including electronic drive systems, e-bikes, other similar e-vehicles, and related products such as motors, batteries, controllers, sensors, displays, chargers, throttles, wire harness, diagnostic / EOL tools, software applications, components and spare parts thereof, PCBs, cell, etc, whether made from ferrous and/or non-ferrous materials or any other materials used in the industry, including substitutes and replacements for such products. Furthermore, to design, develop, prototype, test, integrate, validate e-components and e-systems for, electric vehicles (e- bikes, E 2 wheelers, E 3 wheelers etc), and similar vehicles; to provide comprehensive after-sales services including customer support, maintenance, repair, and refurbishment services; and to offer technical assistance, troubleshooting, and upgrades for such products and systems.

The Company has initiated its operations effectively from financial year 2024-25. As on March 31, 2025, the Income from Operations stood at ₹ 374.69 lakhs as compared to ₹ NIL in the previous year ended March 31, 2024. During the financial year March 31, 2025, the Company has incurred net loss of ₹ 83.12 lakhs as compared to net loss of ₹ 5.77 lakhs for the corresponding financial year March 31, 2024.

Your directors are optimistic about the performance for the year 2025-2026.

3. **DIVIDEND**

Due to inadequate profits and future business requirements, the Board of Directors of your Company has not recommended any dividend for the period ended March 31, 2025.

4. **RESERVES**

During the period under review, Company has incurred net loss of ₹ 83.12 lakhs, hence there is no amount liable to be transferred to the Reserves.

5. **CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business carried out by your Company during the year under review.

6. **CHANGES IN MEMORANDUM OF ASSOCIATION**

Following key changes have been made in the Memorandum of Association of your Company during the financial year 2024-25 and till the date of this Board report:

(a) Object Clause: Pursuant to the approval of the Members of the Company in Extra Ordinary General Meeting held on April 08, 2024, the existing Clause 3(a) of the object clause of Memorandum of Association of your Company has been substituted as below:

(i) To carry on the business of procuring, manufacturing, assembling, integrating, producing, buying, selling, distributing,

trading, importing, exporting, repairing, refurbishing, dealing in all types of electric and allied components, sub-components, including electronic drive systems, e-bikes, other similar e-vehicles, and related products such as motors, batteries, controllers, sensors, displays, chargers, throttles, wire harness, diagnostic / EOL tools, software applications, components and spare parts thereof, PCBs, cell, etc, whether made from ferrous and/or non-ferrous materials or any other materials used in the industry, including substitutes and replacements for such products.

(ii) To design, prototyping, testing and validation of e-components and integrated e-systems for e-bikes and similar vehicles, after market service, repair and spares selling for e-systems.

(b) Share Capital Clause: During the period under review, there has been change in the capital structure of the Company as below:

The authorized share capital of the Company has increased from Rs 1,00,00,000/- (Rupees One Crore Only) divided into 10,00,000 (Ten Lakhs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each as approved by the members of the Company at its Extra Ordinary General Meeting held on April 08, 2024.

7. **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Except as disclosed in the Board Report, in the opinion of the Board, there have been no material changes and commitments, affecting the financial position of your Company which have occurred between the end of the financial

year of your Company to which the financial statements relate and the date of the report.

8. SHARE CAPITAL STRUCTURE

Authorized Capital

The authorized share capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each as on March 31, 2025

Paid-up share capital

The paid-up share capital of the Company is 1,75,00,000 (One Crores Seventy Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each of an aggregate nominal value of Rs. 17,50,00,000/- (Rupees Seventeen Crores Fifty Lakhs Only) as on March 31, 2025

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

During the year under review, there were no other significant material orders passed by any Regulator/Court/Tribunal against the Company which would impact the going concern status of the Company and its future operations.

10. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control procedures and systems commensurate with the size of the Company. These systems and procedures have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use and losses and ensuring reliability of financial and operational system.

11. WEB ADDRESS FOR ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 (“the Act”) and Rule 12(1) of The Companies (Management and Administration) Rules, 2014, the annual return as on March 31, 2025 will be uploaded on the website of your Company at

<https://www.esync-ebike.com/corporate-governance/>

12. DETAILS OF SUBSIDIARY(IES), JOINT VENTURES & ASSOCIATE COMPANIES

During the period under review, the Company has not formed any subsidiary, joint venture or associate company. Hence, the requisite disclosure as per Section 129(3) of the Act in Form AOC-1 is not applicable.

13. INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company was not required to transfer any funds to Investor Education and Protection Funds (IEPF).

14. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the purview of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Hence reporting of any non-compliance with the requirement of Chapter-V of Act “Acceptance of Deposits by Companies” is not applicable on your Company.

15. AUDITORS:

Statutory Auditors and Audit Report

At the 1st Annual General Meeting (“AGM”) of the Company held on 30th September, 2023, the members approved the appointment of M/s. S.R. Dinodia & Co. LLP, Chartered Accountants (FRN: 001478N/500005) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of 01st AGM till the conclusion of 6th AGM of the Company to be held in the year 2028.

The auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed and no clarifications or comments of Board are required on auditor’s report. The auditors’

report(s) to the members of the Company in respect of the financial statements for the financial year ended March 31, 2025 are self-explanatory and forms part of the financial statement. There has been no qualification, reservation or adverse remark or disclaimer in their report.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Company is in the business of procuring, manufacturing, assembling, integrating, producing, buying, selling, distributing, trading, importing, exporting, repairing, refurbishing, dealing in all types of electric and allied components, etc. The Company has commenced its operations during the financial year 2024-25. Disclosure of information regarding Conservation of Energy, Research & Development and Technology Absorption under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is given as below:

(A) Conservation of energy-

The Company makes continuous efforts to conserve energy and is also monitored time to time. Optimal utilization of various energy resources is ensured and steps are taken to improve power factor and other consumption. The Company commits to develop its business along with improvement in environmental performance to maintain a reliable and sustainable future. The Company shall also constantly improve its operational activities by maximizing production volumes and minimizing consumption of natural resources. There is no capital investment on energy conservation equipments for the period under review.

(B) Technology absorption-

(i) the efforts made towards technology absorption:

- a) Development of Cell Balancing BMS for European market along with Supplier, this

helps in prolonging battery life and prevents warranty issues.

- b) Motor Temperature sensing and Derating logic for Prolonging the life of motor
- c) Diagnostic and Error codes and it's integration with Service tool for quick e-bike check
- d) Over the air software update of E-bike components which prevents user to visit dealer for software update
- e) Development of ICAT certified E-Powertrain for L3 System
- f) Development of L3 controller with motor protection logic based on internal motor temperature.
- g) Deployment of project management tool ASANA which helps in project tracking and man-hour Logging to improve working efficiency
- h) Installation of E-bike Vehicle Dyno for Validation as per EN Norms.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

- a) Localisation of domestic charger, domestic motor controllers, Battery Casing and reducing dependency on import resulting in cost saving in 500+ INR per such product.
- b) Change in supply chain of Charger and controller and reducing dependency on Import.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

(iv) the expenditure incurred on Research and Development: Rs 169.5 Lakhs

17. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Foreign Exchange earnings and outgo are as follows:

- i) Foreign Exchange earnings: ₹ 0.51 Lakhs
- ii) Foreign Exchange outgo: ₹ 442.92 Lakhs

18. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the Company was not required to spend any amount on CSR as the provisions of Section 135 of the Act are not applicable.

19. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors provides leadership and guidance to the Company's Management and directs, supervises, and controls the activities of the Company. The Board meets at regular intervals to discuss and decide on Company / business policy and strategy, apart from other Board business. The Board exhibits strong operational oversight with regular business presentations at meetings.

Directors

As on March 31, 2025, the Board of Directors comprises of 3 (three) Directors. The composition of the Board is in conformity with Section 149 of the Act read with Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014.

During the year under review, Mr. Anil Rathi was designated as Whole-time Director of the Company with effect from October 29, 2024 in the category of Key Managerial Personnel of the Company in compliance with provisions of Section 203 of the Act. Furthermore, the Board of Directors in its meeting held on March 21, 2025 appointed Mr. Holger Jens Pries as Director (Non-executive) of the Company with effect from April 01, 2025

Directors liable to retire by rotation

In terms of Section 152 of the Act, Mr. Amit Gupta (DIN: 02900732) liable to retire by

rotation at the ensuing AGM and being eligible, offered himself for re-appointment. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

Key Managerial Personnel

In compliance with provisions of Section 203 of the Act, Mr. Ravi Garg was appointed as Company Secretary and Mr. Mrintunjay Mishra was appointed as Chief Financial Officer of the Company with effect from October 29, 2024 in the category of Key Managerial Personnel of the Company

Independent Directors' Declarations

The provisions of Section 149(4) of the Act, pertaining to the appointment of Independent Directors do not apply to the Company for the period under review.

20. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, 10 (Ten) Board Meetings were duly convened and held on April 05, 2024; April 08, 2024; May 10, 2024; June 01, 2024; June 29, 2024; August 09, 2024; August 31, 2024; October 29, 2024; December 24, 2024; March 21, 2025. The Board further affirms that the time gap between any two consecutive Board Meetings did not exceed 120 days.

21. AUDIT COMMITTEE

Section 177(1) of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, exempts joint ventures, wholly owned subsidiaries, and dormant companies from the requirement to constitute Audit Committee. Since the Company is a wholly owned subsidiary of Hero Motors Limited, therefore the provisions relating to constitution of Audit Committee are not applicable to the Company for the period under review.

22. NOMINATION AND REMUNERATION COMMITTEE

Section 178(1) of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, exempts joint ventures, wholly owned subsidiaries, and dormant companies from the requirement to constitute Nomination and Remuneration Committee. Since the Company is a wholly owned subsidiary of Hero Motors Limited, therefore the provisions relating to constitution of Nomination and Remuneration Committee are not applicable to the Company for the period under review.

23. VIGIL MECHANISM

The provisions of section 177(9) of the Company relating to establishment of Vigil Mechanism are not applicable to the Company for the period under review.

24. PARTICULARS OF INTER-CORPORATE LOANS, GUARANTEES OR INVESTMENTS

During the period under review, the Company has not given any loan and did not make any investments nor gave any guarantees under the provisions of Section 186 of the Act.

25. PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

The details of transactions with related parties during financial year 2024-25 are provided in the notes to the financial statements. During the year, your Company entered into related party transactions which are in the ordinary course of business and are on arm's length basis, therefore, disclosure in Form AOC-2 is not applicable.

26. BUSINESS RISK MANAGEMENT

Your Directors periodically discuss and monitor the risk management plans as applicable on business as well as evaluated various risks. Consequently, there is no

element of risk identified that may threaten the existence of the Company.

27. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Act, and based on the representations received from the management, the Directors hereby confirm that:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) that Director have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- (f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

28. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the financial year 2024-25, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

29. MANAGERIAL REMUNERATION

During the year under review, the Company has not paid any managerial remuneration to the Directors of the Company. The disclosure as required under Section 197(14) of the Act is as below:

The following Director(s) of the Company draws remuneration/commission during Fiscal year 2025, as per the terms of their appointment, from holding company, M/s Hero Motors Limited.

Name	Designation	Remuneration from Holding Company
Mr Anil Rathi	Whole-time director	₹ 9.91 million
Mr Abhishek Munjal	Director	₹ 32.75 million
Mr Amit Gupta	Director	₹ 102.19 million

30. COMPLIANCE WITH SEXUAL HARASSMENT OF WOMAN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy of Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('PoSH Act') and Rules framed thereunder. All employees (including trainees, apprentices and probationers) of the Company at all its locations are covered in this policy.

Your Company aims to promote a safe and secure working environment and has adopted a gender neutral policy towards prevention of sexual harassment at workplace. This policy is framed in accordance with the provisions of Sexual Harassment of Women at the

Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act").

Summary of sexual harassment complaints received by the Committee and disposed of during the year under review is as follows:

- Number of complaints of sexual harassment received in the year: NIL
- Number of complaints disposed off during the year: NA
- Number of cases pending for more than ninety days: NA

31. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

Your Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. Your Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961.

Your Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

32. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

During the financial year under review, your Company has duly complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

33. STATUTORY DISCLOSURES

- a) The Company is not required to maintain cost records as per Section 148(1) of the Act.
- b) No application was made against the Company under the Insolvency and Bankruptcy Code 2016 ("IBC 2016") during the year and no proceeding is pending against the Company under IBC 2016 as at the end of financial year under report.

- c) None of the Director(s) of the company are disqualified under Section 164 of the Act.

34. ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation for the bankers, business associates and employees of the Company, who have been a part of the team and made their best efforts during this year under review.

**For and on behalf of Board of Directors
Hero Edu Systems Private Limited**

Place: Noida
Date: July 31, 2025

Sd/-
Amit Gupta
Director
DIN: 02990732

Sd/-
Anil Rathi
Whole-time Director
DIN: 09511728

Independent Auditor's Report**To The Members of Hero Edu Systems Private Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Hero Edu Systems Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the **loss** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

2B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company does not have any pending litigations which would impact its financial position. Refer Note 35 of the financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d)
 - i. The Management has represented that to the best of its knowledge & belief, as disclosed in Note no.36 to the financial statements, the Company has not advanced, loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii. The Management has represented that to the best of its knowledge & belief, as disclosed in Note no.36 to the financial statements, the Company has not received any funds from any persons or entities including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - iii. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) & (ii) above contain any material mis-statement.

e) The Company has not declared or paid any dividend during the year.



f) Based on our examination which included test checks, except for the instance mentioned below, the Company has used accounting software for maintaining its books of account which have feature of recording audit trail (edit log) facility for all relevant transactions recorded in the respective software:

- i. The feature of recording audit trail (edit log) facility at database level is not enabled to log any direct data changes for the accounting software used for maintaining the books of account.

Further, audit trail (edit log) facility was operated throughout the year for the accounting software, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has not paid remuneration to its directors during the current financial year. Accordingly, the provisions of and limit laid down under section 197 read with Schedule V of the Act are not applicable.

For S.R Dinodia & Co. LLP.

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 25083689 BMIU6Y 2630



Place of Signature: New Delhi

Date: 31.07.2025

The Annexure referred to in Paragraph 1 under 'Report on other legal and regulatory requirements' section of Independent Auditors Report to the members of the Company on the financial statements for the year ended March 31, 2025, we report that:

i) In respect of Property, Plant & Equipment:

- a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B)The Company has maintained proper records showing full particulars of intangible assets.
- b) All the items of Property, Plant and Equipment have been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and records examined by us, the company does not hold any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the Company) Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

ii) In respect of its inventory:

- a) According to information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification is appropriate having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on such verification.
- b) According to the information and explanations given to us and the records examined by us, during the year, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provision of clause 3(ii) (b) of the order are not applicable.
- iii) According to the information and explanations given to us, the Company has neither made any investments nor provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of clauses 3(iii)(a) to (f) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.



vii) In respect of Statutory Dues:

(a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues in respect of statutory dues referred to in sub-clause (vii)(a) above that have not been deposited with the appropriate authorities on account of any dispute.

viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix) In respect of loans or other borrowings taken by the Company, according to the information and explanations given to us and audit procedures performed by us:

(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) No funds raised on a short-term basis have been used for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company does not hold any securities. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable

x) In respect of moneys raised by the Company through issue of shares & debt instruments:

(a) During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) The Company has made preferential allotment or private placement of shares. For such allotment of shares, the company has complied with the requirements of section 42 and section 62 of the companies act 2013, and the funds raised have been applied by the company during the year for the purpose for which the funds were raised. The company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

xi) a) As per the information and explanations given to us on our enquiries on this behalf, no fraud of material significance on or by the Company has been noticed or reported during the year.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and upto the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The provisions of whistleblower mechanism are not applicable to the company under section 177(9) of the Act. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year

xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii)(a) to (c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards. Further in pursuance of section 177, Company is not required to form audit committee and accordingly the provisions of section 177 are not applicable.



- xiv) In our opinion and based on our examination, the Company is not required to have an internal audit system as per provision contained in Section 138 of Companies Act 2013. Accordingly, provisions of clause 3 (xiv) (a) & (b) of the order are not applicable.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, provisions of clause 3 (xvi)(b) of the order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3 (xvi)(c) of the order are not applicable.
- (d) As per the information and explanations given to us, the Group does not have more than one CIC in the Group. Accordingly, the provisions of clause 3 (xvi) (d) of the Order are not applicable to the Company.
- xvii) In our opinion and according to information and explanations given to us, the Company has incurred cash losses of ₹ 68.82 lakh during the current financial year and ₹ 4.12 lakhs immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) In our opinion and according to the information and explanations given to us, as per provisions of section 135 of the Companies Act, 2013, the Company does not require to spend on corporate social responsibility. Accordingly, provisions of clause 3 (xx) (a) & (b) of the Order are not applicable.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable to the Company. Accordingly, no comment in respect of the said clause has been included in this report.

For S.R Dinodia & Co. LLP

Chartered Accountants,

Firm's Registration Number 001478N/N500005



(Sandeep Dinodia)

Partner

Membership Number: 083689

UDIN: 25083689 BMIU64 2630

Place of Signature: New Delhi

Date: 31.07.2025



Annexure 'B' to the Independent Auditors' Report of even date on the financial statements of Hero Edu Systems Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Hero Edu Systems Private Limited ("the Company")** as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

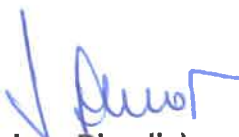
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R Dinodia & Co. LLP

Chartered Accountants,

Firm's Registration Number 001478N/N500005


(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 25083689 B M I U U Y 2630



Place of Signature: New Delhi

Date: 31.07.2025

Hero EDU Systems Private Limited

Balance Sheet as at March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As March 31, 2025	At March 31, 2024
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	4	368.42	6.76
(b) Capital work-in-progress	4A	-	231.63
(c) Right-of-Use Assets	5A	75.22	45.74
(d) Other Intangible assets	6	1,021.84	14.85
(e) Intangible assets under development	6A	2,186.49	1,472.92
(f) Financial Assets			
(i) Other financial assets	7	-	3.63
(g) Non-current Tax Assets (net)	8	0.28	-
(h) Deferred tax assets (net)	9	13.24	0.39
(i) Other Non Current Assets	10	82.73	46.33
Total Non-current assets		3,748.22	1,822.25
2. Current assets			
(a) Inventories	11	312.38	-
(b) Financial Assets			
(i) Trade receivables	12	166.23	22.52
(ii) Cash and cash equivalents	13	2.03	15.43
(iii) Other financial assets	7	-	-
(c) Other current assets	10	394.84	201.15
Total Current Assets		875.48	239.10
Total Assets		4,623.70	2,061.35
Equity and Liabilities			
1. Equity			
(a) Equity Share capital	14	1,750.00	100.00
(b) Other Equity	15	(108.86)	(8.28)
Total Equity		1,641.14	91.72
2. Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,323.75	1,020.83
(ia) Lease Liabilities	5B	72.94	27.77
(ii) Others financial liabilities	17	141.35	-
(b) Provisions	18	52.13	35.31
Total Non- Current Liabilities		1,590.17	1,083.91
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16A	441.25	204.17
(ia) Lease Liabilities	5B	5.18	19.51
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	19	25.32	13.08
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		855.13	508.43
(iii) Other financial liabilities	17	7.93	46.15
(b) Other current liabilities	20	51.50	91.02
(c) Provisions	18	6.08	3.36
Total Current Liabilities		1,392.39	885.72
Total Equity and Liabilities		4,623.70	2,061.35

Summary of Material Accounting Policy Information

The accompanying notes form an integral part of these financial statements.
As per our Report of even date attached

For S.R Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number :- 083689



For and on behalf of the Board of Directors of Hero EDU Systems Private Limited

(Anil Rathi)

Whole Time Director
DIN:09511728

(Ankit Gupta)

Director
DIN:02990732

(Mrintunjay Mishra)

Chief Financial Officer

(Ravi Garg)

Company Secretary
M. No. FCS12759

Place of Signature: New Delhi

Date: 31.07.2025

Hero EDU Systems Private Limited

Statement of Profit and loss for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from operations	21	374.69	-
II Other income	21A	3.26	-
III Total income (I+II)		377.95	-
IV Expenses			
(a) Purchase of Stock-in-Trade	22	700.51	-
(b) Changes in inventories of finished goods, Stock-in-Trade and work in progress	23	(311.91)	-
(c) Employee benefits expense	24	40.59	-
(d) Finance costs		-	-
(e) Depreciation and amortization expenses	25	27.36	1.19
(f) Other expenses	26	17.58	4.12
Total expenses (IV)		474.13	5.31
V Profit/ (loss) before exceptional items and tax (III-IV)		(96.18)	(5.31)
VI Exceptional Items	33	-	-
VII Profit/(Loss) before tax (V-VI)		(96.18)	(5.31)
VIII Tax expense:			
(a) Current tax		-	-
(b) Deferred tax	9	(13.06)	0.46
Total tax expense		(13.06)	0.46
IX Profit/(Loss) for the year (VII-VIII)		(83.12)	(5.77)
X Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss	27	0.85	-
(a) Re-measurement gains/ (losses) on defined benefit plans		(0.21)	-
(ii) Income tax on items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax		0.64	-
XI Total Comprehensive Income for the year, net of tax (IX+X)		(82.48)	(5.77)
XII Earnings per share: (face value ₹ 10 per share)			
1) Basic (amount in ₹)	28	(0.78)	(0.58)
2) Diluted (amount in ₹)		(0.78)	(0.58)

Summary of Material Accounting Policy Information 3

The accompanying notes form an integral part of these financial statements.
As per our Report of even date attached

For S.R Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number :- 083689



**For and on behalf of the Board of Directors of
Hero EDU Systems Private Limited**

(Anil Rathi)

Whole Time Director
DIN:09511728

(Amit Gupta)

Director
DIN:02990732

(Mrintunjay Mishra)
Chief Financial Officer

(Ravi Garg)
Company Secretary
M. No. FCS12759

Place of Signature: New Delhi

Date: 31.07.2025

Hero EDU Systems Private Limited
Statement of Cash Flows for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
A. Cash flows from operating activities		
Profit/(Loss) before tax	(96.18)	(5.31)
Adjustments for:		
Depreciation and amortization	27.36	1.19
Unrealised Foreign exchange fluctuation	0.25	-
Operating profit/(loss) before working capital changes	(68.57)	(4.12)
Movement in working capital		
(Increase) / decrease in trade receivables	(143.68)	(22.52)
(Increase) / decrease in inventories	(312.38)	-
(Increase) / decrease in other financial assets	3.63	-
(Increase) / decrease in other assets	(193.69)	(204.78)
Increase / (decrease) in trade payables	358.66	645.71
Increase / (decrease) in other financial liabilities	103.13	-
Increase / (decrease) in provisions	19.54	38.67
Increase / (decrease) in other liabilities	(39.52)	-
Cash generated from operations	(272.88)	452.95
Income tax paid (net of refunds)	(0.28)	-
Net cash inflow from/(used in) operating activities (A)	(273.16)	452.95
B. Cash flows from investing activities		
Capital Expenditure on Property, Plant and Equipment (Including Capital Advances)	(234.11)	(291.13)
Payment made for Intangible assets under development	(1,648.88)	(1,455.85)
Net cash from/(used in) investing activities (B)	(1,882.99)	(1,746.98)
C. Cash flows from financing activities		
Proceeds from Borrowings	540.00	1,225.00
Proceeds from Equity share capital	1,650.00	-
Share issue expenses	(18.10)	-
Repayment of lease liabilities	(29.15)	(15.54)
Net cash inflow from/(used in) financing activities (C)	2,142.75	1,209.46
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(13.40)	(84.57)
Opening balance of cash and cash equivalents	15.43	100.00
Total cash and cash equivalent (Note no. 13)	2.03	15.43
Components of cash and cash equivalents		
With banks - Current account	2.03	15.43
Total cash and cash equivalent (Note no. 13)	2.03	15.43

Notes:

- The above statement cash flows has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flows".
- The figures in bracket represents cash outflows

Summary of Material Accounting Policy Information

3

The accompanying notes form an integral part of these financial statements.

As per our Report of even date attached

For S.R Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number :- 083689



**For and on behalf of the Board of Directors of
Hero EDU Systems Private Limited**

(Anil Rathi)
Whole Time Director
DIN:09511728

(Ankit Gupta)
Director
DIN:02990732

(Mrintunjay Mishra)
Chief Financial Officer

(Ravi Garg)
Company Secretary
M. No. FCS12759

Place of Signature: New Delhi

Date:31.07.2025

Hero EDU Systems Private Limited

Statement of Changes in Equity for the year ended March 31, 2025

(Amounts are in ₹ lakh, unless otherwise stated)

A. Equity Share Capital	Amount
Balance as at April 01, 2023	100.00
Changes during the year	-
Balance as at March 31, 2024	100.00
Changes during the year	1,650.00
As at March 31, 2025	1,750.00

B. Other Equity

Particulars	Retained Earnings	Total Other Equity
Balance as at April 01, 2023	(2.51)	(2.51)
Profit/(Loss) for the year	(5.77)	(5.77)
Other comprehensive income for the year, net of tax	-	-
Balance as at March 31, 2024	(8.28)	(8.28)
Profit/(Loss) for the year	(83.12)	(83.12)
Other comprehensive income for the period, net of tax	0.64	0.64
Authorize Share capital enhancement cost	(18.10)	(18.10)
Balance as at March 31, 2025	(108.86)	(108.86)

Summary of Material Accounting Policy Information

3

The accompanying notes form an integral part of these financial statements.
As per our Report of even date attached

For S.R Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number :- 083689



For and on behalf of the Board of Directors of Hero EDU Systems Private Limited

(Anil Rathi)

Whole Time Director
DIN:09511728

(Amit Gupta)

Director
DIN:02990732

(Mrintunjay Mishra)

Chief Financial Officer

(Ravi Garg)

Company Secretary
M. No. FCS12759

Place of Signature: New Delhi

Date: 31.07.2025

Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

Note 1: Corporate Information

Hero EDU Systems Private Limited, 'the company' was incorporated on December 27, 2022 as a Private Limited Company under the Companies Act, 2013, vide Current Registration Number U34100UP2022PTC175717. The Registered Office of the Company is at 10Th KM Stone, Gt Road, Post Dujana, Distt Dadri, Noida Gautam Buddha Nagar UP - 203207, India.

The main objective of the Company's business is to carry on the business of procure, assemble and integrate full or part, electric and allied components (including but not limited to motor, battery, controller, sensors, display, charger, throttle, software applications) into readymade and/or custom built Electronic Drive systems for e-Bikes and other similar e-Vehicles, design, prototyping, testing and validation of e-components and integrated e-systems for e-bikes and similar vehicles, after market service, repair and spares selling for e-systems.

The financial statement are approved by the Board of Directors in their Board Meeting held on July 31, 2025

Note 2: Basis of preparation and measurement

Statement of Compliance: The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Basis of Preparation and presentation: The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value or amortised cost.

All assets and liabilities have been classified as current or noncurrent according to the company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

Functional and Presentation Currency

The financial statements are presented in ₹ which is its functional & presentational currency and all values are rounded to the nearest lakh upto two decimal places except otherwise stated.

Going Concern

The board of directors have considered the financial position of the company at 31st March 2025 and the projected cash flows and financial performance of the company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the company's operations.

Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified some amendments in IND AS 21 "The Effect of Change in Foreign Exchange Rates" on May 07, 2025 which comes into force from that date only. The amendment is in with respect to determination of appropriate exchange rate. Based on preliminary assessment, the company does not expect the amendments to have any significant impact on its financial statements.

Note 3: Material accounting policy information

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Use of Estimates and Judgements

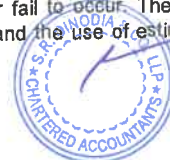
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the financial statements.

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vi) Leases

Where the company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the company obtains substantially all the economic benefits from the use of that asset and whether the company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

b) Property, Plant and Equipment (PPE)

Property, plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes import duties and any non-refundable taxes on such purchase, after deducting rebates and trade discounts and is inclusive of freight, duties, taxes and other incidental expenses. All cost are capitalized which are directly attributable to bringing assets to the condition and location essential for it to operate in a manner as intended by the management. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work in progress includes the cost of property plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

Depreciation : Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act, 2013 with the following exception :

- Leasehold land & Leasehold improvement has been amortised over the lease term.
- Property, plant & equipment costing upto ₹ 5,000 has been fully depreciated during the financial year.

Useful life considered for calculation for various assets class are as follows:

Category of Asset	Estimated Useful life
Plant and Machinery	3 -15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computer Equipment	3 years

c) Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Subsequent Expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.



Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and these are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

d) Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

e) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their

Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Cost Method.
Work in Progress	Cost include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties wherever applicable
Scrap	Scrap is valued at Net realisable value.

f) Foreign Currency Transaction and translations :

The functional currency and presentation currency of the company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Initial recognition

Transactions denominated in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the rates prevailing at the date when the fair value was determined.

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at historical cost.

Treatment of exchange differences

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are

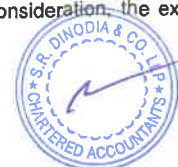
g) Revenue from contract with customer

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.

Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Also, in determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).



As per Ind AS 115, the Company determines whether there is a significant financing component in its contracts. However, the Company has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the company does not account for a financing component. No long-term advances from customers are generally received by the Company.

Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37.

Sale of services

The Company recognises revenue from these contracts on satisfaction of performance obligation towards rendering of such services over time, as and when the services are rendered in accordance with the specific terms of contracts with customers. The Company's performance obligation is limited to providing resources required for these services

h) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires

Post-employment benefits :

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and thereafter, will have no legal or constructive obligation to pay further amounts. Provident Fund are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Defined Benefit Plan

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit Separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit or when the entity recognises any related restructuring costs.

Short term and other long term employee benefits :

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees are recognised during the period when the employee renders the services. These benefits include salaries, wages, performance incentives and compensated absences.

The liability in respect of accumulated compensated absences is provided for on the basis of actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss of the year in which they occur.

i) Borrowing Costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

j) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised



Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

k) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

1) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

2) Classification and Subsequent measurement**(a) Financial Assets**

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

•Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

•Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

•Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

• Equity investment in Associates

Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company had elected for one time Ind AS 101 exemption and adopted the fair value of ₹ 10 of its investment in equity shares of its associates as its deemed cost as at the date of transition.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial Liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost**Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to the borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

l) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



m) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

n) Taxes on Income**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

o) Leases

Where the company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the company obtains substantially all the economic benefits from the use of that asset and whether the company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

p) Earnings per share (EPS)

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary items.

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increase the earnings.



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 4 : Property, Plant and Equipment

Particulars	Leasehold Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipment	Computer	Total
Gross carrying amount						
As at April 01, 2023						
Add: Additions made during the year	-	-	2.75	4.19	-	6.94
(Less): Disposals during the year	-	-	-	-	-	-
As at March 31, 2024						
Add: Additions made during the year	65.13	283.08	2.75	4.19	-	6.94
(Less): Disposals during the year	-	-	0.21	2.10	32.21	382.73
As at March 31, 2025	65.13	283.08	2.96	6.29	32.21	389.67
Accumulated depreciation						
As at April 01, 2023						
Add: Depreciation charge for the year	-	-	0.08	0.10	-	0.18
(Less): Disposals during the year	-	-	-	-	-	-
As at March 31, 2024						
Add: Depreciation charge for the year	-	4.49	0.08	0.10	-	0.18
Add: Depreciation transfer to pre-operative expenses	5.49	-	0.26	0.95	-	5.70
(Less): Disposals during the year	-	-	-	-	9.89	15.38
As at March 31, 2025	5.49	4.49	0.34	1.05	9.89	21.26
Net carrying amount						
As at March 31, 2025	59.64	278.60	2.62	5.24	22.32	368.42
As at March 31, 2024	-	-	2.67	4.09	-	6.76

Note

a) During the year interest expense amounting to ₹ 12 lakh relating to capital expenditure has been capitalise to Plant and Machinery. (March 31 2024: Nil)



Hero EDU Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2025
(Amount in ₹ lakh, unless otherwise stated)

Note 4A : Capital work-in-progress

Balance at the beginning of the year
Add: Addition made during the year
Less: Capitalised during the year

As March 31, 2025	At March 31, 2025	As March 31, 2024	At March 31, 2024
	231.63		-
	151.10		231.63
	382.73		-
	-		231.63

a) Breakup of capital work in progress is as follows:

Leasehold Improvements
Plant and machinery
Preoperative Expenses
Total

As March 31, 2025	At March 31, 2025	As March 31, 2024	At March 31, 2024
	-		58.30
	-		170.27
	-		3.06
	-		231.63

b) Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:

Borrowing Costs
Common Expenses
Total

As March 31, 2025	At March 31, 2025	As March 31, 2024	At March 31, 2024
	-		0.08
	-		2.98
	-		3.06

Ageing schedule of CWIP as at March 31, 2025:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2024:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	231.63	-	-	-	231.63
Projects temporarily suspended	-	-	-	-	-

c) There are no capital-work-in progress as at March 31, 2025 and as at March 31, 2024 whose completion is overdue or has exceeded its cost as compared to its original plan.



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 5 :Leases

Below are the carrying amounts of right to use assets and lease liabilities and the movements during the year. The Company's leased assets consists of leases for leasehold building.

Note 5A :Right-of-Use Assets

Particulars	Leasehold Land and Building	Total
Balance as on April 01, 2023	-	-
Additions	60.05	60.05
Derecognition of Right of use Assets	-	-
Balance as on March 31, 2024	60.05	60.05
Additions	82.86	82.86
Derecognition of Right of use Assets	(60.05)	(60.05)
Balance as on March 31, 2025	82.86	82.86

Accumulated depreciation

Balance as on April 01, 2023	-	-
Depreciation for the year transfer to Preoperative expenses	14.31	14.31
Derecognition of Right of use Assets	-	-
Balance as on March 31, 2024	14.31	14.31
Depreciation for the year transfer to Preoperative expenses	23.14	23.14
Derecognition of Right of use Assets	(29.81)	(29.81)
Adjustment	-	-
Balance as on March 31, 2025	7.64	7.64

Net Block :

As at March 31, 2025	75.22	75.22
As at March 31, 2024	45.74	45.74

Note 5B: Leases Liability

The following is the movement in lease liabilities during the year

Particulars	Leasehold Land and Building	Total
Balance as on April 01, 2023		
Add: Additions during the year	59.40	59.40
Add: Finance cost accrued during the year	3.41	3.41
(Less): Repayment of lease liabilities	(15.54)	(15.54)
(Less): Reversal of Lease liability	-	-
Balance as on March 31, 2024	47.27	47.27
Add: Additions during the year	82.86	82.86
Add: Finance cost accrued during the year	10.03	10.03
(Less): Repayment of lease liabilities	(29.15)	(29.15)
(Less): Reversal of Lease liability	(32.89)	(32.89)
Balance as on March 31, 2025	78.12	78.12

The following is the break-up of current and non-current lease liabilities

Particulars	Current	Non - current
As at March 31, 2025	5.18	72.94
As at March 31, 2024	19.51	27.77

Others Disclosures :-

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation expense on right-of-use assets	23.14	14.31
Interest expense on lease liabilities	10.03	3.41
Expense relating to short-term leases	-	-
Total Cash outflow for leases	29.15	15.54



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Notes:

- a) Leasehold Land and Building represents the property taken on lease having lease term between 3 to 10 years.
- b) The Company also has certain leases with lease terms of 12 months or less. The Company has applied the 'short-term lease' recognition exemptions for these leases.
- c) The company has not booked any impairment charges for Right of Use of Assets for the year ended as at March 31, 2025 and also as at March 31, 2024.
- d) During the year lease agreement for building has been terminated, net gain on account of cancellation of building lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' and then transferred to pre-operative expense under the head 'Intangible assets under development'.
- e) Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities on net basis.
- f) The maturity analysis of lease liabilities is given in Note 32 in the 'Liquidity risk' section.



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 6 : Other intangible assets

Particulars	Computer Software	Technical know-how	Total
Gross carrying amount			
Balance as at April 01, 2023	-	-	-
Add: Additions during the year	15.87	-	15.87
(Less): Disposals during the year	-	-	-
Balance as at March 31, 2024	15.87	-	15.87
Add: Additions during the year	46.61	982.34	1,028.95
(Less): Disposals during the year	-	-	-
Balance as at March 31, 2025	62.48	982.34	1,044.82
Accumulated amortisation			
Balance as at April 01, 2023	-	-	-
Add: Amortisation charge for the year	1.02	-	1.02
(Less): Disposals during the year	-	-	-
Balance as at March 31, 2024	1.02	-	1.02
Add: Amortisation charge for the year	5.29	16.37	21.66
Add: Amortisation transfer to pre-operative expenses	0.30	-	0.30
(Less): Disposals during the year	-	-	-
Balance as at March 31, 2025	6.61	16.37	22.98
Net carrying amount			
As at March 31, 2025	55.87	965.97	1,021.84
As at March 31, 2024	14.85	-	14.85

Note 6A : Other intangible assets under Development

	As March 31, 2025	At March 31, 2024
Balance at the beginning of the year	1,472.92	-
Add: Addition made during the year/ period (including non cash item expenses)	1,695.91	1,472.92
(Less): Capitalised during the year	(982.34)	-
Balance at the end of the year	2,186.49	1,472.92

b) Pre-Operative Expenses Pending Allocation to Intangible assets under development:

	As March 31, 2025	At March 31, 2024
Balance at the beginning of the year	1,472.92	-
Raw Material Purchase	106.79	132.00
Consumption of Stores, Spare Parts and consumables	-	13.42
Employee Benefit Expenses	701.64	445.00
Manpower expenses	437.08	647.79
Legal & Professional expenses	38.29	26.67
Rent Expenses	11.55	20.62
Travelling & Conveyance	184.04	85.57
Depreciation	38.83	14.31
Insurance	9.81	6.45
Exchange Fluctuation	10.00	5.22
Other Common Expenses	46.63	67.83
Profit on Derecognition of Lease Liabilities	(2.65)	-
Borrowing Costs	113.91	38.67
Pre-Operative expenses pending allocation	3,168.83	1,503.54
Less: Sale of trial run production	-	(30.63)
Less: Capitalised during the year	(982.34)	-
Total Pre-Operative Expenses Pending Allocation	2,186.49	1,472.92

c) Ageing schedule of Intangible assets under development as at March 31, 2025:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,695.91	490.58	-	-	2,186.49
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of Intangible assets under development as at March 31, 2024:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,472.92	-	-	-	1,472.92
Projects temporarily suspended	-	-	-	-	-



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 7 : Other financial assets	Non - Current				Current			
	As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024
(Unsecured, considered good unless otherwise stated)								
Security deposits		-		3.63		-		-
		-		3.63		-		-

Note 8 : Non-current tax assets (net)	As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024
Advance Income Tax		0.28		-
[Net of provision for income tax of nil (March 31, 2024 : nil)]		0.28		-



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 9 : Income Tax

The major components of income tax expense For the year ended March 31, 2025 and year ended March 31, 2024 are:

Statement of profit and loss:

Profit or loss section

Tax Expense:

a) Current tax

b) Adjustments in respect of relating to earlier years

c) Deferred tax

Income tax expense reported in the statement of profit or loss

As At March 31, 2025	As At March 31, 2024
-	-
(13.06)	0.46
(13.06)	0.46

OCI section

Deferred tax related to items recognised in OCI during the period:

Net loss/(gain) on remeasurements of defined benefit plans

Income tax charged to OCI

As At March 31, 2025	As At March 31, 2024
0.21	-
0.21	-

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024.

As At March 31, 2025	As At March 31, 2024
(96.18)	(5.31)
(24.21)	(1.34)
-	-
11.36	1.80
(12.85)	0.46
(12.85)	0.46
-	-

Accounting profit before tax from continuing operations

Accounting profit before income tax

At India's statutory income tax rate of 25.168% (March 31, 2024: 25.168%)

Adjustments in respect of current income tax of previous years

Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:

Others

At the income tax rate of 25.168% (March 31, 2024: 25.168%)

Income tax expense reported in the statement of profit and loss

Variance

b) Deferred Tax

Particulars

As March 31, 2025	At March 31, 2024
56.17	11.90
42.92	11.51
13.24	0.39

Deferred Tax Assets

Deferred Tax Liabilities

Net Deferred Tax Assets/(Liabilities)

Deferred tax assets relates to the following:

Carry forward Loss

Provision for employee benefits

Lease Liability (net of Right-of-use asset)

Preliminary expenses

As At April 01, 2024	Adjusted against current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As March 31, 2025
-	-	55.90	-	55.90
-	-	0.21	(0.21)	-
0.39	-	(0.39)	-	-
-	-	0.26	-	0.26
0.39	-	55.99	(0.21)	56.17
-	-	42.92	-	42.92
-	-	42.92	-	42.92
0.39	-	13.07	(0.21)	13.24

Deferred tax liability:

Property, plant and Equipment

Total deferred tax assets/(liabilities) (net)

Deferred tax assets relates to the following:

Carry forward Loss

Preliminary Expenses

Lease Liability

As At April 01, 2023	Adjusted against current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As March 31, 2024
0.32	-	(0.32)	-	-
0.53	-	(0.53)	-	-
-	-	11.90	-	11.90
0.85	-	11.05	-	11.90
-	-	11.51	-	11.51
-	-	11.51	-	11.51
0.85	-	(0.46)	-	0.39

Deferred tax liability:

Right of Use Assets

Total deferred tax assets/(liabilities) (net)

Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 10 : Other assets

(Unsecured, considered good, unless otherwise stated)

Capital Advances
Balances with Government Authorities
Prepaid expenses
Advances Recoverable in Cash or Kind

Non - Current				Current			
As	At	As	At	As	At	As	At
March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	82.73		46.33		-		-
	-		-		378.80		179.29
	-		-		11.57		4.22
	-		-		4.47		17.64
	82.73		46.33		394.84		201.15

Note 11 : Inventories

(Valued at lower of cost and or realisable value)

Traded Goods
Stores and Spares
Total

As	At	As	At
March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	311.91		-
	0.47		-
	312.38		-

Note 12 : Trade receivables

Secured ,Considered good
Unsecured Considered good - others
Unsecured- Credit Impaired
Less: Allowance for receivables (credit impaired)
Total

As	At	As	At
March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	166.23		22.52
	-		-
	-		-
	166.23		22.52



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Hero EDU Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2025
(All amounts are in ₹ lakh, unless otherwise stated)

a) Trade receivables ageing schedule as at March 31, 2025:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	121.38	23.04	7.51	14.30	-	-	166.23
Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	-	-
Net Trade receivables	121.38	23.04	7.51	14.30	-	-	166.23

b) Trade receivables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	0.21	22.31	-	-	-	-	22.52
Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	-	-
Net Trade receivables	0.21	22.31	-	-	-	-	22.52

The above ageing has been disclosed based on the due date of payment .

- c) Trade receivables are generally on credit terms of 30- 45 days (March 31, 2024: 30-45 days).
d) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 32.
e) The above includes amount due from related parties is ₹ 117.54 lakh (March 31, 2024: Nil) (Refer note no. 33).
f) No trade or other receivables are due from directors and other officers of the Company either severally or jointly with any other persons.



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 13 : Cash and cash equivalents

Balances with banks:
- Current account

As March 31, 2025	At March 31, 2024
2.03	15.43
2.03	15.43

Note 14 : Equity Share Capital

Authorised Share capital

25000000 shares (March 31, 2024: 10000000) Equity Shares of Rs. 10 each*

As March 31, 2025	At March 31, 2024
2,500.00	100.00
2,500.00	100.00

Issued, subscribed and fully paid up share capital

17500000 (March 31, 2024: 10000000) Equity Shares of Rs. 10 each*

As March 31, 2025	At March 31, 2024
1,750.00	100.00
1,750.00	100.00

a) Reconciliation of Issued and Subscribed Share Capital:

Balance as at April 01, 2023
Changes during the year
Balance as at March 31, 2024
Changes during the period
Balance as at March 31, 2025

No. of Shares*
10,00,000
10,00,000
1,65,00,000
1,75,00,000

b) Terms/ rights attached to equity shares:

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and will rank pari passu with each other in all respect. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The company has not paid any dividend during the year. During the F.Y. 24-25, the company has issued 1,65,00,000 equity shares of ₹ 10/- each to its holding company.

c) Details of shareholders holding more than 5% shares in the Company

Name of Share Holder	No. of Shares*	As March 31, 2025	At March 31, 2024	Holding %	Holding %
Hero Motors Limited** (Holding Company)	1,74,99,994	100%	9,99,994	100%	100%



Hero EDU Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2025
(Amount in ₹ lakh, unless otherwise stated)

d) Details of Promoter's Shareholding:

Promoter's Name	As At March 31, 2025		As At March 31, 2024		% change during the year
	No. of Shares*	% of total shares	No. of Shares*	% of total shares	
Hero Motors Limited**	1,74,99,994	100%	9,99,994	100%	0%

Promoter's Name	As At March 31, 2024		As At March 31, 2023		% change during the year
	No. of Shares*	% of total shares	No. of Shares*	% of total shares	
Hero Motors Limited**	9,99,994	100%	9,99,994	100%	0%

* Number of Shares are given in absolute numbers.

** Six equity shares are held by individuals as nominee of Hero Motors Limited.



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amounts are in ₹ lakh, unless otherwise stated)

Note 15 : Other Equity

Retained earnings

Total other equity

As March 31, 2025	At March 31, 2024
(108.86)	(8.28)
(108.86)	(8.28)

Notes:

i) For Movement during the period in Other Equity, refer "Statement of Changes in Equity".

ii) The description of the nature and purpose of each reserves within equity is as follows:

a) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.



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Hero EDU Systems Private Limited**Notes to Financial Statements for the year ended March 31, 2025**

(Amount in ₹ lakh, unless otherwise stated)

Note 16 : Non Current Borrowings

Unsecured loan

Term Loan from holding company

(Less): Amount disclosed under other financial liabilities as
'Current Borrowings' (refer note 16A)

Non - Current				Current			
As March 31, 2025	At March 31, 2025	As March 31, 2024	At March 31, 2024	As March 31, 2025	At March 31, 2025	As March 31, 2024	At March 31, 2024
	1,323.75	1,020.83			441.25		204.17
	1,323.75	1,020.83			441.25		204.17
	-	-			441.25		204.17
	1,323.75	1,020.83			-		-

Notes :

a) The Company has taken an unsecured loan from its holding company. Loan carries yearly interest at 9% p.a.. Loan is repayable in four years, equal quarterly instalments which would commence from July 14, 2025 i.e after moratorium of 2 years . Interest is repayable at the end of the tenure of the loan i.e.4 years.

b) Maturity profile of loan from holding company:

Maturity Profile	FY 2025-26	FY 2026-27	FY 2027-28
Term Loan repayable in quarterly instalments	441.25	882.50	441.25

Note 16A : Current Borrowings

Unsecured loan

Current Maturities of Long Term Borrowings (Refer Note 16)

As March 31, 2025	At March 31, 2025	As at March 31, 2024
	441.25	204.17
	441.25	204.17



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(Amount in ₹ lakh, unless otherwise stated)

Interest accrued but not due on borrowings
Creditors for capital goods

Non - Current		Current	
As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024
	141.35	-	36.52
	-	7.93	9.63
	141.35	7.93	46.15

- Provision for employee benefits
- Provision for compensated absences
- Provision for gratuity

Non - Current				Current			
As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024	As March 31, 2025	At March 31, 2024
	24.57	7.77		5.95			1.43
	27.56	27.54		0.13			1.93
	52.13	35.31		6.08			3.36

Total Outstanding dues of Micro and Small enterprises	
Total Outstanding dues of Creditors other than Micro and Small enterprises	
Total	

As March 31, 2025	At March 31, 2024
25.32	13.08
855.13	508.43
880.45	521.51

Trade Payables ageing schedule as at March 31, 2025:

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	4.24	21.08			-	25.32
(ii) Others	3.73	73.16	410.58	367.66		-	855.13
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

Trade Payables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.85		3.23				13.08
(ii) Others	384.03	92.18	30.10	2.12			508.43
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

b) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.

c) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;

' - Principal

- Interest

(ii) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;

(iv) the amount of interest accrued and remaining unpaid at the end of accounting year; and

(v) the amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

As at March 31, 2025	As at March 31, 2024
25.17	13.04
0.15	0.04
25.32	13.08

Statutory dues

Current	
As March 31, 2025	As March 31, 2024
51.50	91.02
51.50	91.02



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Hero EDU Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2025
(Amount in ₹ lakh, unless otherwise stated)

Note 21 : Revenue from operations

	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of product	-	-
Other Operating Revenues		
Traded goods	374.66	-
Export Incentive	0.03	-
	374.69	-

a) Performance obligation

Revenue is recognised upon transfer of control of products and services.

During the period, the company has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the company.

b) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the company. The company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2025	For the year ended March 31, 2024
India	373.75	-
Outside India	0.94	-
Revenue from operations	374.69	-

Timing of revenue recognition-

The Company recognizes revenue at a point in time during the year in accordance with Ind AS 115.

Revenue based on Customer-wise	For the year ended March 31, 2025	For the year ended March 31, 2024
Related Party	318.56	-
Non- Related Party	56.13	-
Revenue from operations	374.69	-

c) Reconciliation of Revenue from operations with contracted price

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contracted Price	406.01	-
Less:		
Sales Returns	31.35	-
Rebate and Discount	-	-
Revenue from operations	374.66	-

d) Assets and liabilities related to contract with customers

Particular	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade receivables	166.23	22.52
Advances from customer	-	-
	166.23	22.52

e) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 12.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2025 and March 31, 2024.

Further, the company doesn't have any contract liabilities as at March 31, 2025 and March 31, 2024

f) The company has two customer who represent more than 10% of the total revenue amounting to ₹ 362.29 lakh (March 31: 2024- Nil)

Note 21A : Other Income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Foreign Exchange Fluctuation(net)	3.26	-
	3.26	-

Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 22 : Purchase of stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchases of Traded Goods	700.51	-
	700.51	-

Note 23 : Changes in inventories of finished goods, work in progress and stock in trade

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Work-in-progress	-	-
Finished goods	-	-
Stock in trade	-	-
(A)	-	-
Inventories at the end of the period		
Work-in-progress	-	-
Finished goods	-	-
Stock in trade	311.91	-
(B)	311.91	-
(Increase) / decrease in inventory (A-B)	(311.91)	-

Note 24 : Employee Benefits Expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages & bonus	35.47	-
Contribution to provident and other fund	2.60	-
Gratuity expense (refer note - 29)	0.91	-
Compensated absences	1.61	-
	40.59	-

Note 25 : Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment	5.70	0.18
Amortisation of intangible assets	21.66	1.01
	27.36	1.19



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 26 : Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of Stores & Spare	3.52	-
Payment to the auditors (refer note 'a' below)	2.56	1.50
Rates & taxes	0.16	-
Rent expenses	0.92	-
Travelling & Conveyance	0.86	-
Insurance Expenses	5.44	-
Miscellaneous expenses	4.12	2.62
Total	17.58	4.12

a) Details of payment made to auditors is as follows:

i) Payment to Auditor

- Statutory audit fee
- Other services and certification
- Reimbursement of Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
- Statutory audit fee	1.50	1.50
- Other services and certification	1.00	-
- Reimbursement of Expenses	0.06	-
	2.56	1.50

Note 27 : Components of Other Comprehensive Income

Items that will not be reclassified to profit or loss

Re-measurement gains/ (losses) on defined benefit plans
Income tax expense on items that will not be reclassified to profit or loss

	For the year ended March 31, 2025	For the year ended March 31, 2024
Re-measurement gains/ (losses) on defined benefit plans	0.85	-
Income tax expense on items that will not be reclassified to profit or loss	(0.21)	-
	0.64	-



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 28 : Earnings per share (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(Loss) attributable to the equity holders	(83.12)	(5.77)
Weighted average number of equity shares for Basic EPS (A)	1,06,56,712	10,00,000
Basic earnings per share(in ₹) (face value ₹ 10 per share)	(0.78)	(0.58)
Weighted average number of potential equity shares (B)	-	-
Weighted average number of equity shares (including dilutive shares) outstanding for dilutive EPS (A+B)	1,06,56,712	10,00,000
Diluted earnings per share(in ₹) (face value ₹ 10 per share)	(0.78)	(0.58)



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Hero EDU Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakh, unless otherwise stated)

Note 29 : Gratuity and other post-employment benefit plans

1) Defined contribution plans

The Company makes contribution towards employees provident fund and employee's state insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to provident fund and other fund (including pre-operating expense)	44.01	24.42
Employer's contribution to employee state insurance (including pre-operating expense)	0.62	0.32
Total	44.64	24.74

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

2) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit Novarately to built up the final obligation. This method is used in following cases:-

i) Gratuity scheme

The Company has defined benefit gratuity plan which is unfunded. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of acturial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of insurance.

a) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan. These have been provided on accrual basis, based on year end actuarial valuation.

Particulars	For the year ended March 31, 2025 Gratuity (Unfunded)	For the year ended March 31, 2024 Gratuity (Unfunded)
Change in benefit obligation		
1 Opening defined benefit obligation	29.48	-
2 Interest cost	2.31	-
3 Current service cost	8.03	24.97
4 Acquisition of employees(transfer from group company)	0.83	4.51
5 Actuarial (gain) / loss on obligation	(9.68)	-
6 Benefit Paid	(3.27)	-
Present value of obligation as at the end of the year	27.69	29.48

b) The following tables summarise the net benefit expense recognised in the statement of profit or loss :

Particulars	For the year ended March 31, 2025 Gratuity (Unfunded)	For the year ended March 31, 2024 Gratuity (Unfunded)
Interest Cost	2.31	-
Service cost	8.03	24.97
Interest Cost transfered to pre operating expense	(2.10)	-
Service Cost transfered to pre operating expense	(7.33)	(24.97)
	0.91	-
Amount to be recognised in Other Comprehensive Income	(9.68)	-
Cost transfered to pre operating expense	8.83	-
	(0.85)	-

c) Principal actuarial assumptions at the balance sheet date are as follows:

Particulars	For the year ended March 31, 2025 Gratuity (Unfunded)	For the year ended March 31, 2024 Gratuity (Unfunded)
Economic assumptions		
1 Discount rate	6.89%	7.09%
2 Salary escalation rate	8.00%	8.00%
3 Expected Rate of Return on Assets	N.A.	N.A.
4 Withdrawal Rate	For Ages: 0-30 years: 8% 31-44 years: 3.5% 44 & above: 1%	10.00%
Demographic assumptions		
1 Retirement Age (years)	58 Years	58 Years
2 Mortality Table	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate



The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Hero EDU Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakh, unless otherwise stated)

d) A Quantitative Sensitivity Analysis for Significant Assumption as is as Shown Below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	Gratuity (Unfunded)	Gratuity (Unfunded)
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(3.57)	(1.93)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	4.38	2.21
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	4.32	2.26
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(3.60)	(2.02)
C. Maturity profile of defined benefit obligation is as follows:		
Gratuity (Unfunded)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	Gratuity (Unfunded)	Gratuity (Unfunded)
0 to 1 years	0.13	2.00
1 to 2 years	0.22	1.94
2 to 3 years	0.33	2.19
3 to 4 years	6.93	2.49
4 to 5 years	0.77	11.54
From 5 years onward	4.21	8.99

3. Other long term employee benefits

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 17 earned leave and 8 sick leave salary for every completed year of service with maximum accumulation of 34 days to workmen and 60 days for staff salary for staff employees. The sum is payable during the service, early retirement, withdrawal of scheme, resignation or upon death of employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method. It is an unfunded plan. The Company has incurred an expense on long term compensated absences amounting to ₹ 22.23 Lakh (March 31, 2024 : ₹ 9.75 Lakh) which has been accounted in Statement of Profit and Loss and Preoperative expenses under " Intangible Assets under development".



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amounts in ₹ lakh, unless otherwise stated)

Note 30: Capital management

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital structure using Gearing Ratio, which is calculated as under:

	As March 31, 2025	At March 31, 2024
Borrowings	1,765.01	1,225.00
Lease Liabilities	78.12	47.27
Less: Cash and bank balances	(2.03)	(15.43)
Adjusted net debt (A)	1,841.10	1,256.84
Equity share capital	1750.00	100.00
Other equity	(108.86)	(8.28)
Total capital (B)	1,641.14	91.72
Net debt and capital (C= A+B)	3,482.24	1,348.56
Gearing ratio	0.53	0.93

For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amounts in ₹ lakh, unless otherwise stated)

Note 31 : Fair values disclosure

a) Financial Instruments by category

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. which represent the best estimate of fair value

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments and are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

As at March 31, 2025:

Particulars	Carrying amount			Fair value			
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost							
Trade receivables	166.23	-	166.23	-	-	-	-
Cash and cash equivalents	2.03	-	2.03	-	-	-	-
Total	168.26	-	168.26	-	-	-	-
Financial liabilities measured at amortised cost							
Borrowings	-	1,765.01	1,765.01	-	-	-	-
Lease liabilities	-	78.12	78.12	-	-	-	-
Trade payables	-	880.45	880.45	-	-	-	-
Other Financial Liabilities	-	149.28	149.28	-	-	-	-
	-	2,872.86	2,872.86	-	-	-	-

As at March 31, 2024:

Particulars	Carrying amount			Fair value			
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost							
Trade receivables	22.52	-	22.52	-	-	-	-
Security deposits	3.63	-	3.63	-	-	-	-
Cash and cash equivalents	15.43	-	15.43	-	-	-	-
Total	41.58	-	41.58	-	-	-	-
Financial liabilities measured at amortised cost							
Borrowings	-	1,225.00	1,225.00	-	-	-	-
Lease liabilities	-	47.28	47.28	-	-	-	-
Trade payables	-	521.51	521.51	-	-	-	-
Other Financial Liabilities	-	46.15	46.15	-	-	-	-
	-	1,839.94	1,839.94	-	-	-	-

c) Discount Rate Used in Determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the company's board of directors.



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amounts in ₹ lakh, unless otherwise stated)

The following methods and assumptions were used to estimate the fair values:

For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

d) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values except otherwise stated.



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 32 : Financial risk management objectives and policies

The company's principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, receivables from related and other parties.

The company has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

The company's senior level management oversees the management of these risks and is supported by finance department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2025	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	441.25	1,323.75	-	1,765.00
Trade payables	880.45	-	-	880.45
Lease Liabilities	5.18	26.05	46.89	78.12
Other financial liabilities	7.93	141.35	-	149.28
Total	1,334.81	1,491.15	46.89	2,872.85

As at March 31, 2024	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	204.17	1,020.83	-	1,225.00
Trade payables	521.51	-	-	521.51
Lease Liabilities	19.51	27.77	-	47.28
Other financial liabilities	9.63	36.52	-	46.15
Total	754.82	1,085.12	-	1,839.94

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio.

Unhedged foreign currency exposure

The carrying amount of the Company's unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2025			As at March 31, 2024		
	CCY	Amount in ₹, lakh	Foreign currency (In lakh)	CCY	Amount in ₹, lakh	Foreign currency (In lakh)
-Trade payables						
-Trade payables	EUR	71.38	0.78	EUR	2.17	0.02
-Trade payables	USD	0.15	0.002	USD	0.58	0.01
-Trade Receivables						
-Trade Receivables	EUR	0.98	0.01	EUR	-	-



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

USD sensitivity

INR/USD - increase by 5 %
INR/USD - decrease by 5 %

Impact on profit before tax

As March 31, 2025	At March 31, 2024	As March 31, 2024	At March 31, 2024
	(0.01)		0.02
	0.01		(0.02)

EURO sensitivity

INR/EURO - increase by 5 %
INR/EURO - decrease by 5 %

Impact on profit before tax

As March 31, 2025	At March 31, 2024	As March 31, 2024	At March 31, 2024
	(3.52)		(0.08)
	3.52		0.08



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Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 33 : Related party transactions

a) List of related parties

Nature of Relationship	Name of the Related Party
Holding Company	Hero Motors Limited
Fellow Subsidiary	1. HYM Drive Private Ltd(Wholly-owned Subsidiary of Holding Company) 2. Hero Motors Thai Limited (Subsidiary of Holding Company) 3. Hewland Engineering Limited (Subsidiary of Holding Company) 4. Spur Technologies Private Limited (Subsidiary of Holding Company)
Enterprise over which Key Managerial Personnel exercise Significant influence	HMC E-Valley Private Limited

Key Management Personnel (KMP) & their relative		
Mr. Amit Gupta	Director	
Mr. Abhishek Munjal	Director	
Mr. Anil Rathi	Whole Time Director	Change in Designation- October 29, 2024
Mr. Mrintunjay Mishra	Chief Financial Officer	w.e.f. October 29, 2024
Mr. Ravi Garg	Company Secretary	w.e.f. October 29, 2024

b) Related Party Transactions

A. Transactions with related parties

S.No	Particulars	Relation	For the year ended	For the year ended
			March 31, 2025	March 31, 2024
a.	Sale of Goods			
	HMC E-Valley Private Limited	Significant Influence	318.51	-
	HYM Drive Private Limited	Fellow Subsidiary	0.05	-
b.	Purchase of goods			
	Hero Motors Ltd	Holding Company	6.76	6.60
	HYM Drive Private Limited	Fellow Subsidiary	321.86	81.04
	HMC E-Valley Private Limited	Significant Influence	11.06	-
c.	Interest Expense on Loan			
	Hero Motors Limited	Holding	116.47	40.59
d.	Loan received			
	Hero Motors Limited	Holding Company	540.00	1,225.00
e.	Rental expense			
	Hero Motors Limited	Holding Company	17.97	15.12
f.	Capital Advance given			
	HYM Drive Private Limited	Fellow Subsidiary	1.45	-
g.	Procurement of Service			
	Hero Motors Limited	Holding Company	261.50	311.67
h.	Employee's Gratuity liability takeover			
	Hero Motors Limited	Holding Company	0.83	4.51
i.	Purchase of fixed assets			
	Hero Motors Limited	Holding Company	16.18	-
j.	Reimbursement Of Expenses			
	Hero Motors Limited	Holding Company	33.10	62.48
	HYM Drive Private Limited	Fellow Subsidiary	0.16	0.28
	Mr. Mrintunjay Mishra	Chief Financial Officer	0.73	-
k.	Equity Infusion			
	Hero Motors Limited	Holding Company	1,650.00	-
l.	Employee's Leave liability takeover			
	Hero Motors Limited	Holding Company	0.17	-
m.	Salary/Remuneration Paid			
	Mr. Mrintunjay Mishra	Chief Financial Officer	11.66	-

B. Closing Balances

S.No	Particulars	As At	As At
		March 31, 2025	March 31, 2024
a.	Trade Receivables		
	HMC E-Valley Private Limited	117.54	-
b.	Trade Payables		
	Hero Motors Limited	723.28	362.74
	HYM Drive Private Limited	-	12.85
c.	Capital Advance		
	HYM Drive Private Limited	1.45	-
d.	Loan Outstanding		
	Hero Motors Limited	1,765.00	1,225.00
e.	Interest Payable		
	Hero Motors Limited	141.20	36.53

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

Hero EDU Systems Private Limited **Notes to Financial Statements for the year ended March 31, 2025** (Amount in ₹ lakh, unless otherwise stated)

Note 34: Ratio Analysis

Description	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reasons for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.63	0.27	133%	Due to increase in trade payables and receivables in FY 24-25
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	1.12	13.87	-92%	Due to fresh issue of fresh equity share capital raised during the year
Debt Service Coverage ratio (in times)	Earnings available for debt service *	Debt Service **	NA	NA	NA	Since no debt repayment was due during the year, hence, this ratio is not computed.
Return on Equity ratio (in %)	Net Profit after taxes – Preference Dividend	Average Shareholder's Equity	-951.99%	-609.42%	-343%	Change in ratio has been occurred due to increase in current year losses, Equity share capital and borrowings
Inventory Turnover ratio (in times)	Revenue	Average Inventory	2.40	NA	NA	During the year, Company has made trading activity and Inventory is also held as at Closing date.
Trade Receivable Turnover Ratio (in times)	Revenue	Average Trade Receivable:	3.97	NA	NA	During the year, Company has made trading activity and receivable is also outstanding as at Closing date.
Trade Payable Turnover Ratio (in times)	Purchases of goods and services	Average Trade Payables	1.00	NA	NA	During the year, Company has made purchasing activity and payable is also outstanding as at Closing date.
Net Capital Turnover Ratio (in times)	Revenue	Working capital****	-0.72	NA	NA	Trading activity has been done during the year
Net Profit ratio (in %)	Net Profit after tax	Revenue	-0.22	NA	NA	Trading activity has been done during the year
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed ****	-449.26%	-68.20%	-381%	Change in ratio has been occurred due to increase in current year losses, Equity share capital and borrowings
Return on investment (ROI) (in %)	Income generated from investment carried at FVTPL and amortised cost	Income carried at investment carried at FVTPL and amortised cost	NA	NA	NA	

* Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Property, Plant and Equipment etc.
"Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

** Interest, Lease Payments and Principal Repayments

*** Current assets – Current liabilities

**** Tangible Net Worth + Total Debt + Deferred Tax Liability

Note: Reasons have been explained for variance in which % of change is more than 25% as compared to previous year.



Hero EDU Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2025

(Amount in ₹ lakh, unless otherwise stated)

Note 35: Contingent Liabilities and Commitments

a) The company does not have any contingent liabilities, which may have a material impact on the financial statement.

b) Commitments

Capital commitment: Estimated amount of contracts remaining to be executed on the capital account (Net of capital advance of ₹ 82.73 lakh, (March 31, 2024 : ₹ 46.33 lakh))

As 31st March 2025	At 31st March 2024
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165.41

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c) The company does not have any other long term commitments or material non cancellable contractual commitments, which may have a material impact on the financial statement.

Note 36:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the company (Ultimate Beneficiaries).

The company has not received any fund from any party (Funding Party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 37: Disclosure of transactions with struck off companies

The company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 38:

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto currency or virtual currency
- (b) Benami property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies.
- (d) Relating to borrowed funds:
 - i) Wilful defaulter
 - ii) Utilisation of borrowed funds & share premium
 - iii) Discrepancy in utilisation of borrowings

Note 39: Figures have been rounded off to the nearest lakh upto two decimal places except otherwise stated.

For and on behalf of the board of directors of
Hero EDU Systems Private Limited

(Anil Rathi)

Whole Time Director
DIN:09511728

(Amit Gupta)

Director
DIN:02990732

(Mrintunjay Mishra)

Chief Financial Officer

(Ravi Garg)

Company Secretary
M. No. FCS12759

Place of Signature: NEW DELHI
Date: 31.07.2025

