IPO DETAILS

HERO MOTORS LIMITED

#IPOlogy

ISSUE OPEN	ISSUE CLOSE
16/09/2026	18/09/2026

Min. Lot Size	Issue Price Band
178 Shares	₹79 - ₹84

Issue Size

Fresh Issue:
7.14 Cr Eq Shares
(₹600.00 Cr)

OFS:
4.76 Cr Eq Shares
(₹400.00 Cr)

Face Value
₹10

Industry
Auto Ancillaries

Listing at
NSE, BSE

Rating

Subscribe (With Caution)

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Marwadi Shares and Finance Limited
Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.
Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

For Facts & Figures

HERO MOTORS LIMITED

Rationale

Considering the FY26 EPS of Rs 0.91 on a post issue basis, the company is going to list at a P/E of ~93x with a market cap of Rs 3,815 Cr whereas its peers namely CIE Automotive India Ltd, Endurance Technologies Ltd, Sona BLW Precision Forgings Ltd, UNO Minda Ltd and Varroc Engineering Ltd trading at P/E ratio of approximately ~16x, ~39x, ~64x, ~58x, ~47x respectively.

We assign a 'Subscribe (With Caution)' rating to this IPO as the company is among India's leading solutions providers to the global E-Mobility industry, backed by diversified product and service offerings and a growing presence in electric bikes and premium two-wheelers. However, the company generated 36% of its revenue from its top customer and 61% from its top five customers, which makes us cautious from a long-term investment perspective.

Objectives of the issue

Repayment/prepayment/redemption, in full or in part, of certain outstanding borrowings availed by their company;

Capital expenditure of our Company through purchase of equipment required for expansion in capacity of their Gautam Buddha Nagar, Uttar Pradesh facility; and;

Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.

Company Overview

Incorporated in April 1998, Hero Motors Limited is an automotive technology company engaged in designing, developing, manufacturing and supplying engineered powertrain solutions to automotive original equipment manufacturers (OEMs) across the United States, Europe, India and ASEAN region.

They are a fully integrated powertrain systems provider offering comprehensive solutions including services for designing, prototyping, validating, developing, and delivering system-level and component-level powertrain solutions for both electric as well as non-electric powertrains.

Their offerings find application in two-wheelers, performance automotive, e-bikes, off-road vehicles, electric and hybrid cars, heavy duty vehicles, and electric vertical take-off and landing ("eVTOL") categories.

The company operates across two segments: Powertrain Solutions and Alloys & Metallics (A&M). The Powertrain Solutions segment comprises Gears & Transmissions (G&T), catering to automotive and mobility applications, and Bike Powertrain (BPT), focused on micro-mobility applications such as e-scooters, bicycles and e-bikes, serving leading global e-bike manufacturers. The A&M segment manufactures and supplies alloy and metallic products for various industrial and automotive applications.

The company derives 54% of its revenue from the Powertrain Solutions segment and 46% from the Alloys & Metallics segment.

They cater to requirements of their global customers such as BMW AG ("BMW"), Ducati Motor Holding S.P.A. ("Ducati"), Enviolo International Inc ("enviolo"), Formula Motorsport Ltd ("Formula Motorsport"), HUMMINGBIRDEV Inc. ("Hummingbird EV"), HWA AG ("HWA") and leading global electric bicycle ("e-bike") manufacturers and other mobility applications such as aerospace.

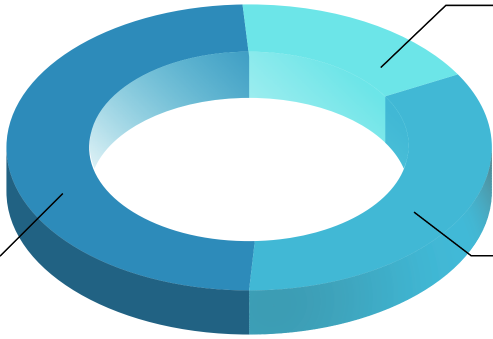
Strategic 7-Facility Footprint

As of March 31, 2026, they operated six manufacturing facilities spread across India, United Kingdom and Thailand that are strategically located to ensure proximity to customers and cost competitiveness.

HERO MOTORS LIMITED

Issue Details

Issue Break-Up

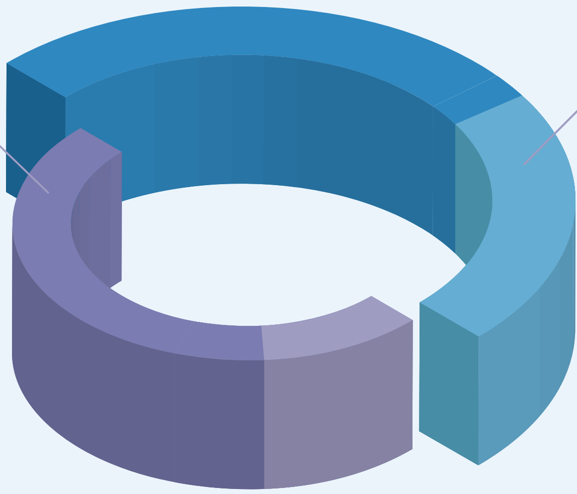


NIB:15%
₹150 Cr.

QIB: 50%
₹500 Cr.

RETAIL:35%
₹350Cr.

Shareholding Pattern



Pre-Issue

86%
Promoters & Promoter's Group

14%
Public

Post-Issue

62%
Promoters & Promoter's Group

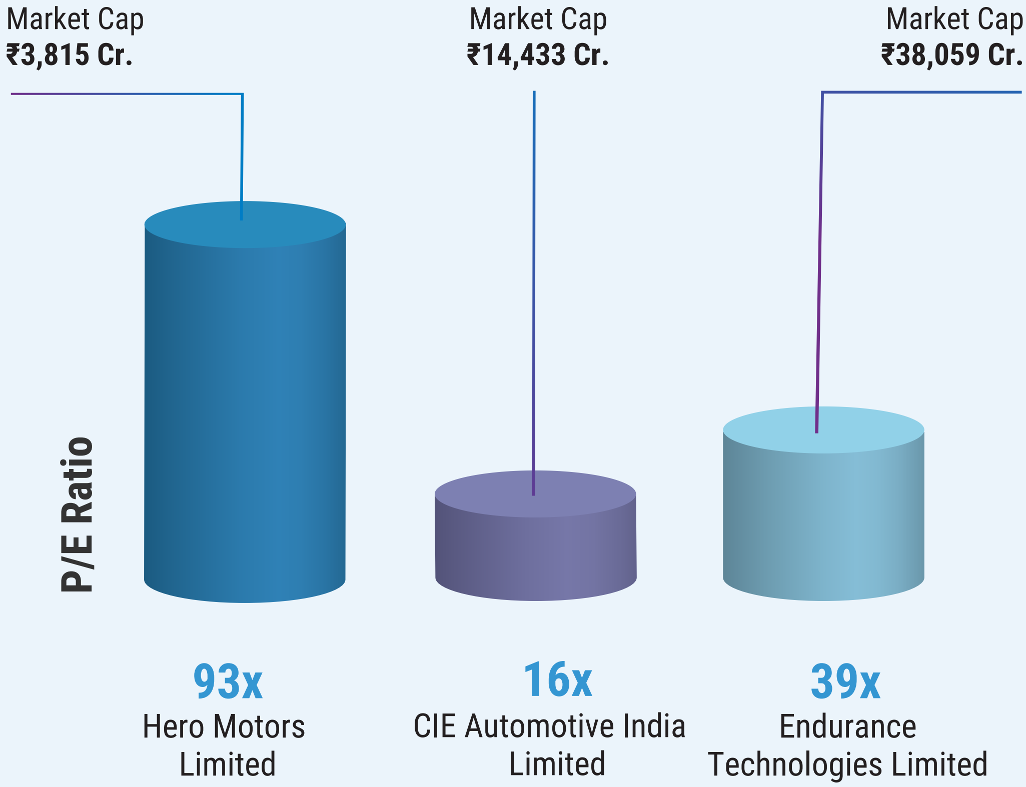
38%
Public

Capital Structure (in ₹ Cr.)

580 Cr	383 Cr	454 Cr
Authorised Equity Share Capital	Paid-Up Capital (Pre-Offer)	Paid-Up Capital (Post-Offer)

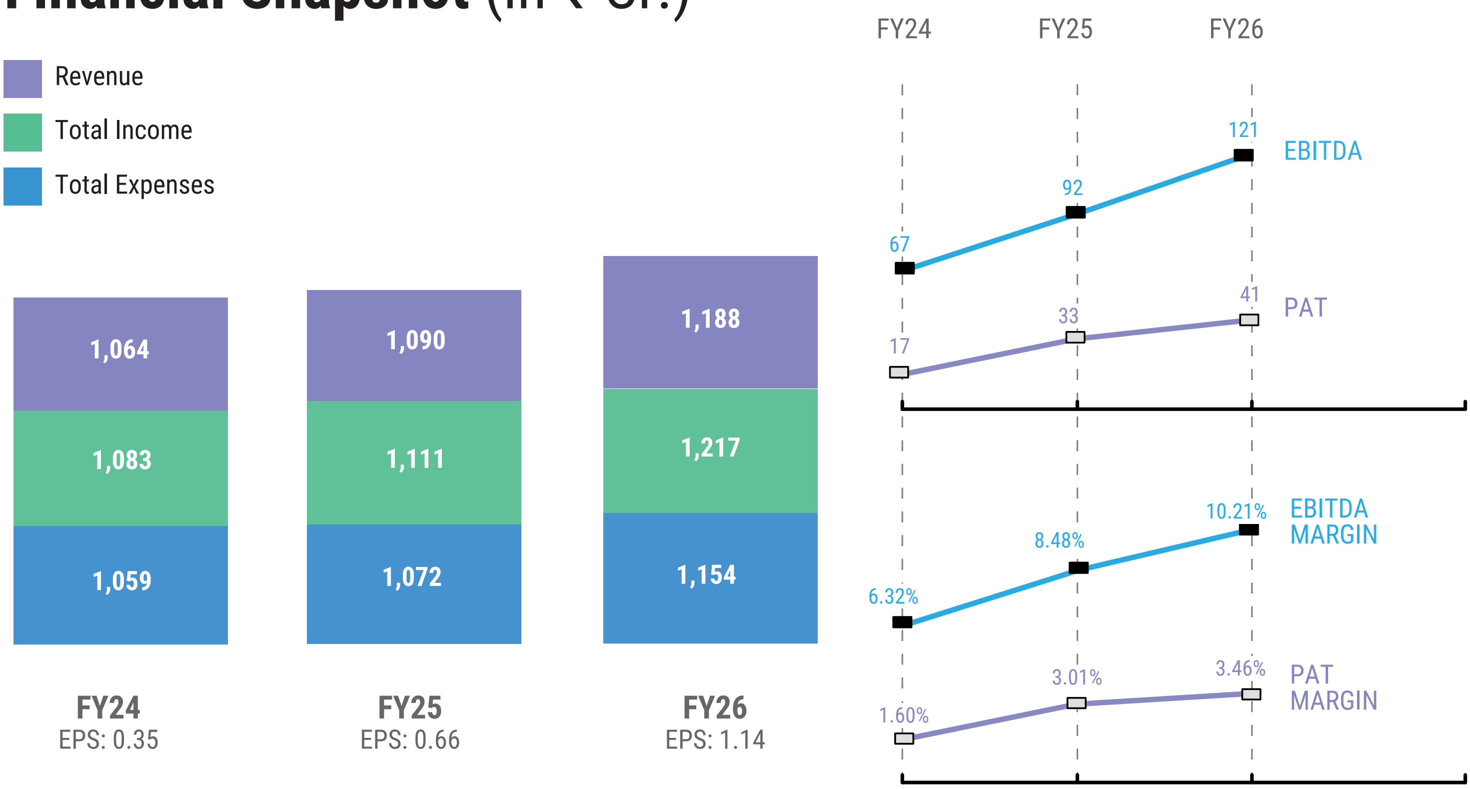
HERO MOTORS LIMITED

Valuations and Peer Comparison



Market Cap data of listed securities as on Sep 11, 2026

Financial Snapshot (in ₹ Cr.)



HERO MOTORS LIMITED

Business Insights

Competitive Strengths

- Among India's leading solutions provider to global E-Mobility industry backed by diversified product and service offerings.
- Growing market presence in the electric bikes and premium two-wheelers segments.
- Longstanding relationships with premier global original equipment manufacturers and expertise in delivering solutions.
- Advanced infrastructure with geographically diverse operations.
- Strong research and development capabilities and long-term partnerships.
- Legacy of diverse growth, experienced management team and strong corporate governance.

Business Strategy

- Focus on providing complete systems and powertrain solutions for e-mobility segment.
- Expand into other market segments and geographies.
- Leverage hewland's expertise for design-to-cost product and service solutions.
- Focus on strengthening partnerships with global players for technology.
- Pursue inorganic growth opportunities.

Risks

- They generate a portion of their revenue from operations from jurisdictions outside India, in particular, from Europe which contributed 33.59%, 28.45% and 29.33%, of their revenue from operations, in Fiscal 2026, 2025 and 2024, respectively. Any adverse events affecting these jurisdictions could have an adverse impact on their revenue from operations.
- Their business largely depends upon their top 10 customers. In Fiscals 2026, 2025 and 2024 their revenue from operations from top 10 customers was ₹ 8,661.40 million, ₹ 8,501.96 million and ₹ 8,191.86 million, representing 72.89%, 78.03% and 76.96% of their revenue from operations, respectively. The loss of any of these customers could have a material adverse effect on their business, financial condition, results of operations and cash flows.
- Certain of their subsidiaries have suffered losses in the last three Fiscals. There can be no assurance that their subsidiaries will be profitable in future, or that they will be able to benefit from the funds they have infused in them.

Promoters and Management Details

Pankaj Munjal - Chairman, Non-Executive and Non-Independent Director

Abhishek Munjal - Whole-Time Director

Amit Gupta - Managing Director and CEO