Hero Electric Vehicles Private Limited

September 17, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	250.00	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Long-term bank facilities	RBI	40.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Hero Electric Vehicles Private Limited (HEVPL) to monitor ratings vide e-mail communications dated September 14, 2026, followed up on mails dated May 23, 2026, May 19, 2026, May 09, 2026, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. Ratings on HEVPL's bank facilities will continue to be denoted as CARE D; ISSUER NOT COOPERATING* due to non-availability of requisite information.

In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed ratings on the basis of the best available information, which however; in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

Users of these ratings (including investors, lenders, and public at large) are hence requested to exercise caution while using these rating(s).

At the time of last rating review done on June 23, 2025, following were the rating strengths and weaknesses:

Rating sensitivities: Factors likely to lead to rating actions: Not applicable

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers

Key weaknesses

Delay in debt servicing

HEVPL has delayed in servicing its debt obligations. CareEdge Ratings has taken cognisance of the same and accordingly has taken the rating action. This also follows the poor liquidity situation prevailing in the company due to continued operating losses and elongated receivable position.

Dependence on external borrowings due to sizeable pending FAME subsidy claims

Post debarment from FAME scheme (Faster Adoption and Manufacturing of Electric Vehicles), MHI issued notices to HEVPL for the recovery of amounts wrongly claimed amounting ₹133 crore and barred HEVPL from receiving future payments from the scheme resulting in a build-up of subsidy claims from the government of ~₹516 crore as on April 30, 2023, increased from ₹62 crore as on March 31, 2022, thus impacting the company's already stretched liquidity. In FY23, promoters infused equity amounting to ₹50 crore as on April 30, 2023. According to the signed term sheet with its existing investors Oaks & GII were to infuse ~₹160 crore by June 2023, of which ₹44.5 crore has been received as on July 31, 2023. There was lower-than-expected infusion of equity, which has further stretched HEVPL's already stretched liquidity.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Liquidity: Not available

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Information Adequacy Risk and Issuer Non-Cooperation
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Automobiles	2/3 Wheelers

HEVPL is a part of the Hero Eco group (comprising HEVPL, Hero Exports [rated 'CARE BBB+; Stable/CARE A2"]), and Hero Ecotech Ltd (rated 'CARE BBB+; Stable/CARE A2'), held by Vijay Munjal, Naveen Munjal, and Gaurav Munjal. The company began developing electric vehicles (EVs) over a decade ago and rolled out its first electric scooter in India in 2007. Its target market is the low and city-speed segments. It has over 300 employees in India and a manufacturing unit in Ludhiana, with an installed capacity of 70,000 units per annum.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	841.42	982.73
PBILDT	-27.37	-124.52
Profit after tax (PAT)	-29.96	-116.61
Overall gearing (x)	0.80	1.67
Interest coverage (x)	-1.63	-2.82

A: Audited; UA: Unaudited; Note: These are latest available financial results.

Status of non-cooperation with previous CRA: CRISIL has put the rating assigned to bank facilities of HEVPL under Issuer Not Cooperating category vide press release dated January 28, 2026, considering its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-01-2027	40.00	CARE D; ISSUER NOT COOPERATING*
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	RBI	Simple	-		-	-	50.00	CARE D / CARE D; ISSUER NOT COOPERATING*
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	RBI	Simple	-		-	-	50.00	CARE D / CARE D; ISSUER NOT COOPERATING*
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	RBI	Simple	-		-	-	150.00	CARE D / CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	50.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (23-Jun-25)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (26-Mar-24) 2)CARE D / CARE D (16-Aug-23) 3)CARE BB; Negative / CARE A4 (11-May-23) 4)CARE BB+ / CARE A4+ (RWN) (07-Apr-23)
2	Fund-based - LT-Term Loan	LT	40.00	CARE D; ISSUER NOT	-	1)CARE D; ISSUER NOT	-	1)CARE D; ISSUER NOT

				COOPERATING*		COOPERATING* (23-Jun-25)		COOPERATING* (26-Mar-24) 2)CARE D (16-Aug-23) 3)CARE BB; Negative (11-May-23) 4)CARE BB+ (RWN) (07-Apr-23)
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	50.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (23-Jun-25)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (26-Mar-24) 2)CARE D / CARE D (16-Aug-23) 3)CARE BB; Negative / CARE A4 (11-May-23) 4)CARE BB+ / CARE A4+ (RWN) (07-Apr-23)
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	150.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (23-Jun-25)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (26-Mar-24) 2)CARE D / CARE D (16-Aug-23) 3)CARE BB; Negative / CARE A4 (11-May-23) 4)CARE BB+ / CARE A4+ (RWN) (07-Apr-23)
5	Commercial Paper-Commercial	ST	-	-	-	-	-	1)Withdrawn (07-Apr-23)

	Paper (Standalone)							

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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