

Annexure III

Corporate Governance Report

Philosophy on 'Code of Corporate Governance'

The Company's philosophy of Corporate Governance stems from a belief that the Company's business strategy and plans should be consistent with the welfare of all its stakeholders, including shareholders. Good Corporate Governance practices enable a company to attract financial and human capital. In turn, these resources are leveraged to maximise long-term shareholder value, while preserving the interests of multiple stakeholders, including the society at large.

Corporate Governance rests upon the four pillars of: transparency, full disclosure, independent monitoring and fairness to all, especially to minority shareholders. The Company has always strived to promote Good Governance practices, which ensure that:

- ▶ A competent management team is at the helm of affairs;
- ▶ The Board is strong with an optimum combination of Executive and Non-Executive (including Independent) Directors, who represent the interest of all stakeholders;

- ▶ The Board is effective in monitoring and controlling the Company's affairs;
- ▶ The Board is concerned about the Company's shareholders; and
- ▶ The Management and Employees have a stable environment.

The Company believes that the essence of Corporate Governance lies in the phrase 'YourCompany'. It is 'Your' Company because it belongs to 'you' – the shareholders. The Chairperson and Directors are 'Your' fiduciaries and trustees. Their objective is to take the business forward to maximise 'Your' long-term value.

The Securities and Exchange Board of India (SEBI) has specified certain mandatory governance practices, which are incorporated in Clause 49 of the Listing Agreement of Stock Exchange.

The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. This section, along with the section on 'Management Discussion & Analysis' and 'General Shareholders' Information', constitute the Company's compliance with

Clause 49 of the Listing Agreement, entered into by the Company with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

Governance Structure

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors ('Board'), which in turn governs the Company. As on March 31, 2015, the Company's Board comprised of 12 (twelve) Directors. 3 (three) Directors, including the Chairperson, are Executive Directors, 2 (two) Directors are Non-Executive Directors and 7 (seven) Directors including 1 (one) Woman Director are Non-Executive and Independent Directors. Majority of the Board consists of Independent Directors therefore the composition of the Board is in consonance with Clause 49 of the Listing Agreement.

Details of the composition of the Board as on March 31, 2015 is given in Table 1.

Table 1 : Company's Board

Name of Directors	Detail of Directorships					Memberships	
	Numbers of Directorships held					Number of Committee Memberships held (excluding Private, Foreign and Section 8 Companies)	Number of Committee Chairpersonships held
	Public Listed	Public Unlisted	Private	Section 8	Other		
Executive Directors							
Mr. Brijmohan Lall Munjal	2	3	6	-	-	1	None
Mr. Pawan Munjal	1	2	4	1	-	None	None
Mr. Sunil Kant Munjal	3	1	13	2	-	3	1
Non-Executive Directors							
Mr. Paul Edgerley	1	-	-	-	-	None	None
Mr. Suman Kant Munjal	1	3	12	1	-	1	None
Non-Executive and Independent Directors							
Mr. Pradeep Dinodia	5	1	1	-	-	3	3
Dr. Pritam Singh	3	-	-	-	-	3	1
Mr. M. Damodaran	5	-	2	1	1	5	3
Dr. Anand C. Burman	3	3	12	1	1	None	None
Mr. Ravi Nath	4	-	4	-	2	2	None
Ms. Shobana Kamineni*	4	6	9	-	-	1	None
Gen. (Retd.) V.P. Malik	1	1	-	-	-	2	None

* Appointed w.e.f. March 27, 2015

Details as on March 31, 2015

Note: As required by Clause 49 of the Listing Agreement, the disclosure about Memberships/Chairpersonships of the Audit Committee and Stakeholders Relationship Committee in the Public Companies (Listed and Unlisted) except Foreign Companies has been considered.

Mr. Brijmohan Lall Munjal is father of Mr. Suman Kant Munjal, Mr. Pawan Munjal and Mr. Sunil Kant Munjal. Apart from these Directors none of the other Director is related to each other.

4 (four) Directors namely Mr. Brijmohan Lall Munjal, Mr. Pawan Munjal, Mr. Sunil Kant Munjal (Executive Directors) and Mr. Suman Kant Munjal (Non-Executive Director) belongs to the promoter family of the Hero Group. Apart from these, the rest of the Board comprises of Non-Executive/ Non-Executive and Independent Directors.

Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration ('NR') Committee, for appointment as Independent Directors on the Board. The NR Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the criteria set for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

Decision and Direction

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board includes strategic review from each of the Board committee, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

The Board has established 7 (seven) Committees to discharge its responsibilities in an effective manner. Mr. Pawan Munjal provides overall direction and guidance to the Company. In the operations and functioning of the Company, the VC, CEO & MD is assisted by a core group of Executive Management Team ("EMT")/ Senior

Leadership Team. Additionally, the Board reviews possible risks and risk mitigation measures, financial reports from the CFO, Compliance Reports from the Asso. V.P. Legal & Company Secretary and business reports from other EMT members. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

Familiarisation programme for Board

During FY 2014-15, the Board including all Independent Directors were explained about their roles, rights and responsibilities in the Company, through detailed presentations on the changes in backdrop of the Companies Act, 2013 ("Act") and Listing Agreement. The presentations/deliberations were carried out through internal resources, as well as outside experts.

A special session on training of Independent Directors was also conducted on September 23 -24, 2014 in Italy, along with a Board Meeting. A detailed programme was devised for the same which spanned for entire two days. In the said programme, the Senior Leadership Team of the Company also participated and briefed the Board about the functioning of their respective areas and future outlook of the Company.

A Management expert Mr. Tarun Khanna, who is working as Director, South Asia Institute, Harvard University and is Jorge Paulo Lemann, Professor at Harvard Business School, was invited for deliberation with the Senior Leadership Team and the Board Members on Board functioning, strategic issues and future plans of the Company.

The Board including all Independent Directors was provided with relevant documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices from time-to-time, besides regular briefing by members of the Senior Leadership Team.

The familiarisation programme for Independent Directors is posted on the website www.heromotocorp.com and can be viewed at the following link - <http://www.heromotocorp.com/en-in/about-us/familiarisation-program-of-independent-directors.html>.

Codes & Policies

The Company strives to conduct its business and strengthen its relationships in a manner

that is dignified, distinctive and responsible. It adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, the following codes and policies were adopted to carry out duties in an ethical manner.

- Environment Policy
- Quality Policy
- Safety Policy
- Vigil Mechanism and Whistle Blower Policy
- Remuneration Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy on Material Subsidiaries
- Code for Prohibition of Insider Trading
- Code of Conduct

Apart from the above at Hero MotoCorp, we have numerous other policies for the Company's effective and efficient functioning. The said policies are either uploaded on the Company's intranet portal or otherwise communicated to all concerned.

Code of Conduct

The Company has laid down a comprehensive Code of Conduct ('Code') for its Board Members and Senior Management. The Code is available on the Company website at link: <http://www.heromotocorp.com/en-in/about-us/code-of-conduct.html>. The Code was circulated to all members of the Board and Senior Management and they have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to this effect is attached to the Annual Report.

Audits

Deloitte Haskins & Sells, Chartered Accountants, one of India's leading audit firms audits the Company's accounts. The Company has an Internal Audit Mechanism that keeps check on internal controls, operating systems and procedures.

A dedicated team ensures that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances. Hero MotoCorp has developed and instituted an online legal compliance programme in conformity with requirements of the applicable laws that covers the Company's various geographical locations. The purview of this system

includes various statutes, such as industrial and labour laws, taxation laws, corporate and securities laws and health, safety and environment regulations.

At the heart of our processes is the extensive use of technology. This ensures robustness and integrity of financial reporting and internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of Financial Statements and Management Reports and ensures compliance with statutory laws, regulations and Company policies.

Compliance

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s) is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/ Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

Company Secretary

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of the Company's affairs to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the Board, Management and Regulatory Authorities for governance matters.

The Company Secretary acts as the Secretary to all the Committees of the Board, constituted under the Companies Act, 1956/Companies Act, 2013 except the NR Committee.

Meetings & Procedures

Frequency of meetings and Information Supplied

At Hero MotoCorp, we have a defined system of convening at least 5 (five) pre-scheduled Board meetings annually. However as per the specific requirements additional Board meetings are also convened by giving

appropriate notice. When it is not possible to convene a Board Meeting, resolutions are passed by way of circulation to meet the business exigencies or urgency of matters.

The Board is given presentations covering Finance, Sales, Marketing, overview of business operations of major subsidiary Companies, global business environment, the Company's business areas, including Business Opportunities and strategy and risk management practices, before taking on record the Company's quarterly/annual Financial Results.

The Chairperson of the Board, CFO and Company Secretary, in consultation with other concerned members of EMT, finalise the agenda for Board meetings. In addition to the regular business items, the following items/ information are regularly placed before the Board to the extent applicable:

- ▶ Annual operating plans and budgets and any updates;
- ▶ Capital budgets and any updates;
- ▶ Quarterly results for the Company and its operating divisions or business segments;
- ▶ Minutes of meetings of Audit Committee and other Committees of the Board;
- ▶ Information on recruitment of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- ▶ Show cause, demand, prosecution notices and penalty notices which are materially important;
- ▶ Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- ▶ Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- ▶ Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- ▶ Details of any joint venture or collaboration agreement;
- ▶ Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- ▶ Significant labour problems and their

proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.;

- ▶ Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- ▶ Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- ▶ Non-compliance of any regulatory, statutory or listing requirements and shareholders service, such as non-payment of dividend and delay in share transfer, among others.

Information Material

The agenda and notes on agenda are circulated to Board in a defined format, in advance. Material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting, with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted with the approval of the Board, including the Independent Directors.

Minutes

The Company Secretary records minutes of proceedings of meeting of Board and Committee thereof. Draft minutes are circulated to Board/ Committee members for their comments. The minutes are entered in the Minutes Book well within the stipulated time, after considering the comments of Board.

Action taken post Meeting

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/officials. Action-taken report ('ATR') on decisions/minutes of the previous meeting(s) is circulated at the respective succeeding meeting of the Board/ Committee.

Board Meetings

During FY 2014-15, the Board met 6 (six) times on Wednesday, May 28, 2014; Friday, June 20, 2014; Tuesday, August 05, 2014; Tuesday, September 23, 2014; Thursday, October 16, 2014 and Tuesday, February 03, 2015.

The period between any two consecutive meetings of the Board was not more than 4 (four) months.

The Board passed 14 (fourteen) matters by passing Resolution by Circulation during FY 2014-15.

Details of the number of meetings held during the FY 2014-15 and attendance of Directors is given herein below.

Attendance Record During Financial Year FY 2014-15

Name of Directors	Number of Board Meetings attended		Attendance at last AGM
	Held	Attended	
Executive Directors			
Mr. Brijmohan Lall Munjal	6	5	Yes
Mr. Pawan Munjal	6	6	Yes
Mr. Sunil Kant Munjal	6	6	Yes
Non-Executive Directors			
Mr. Paul Edgerley	6	4	Yes
Mr. Suman Kant Munjal	6	6	Yes
Non-Executive and Independent Directors			
Dr. Anand C. Burman	6	3	Yes
Mr. M. Damodaran	6	4	Yes
Mr. Pradeep Dinodia	6	6	Yes
Dr. Pritam Singh	6	6	Yes
Mr. Ravi Nath	6	4	Yes
Ms. Shobana Kamineni*	-	-	NA
Gen. (Retd.) V.P.Malik	6	6	Yes

* Appointed w.e.f. March 27, 2015

Independent Director

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), an Independent Director means a Non-Executive Director, other than a Nominee Director of a Company:

- ▶ who in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- ▶ (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
- ▶ (ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate (as per AS 23) company;
- ▶ apart from receiving Director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, during the 2(two) immediately preceding Financial Years or during the current Financial Year;
- ▶ none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding,

subsidiary or associate company, or their Promoters or Directors, amounting to 2 (two) per cent, or more of its gross turnover or total income or 50 (fifty) lakh rupees or such higher amount as may be prescribed, whichever is lower, during the 2 (two) immediately preceding Financial Years or during the current Financial Year;

▶ who, neither himself nor any of his relatives -

(i) holds or has held the position of a Key Managerial Personnel {as per Section 2(51) of the Act} or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the 3 (three) Financial Years immediately preceding the Financial Year in which he is proposed to be appointed;

(ii) is or has been an Employee or Proprietor or a Partner, in any of the 3 (three) Financial Years immediately preceding the Financial Year in which he is proposed to be appointed, of-

(A) a firm of Auditors or Company Secretaries in Practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10 (ten) per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives {as per Section 2(77) of the Act}, 2 (two) per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or Director, by whatever name called, of any Non-Profit Organisation that receives 25 (twenty-five) per cent or more of its receipts from the Company, any of its Promoters, Directors or its

holding, subsidiary or associate Company or that holds 2(two) per cent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

▶ who is less than 21 (twenty one) years of age.

No Non-Executive and Independent Director of the Company served as an Independent Director in more than 7 (seven) Listed Companies. Further, none of the Non-Executive and Independent Director of the Company who is a Whole-Time Director in any Listed Company served as an Independent Director in more than 3 (three) listed companies.

None of the Directors on the Board is a Director in more than 10 (ten) Public Companies nor are they members in

Committees of the Board in more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company other than the sitting fees drawn by the Non-Executive Directors and sitting fees and commission drawn by the Non-Executive and Independent Directors for attending the meetings of Directors, Board and its Committee(s).

Meeting of Independent Directors

The Independent Directors of the Company meet at least once in a year without the presence of the Executive Directors and other officials of the Company. During the FY 2014-15 1 (one) meeting of the Independent Directors of the Company was held on Thursday, October 16, 2014. The meeting was attended by all the Independent Directors except Dr. Anand C. Burman and Mr. Ravi Nath. The agenda of the meeting inter-alia includes:

- a. Review the performance of Non-Independent Directors and the Board as a whole;
- b. Review the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors;
- c. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- d. Discuss matters pertaining to the Company's affairs.

Ms. Shobana Kamineni did not attend the meeting as she joined the Board on March 27, 2015.

Shareholding of Non-Executive (including Independent) Directors as on March 31, 2015

Name of the Director	Category	No. of shares held	Beneficiary
Mr. Suman Kant Munjal	Non-Executive Director	71,250	Self
		32,500	On behalf of HUF
		1,23,96,840	On behalf of firm
Mr. Pradeep Dinodia	Non-Executive and Independent Director	650	Jointly with his wife
		80	Jointly with his son
		80	Jointly with his son

Apart from the above, none of the Non-Executive (including Independent) Directors held any share (as own or on behalf of any other person on beneficial basis) in the Company.

Board Level Committees

Audit Committee

The genesis of Hero MotoCorp's Audit Committee can be traced back to the Audit Sub-Committee, constituted in 1987. Since then it has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general, the primary role/objective of the Audit Committee is to review the Financial Statements of the Company, strengthen Internal Controls & look into all transactions that have monetary implications on the functioning of the Company. The constitution and terms

of reference of the Committee were revised on May 20, 2014 as per the provisions of the Section 177 of Companies Act, 2013('the Act') and Clause 49 of the Listing Agreement.

As on March 31, 2015, the Audit Committee comprised of 4 (four) Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Pradeep Dinodia, a leading Chartered Accountant, is the Chairperson of the Committee. The other members are Mr. M. Damodaran, Dr. Pritam Singh and Gen. (Retd.) V. P. Malik, all learned personalities in their respective fields. The members of the Audit Committee had adequate knowledge in the field of finance, accounting, management and law. The role and 'terms of reference' of the Audit Committee includes the following:

Overseeing

the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

Recommending

the appointment, remuneration and terms of appointment of auditors of the Company and approving payments for any other services.

Reviewing

▶ the Annual Financial Statements and Auditor's Report thereon with the management with primary focus on matters required to be included in the Directors' Responsibility Statement, changes, if any in accounting policies and practices and reasons thereof,

compliance with accounting standards and guidelines of Stock Exchange(s), major accounting entries & related party transactions;

- ▶ the quarterly Financial Statements with the management before submission to the Board for approval;
- ▶ the adequacy of Internal Control systems and the Internal Audit function and reviewing the Company's financial and risk management policies;
- ▶ the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- ▶ the reports furnished by the internal auditors, discussion with internal auditors on any significant findings and ensuring suitable follow up thereon;
- ▶ the Auditor's independence and performance and effectiveness of audit process and monitoring the same;
- ▶ Performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems with the management;
- ▶ Directors' overseas traveling expenses;
- ▶ Foreign exchange exposure; and
- ▶ Functioning of Whistle Blower Mechanism.

Complying

with the provisions of Listing Agreement laid down by the Stock Exchange(s) and legal requirements concerning Financial Statements.

Discussing

with external auditors before the audit commences of the nature and scope of audit. Also post audit discussion to ascertain any area of concern.

Looking

into the reasons for substantial defaults in the payments to the shareholders (in the case of non-payment of declared dividends) and creditors.

Approving

- ▶ the appointment of the CFO before finalisation of the same by the Management. Further while approving the appointment, it shall assess the qualifications, experience & background etc. of the candidate;
- ▶ transactions or any subsequent modification of transactions of the Company with related parties.

Valuing

Undertakings or assets of the Company wherever it is necessary.

Scrutinising

Inter – corporate loans and investments.

The Sr. Vice President & CFO, Internal Auditors, Statutory Auditors and Cost Auditors attend the meetings of the Audit Committee on the invitation of the Chairperson. Mr. Ilam C. Kamboj, Asso. V.P. Legal & Company Secretary acts as the Secretary of the Committee.

During the year, 8 (Eight) meetings of the Audit Committee were held on Tuesday, May 27, 2014; Friday, June 20, 2014; Monday, August 04, 2014; Thursday, October 16, 2014; Friday, December 12, 2014; Monday, February 02, 2015; Tuesday, March 10, 2015 and Thursday, March 26, 2015 in due compliance with the stipulated provisions. The details of the Audit Committee are given in Table 2.

Table 2: Details of the Audit Committee

Name of the Committee member	Position held	No. of meetings held during the FY 2014-15	No. of meetings attended
Mr. Pradeep Dinodia	Chairperson	8	8
Mr. M. Damodaran	Member	8	7
Dr. Pritam Singh	Member	8	7
Gen. (Retd.) V.P. Malik	Member	8	8

Nomination and Remuneration ('NR') Committee

The Company had constituted a Remuneration Committee on January 16, 2001 to review and recommend the payment of annual salaries, commission and finalise service agreements and other employment conditions of Executive Directors. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages and administers and superintends the ESOP. During the financial year ended March

31, 2013, the nomenclature of the said Committee was changed to Remuneration and Compensation Committee.

Further on May 20, 2014, the nomenclature, constitution and terms of reference of the Committee were revised and the Committee was renamed as Nomination and Remuneration Committee as per the provisions of Section 178 of the Act.

The terms of reference of the NR Committee inter-alia includes the following:

- ▶ to formulate and recommend to the Board of Directors the Company's

policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, criteria for determining qualifications, positive attributes and independence of a Director;

- ▶ to formulate criteria for evaluation of Independent Directors and the Board;
- ▶ to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal:

- ▶ to carry out evaluation of every director’s performance;
 - ▶ to devise a policy on Board diversity; and
 - ▶ to administer and superintend the ESOP including but not limited to the formulation of detailed terms and conditions of the ESOS such as:
 - ▶ the quantum of option to be granted under an ESOS per employee and in aggregate;
 - ▶ the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - ▶ the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - ▶ the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - ▶ the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - ▶ the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
 - ▶ the grant, vest and exercise of option in case of employees who are on long leave;
 - ▶ the procedure for cashless exercise of options.
- As on March 31, 2015, the Committee had 3 (three) Non-Executive and Independent Directors as its members in accordance with the prescribed guidelines. Gen. (Retd.) V. P. Malik is the Chairperson of the Committee and Mr. Pradeep Dinodia and Mr. Ravi Nath are the members of the Committee. Mr. Surender Chhabra, Vice President – Finance acts as the Secretary of the Committee.
- During the year, 7 (Seven) meetings of the Committee were held on Tuesday, May 27, 2014; Friday, June 20, 2014; Monday, August 04, 2014; Thursday, October 16, 2014; Tuesday, October 21, 2014; Monday, January 05, 2015 and Thursday, March 26, 2015.
- Mr. Pawan Munjal, attended all the Meetings of Nomination & Remuneration Committee on the invitation of the Chairperson.

Table 3: Details of the NR Committee

Name of the Committee member	Position held	No. of meetings held during the FY 2014-15	No. of meetings attended
Gen. (Retd.) V.P. Malik	Chairperson	7	7
Mr. Pradeep Dinodia	Member	7	7
Mr. Ravi Nath	Member	7	4

Remuneration Policy

In view of the changes suggested by the Act, the NR Committee has suitably modified the existing remuneration policy of the Company to keep pace with the business environment and market linked positioning.

The NR Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages for Directors and to administer and superintend the Long Term Incentive Plans such as ESOPs, RSUs etc.

Further the compensation package for Directors, Key Managerial Personnel, Senior Management and other employees are designed based on the following set of principles:

- ▶ Aligning Key Executive and Board remuneration with the longer term interests of the Company and its shareholders;
- ▶ Minimise complexity and ensure transparency;

- ▶ Link to long term strategy as well as annual business performance of the Company;
- ▶ Promotes a culture of meritocracy and is linked to key performance and business drivers; and
- ▶ Reflective of line expertise, market competitiveness so as to attract the best talent.

The said policy has been disclosed on Company’s website at www.heromotocorp.com and can be viewed at the following link:

<http://www.heromotocorp.com/en-in/investors/notices-others.html>

Remuneration paid to Executive Directors

As per the remuneration policy the remuneration paid to Executive Directors is recommended by the NR Committee and approved by the Board in the Board Meeting, subject to the subsequent approval by the shareholders at the General Meeting and such other authorities, as the case may be.

At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the provisions of Sections 178 and 197 and Schedule V of the Act and also Clause 49 of the Listing Agreement entered into with the Stock Exchange(s). The remuneration structure comprises of Basic Salary, Commission, Perquisites and Allowances, Contribution to Provident Fund and other funds. The term of appointment of Executive Directors is 5 (five) years. Further, no notice period and severance fee is applicable for the above-mentioned Executive Directors.

Table 4 gives details of remuneration paid to Executive Directors.

Table 4: Remuneration to Executive Directors

					₹ crores
Name of the Director	Basic Salary	Perquisites and Allowances	Contribution to PF and other funds	Commission (Fixed)	Total
Mr. Brijmohan Lall Munjal	4.61	4.42	0.55	34.61	44.19
Mr. Pawan Munjal	4.15	5.17	0.70	34.61	44.62
Mr. Sunil Kant Munjal	3.45	3.82	0.58	34.61	42.46

Remuneration paid to Non-Executive Directors

The Non-Executive Directors of the Company are paid sitting fees of ₹ 1 lakh for each meeting of the Board, Committees thereof and any other meetings of the Directors. The Non-Executive and Independent Directors are also entitled to remuneration by way of commission aggregating up to 0.10 % of net profit of the Company pursuant to the provisions of Sections 197 and 198 of the Act in addition to the sitting fees for attending the meetings of the Board and any Committee thereof.

Table 5 gives details of remuneration paid to Non-Executive Directors.

Table 5: Remuneration to Non-Executive Directors

				₹ crores
Name of the Director	Sitting fees	Commission	Total	
Mr. Paul Edgerley	-	-	-	
Mr. Suman Kant Munjal	0.06	0.00	0.06	
Dr. Anand C. Burman	0.03	0.04	0.07	
Mr. M. Damodaran	0.17	0.19	0.36	
Mr. Pradeep Dinodia	0.28	0.38	0.65	
Dr. Pritam Singh	0.17	0.24	0.40	
Mr. Ravi Nath	0.11	0.12	0.23	
Shobana Kamineni*	-	-	-	
Gen.(Retd.) V.P. Malik	0.23	0.30	0.53	

During FY 2014-15 the Company did not advance any loans to any of its Directors.

* Appointed w.e.f. March 27, 2015

Stakeholders Relationship ('SR') Committee

This Committee constituted on January 16, 2001, specifically to look into shareholders' and investors' grievances arising out of issues regarding share transfers, dividends, dematerialisation and related matters and to take requisite action(s) to redress the same.

Further, the nomenclature, constitution and terms of reference of the Committee were revised on May 20, 2014 and the Committee has been renamed as

Stakeholders Relationship Committee as per the provisions of Section 178 of the Act.

The terms of reference of the SR Committee inter-alia includes the following:

- ▶ consider and resolve the grievances of shareholders, debenture holders and other security holders of the Company;
- ▶ the grievances includes complaints related to transfer of shares, non receipt of balance sheet and non-receipt of declared dividends.

As on March 31, 2015, the Committee had 3 (three) Non-Executive and Independent

Directors as its members in accordance with the prescribed guidelines. Dr. Pritam Singh is the Chairperson of the Committee and Mr. M. Damodaran and Mr. Ravi Nath are the members of the Committee. Mr. Ilam C. Kamboj, Asso. V.P. - Legal & company Secretary acts as the Secretary of the Committee.

During the year, 4 (Four) meetings of the Stakeholders Relationship Committee were held on Tuesday, May 27, 2014; Monday, August 04, 2014; Thursday, October 16, 2014 and Tuesday, February 03, 2015.

The details of the Stakeholders Relationship Committee are given in Table 6.

Table 6: Details of Stakeholders Relationship Committee

				₹ crores
Name of the Committee member	Position held	No. of meetings held during FY 2014-15	No. of meetings attended	
Mr. Pradeep Dinodia*	Member	3	3	
Mr. M. Damodaran	Member	4	3	
Dr. Pritam Singh	Chairperson	4	4	
Mr. Ravi Nath**	Member	1	1	

* Mr. Pradeep Dinodia resigned w.e.f. 03.02.2015

** Mr. Ravi Nath was inducted as member w.e.f. 03.02.2015

The Company had efficient system of dealing with investors' grievances. The Chairperson of the Company takes personal interest in all matters of concern for investors as and when necessary.

Compliance Officer

Mr. Ilam C. Kamboj, Asso. V.P Legal & Company Secretary has been appointed as

the Compliance Officer of the Company for complying with requirements of Security Laws and Listing Agreements with Stock Exchanges. He carefully looks into each issue and reports the same to the SR Committee. In the meetings of the Committee the status of all shareholders' complaints, requests, queries etc. along with letters received from all statutory authorities are reviewed.

Investors' Grievance Redressal:

During the Financial Year the following complaints/requests/queries were received and redressed. They were attended within a period of 10-15 days from the date of receipt of the same.

Sl. No.	Nature of Complaints/ Requests	Opening	Received	Resolved	Closing
1.	Non receipt of shares	-	46	46	-
2.	Request for issue of duplicate shares	-	198	198	-
3.	Non receipt of dividend warrants	-	178	178	-
4.	Change of address	1	178	179	-
5.	Mandate cases/bank description	-	31	31	-
6.	Miscellaneous (Shares)	-	501	483	18

Corporate Social Responsibility ('CSR') Committee

During the year the Company constituted a CSR Committee pursuant to provisions of the Section 135 of Companies Act, 2013 on May 28, 2014. The Committee is responsible for formulation and recommendation of the CSR Policy of the Company. It also recommends the amount of expense to be incurred on the CSR activities and closely and effectively monitors the implementation of the policy.

As on March 31, 2015, the Committee had 3 (three) Directors as its members in

accordance with the prescribed guidelines. Mr. Pawan Munjal is the Chairperson of the Committee and Mr. Pradeep Dinodia and Gen. (Retd.) V. P. Malik are the members of the Committee. Mr. Ilam C. Kamboj, Asso. V. P. - Legal & Company Secretary acts as the Secretary of the Committee.

The terms of reference of the CSR Committee inter-alia includes the following:

- ▶ Formulation of CSR Policy as specified in Schedule VII of the Act indicating the activities, projects, timelines and expenditure thereon;
- ▶ Recommendation of CSR Policy to the Board;

- ▶ Recommendation of the amount of expenditure to be incurred on the activities referred above; and
- ▶ Monitoring the implementation of the policy.

During the year, 3 (three) meetings of the Committee were held on Thursday, October 16, 2014; Friday, December 12, 2014; Monday, February 02, 2015. The details of the CSR Committee are given in Table 7.

Table 7: Details of the CSR Committee

Name of the Committee member	Position held	No. of meetings held during the Financial year 2014-15	No. of meetings attended
Mr. Pawan Munjal	Chairperson	3	3
Mr. Pradeep Dinodia	Member	3	3
Gen. (Retd.) V.P. Malik	Member	3	3

Risk Management ('RM') Committee

The Company has constituted a Risk Management Committee on October 16, 2014 for effective risk assessment and minimisation procedures which are reviewed by the members periodically. The procedures comprise of an in-house exercise on Risk Management carried out

periodically by the Company; including the functioning of a structure to identify and mitigate various risks faced by the Company from time to time.

The structure also comprises of risk identification and assessment by the concerned departments, identification of controls /mitigation process in place,

update of Risk registers by various departments, if required. The RM Committee deliberates extensively on the structure and identifies risks to ensure timely actions. These reports are consolidated and presented by the Asso. V.P – Legal & Company Secretary before the Board of the Company, whenever required.

The terms of reference of the RM Committee inter-alia includes the following:

- ▶ Development of a formal Risk Management structure;
- ▶ Formation of an Executive Management Team, if deemed necessary and delegation of responsibility to it;
- ▶ Creation of a separate Risk Management function or department if deemed necessary;
- ▶ Defining of risk across the Organisation;
- ▶ Monitoring of material risks to which the Organisation is exposed and ensuring implementation of appropriate mitigation plan;

- ▶ Ensuring the sustainability of risk management framework and process through continuous reviewing mechanism; and
- ▶ Delegation of any of the aforesaid tasks as the RM Committee may deem fit.

As on March 31, 2015, the Committee had 3 (three) Non - Executive and Independent Directors as its members in accordance with the prescribed guidelines. Mr. M. Damodaran is the Chairperson of the Committee and Mr. Pradeep Dinodia and Mr. Ravi Nath are the members of the

Committee. Mr. Ilam C. Kamboj, Asso. V. P. - Legal & Company Secretary acts as the Secretary of the Committee. Mr. Rajat Bhargava, Mr. Ravi Sud, and Mr. V.S. Kasbekar are the permanent invitees of the Committee.

During the year under review, 2 (two) meetings of the RM committee were held on Friday, December 12, 2014 and Thursday, March 26, 2015. The details of the RM Committee are given in Table 8.

Table 8: Details of RM Committee

Name of the Committee member	Position held	No. of meetings held during FY 2014-15	No. of meetings attended
Mr. M. Damodaran	Chairperson	2	2
Mr. Pradeep Dinodia	Member	2	2
Mr. Ravi Nath	Member	2	2
Mr. Rajat Bhargava	Permanent Invitee	2	2
Mr. Ravi Sud	Permanent Invitee	2	2
Mr. V.S. Kasbekar	Permanent Invitee	2	2

Committee of Directors

The Company has a Committee of Directors comprising of Mr. Brijmohan Lall Munjal, Mr. Pawan Munjal, Executive Directors, Mr. Suman Kant Munjal, Non - Executive Director as its members. Mr. Ravi Sud, Sr. Vice President & CFO and Mr. Ilam C. Kamboj, Asso. V.P. Legal & Company Secretary are the permanent invitees.

Constituted in 1985, the Committee deals with matters delegated by the Board from time to time. In supersession of the earlier resolutions passed with regard to constitution of Committee of Directors and in view of the General Circular No. 19/2014 dated June 12, 2014 of Ministry of Corporate Affairs in pursuance to the provisions of Rule No. 6(2)(a) of Companies (Share Capital and Debentures) Rules, 2014, the existing

Committee of Directors was reconstituted and its terms of reference were revised on September 23, 2014.

The meetings of the Committee are convened as and when need arise. During the Financial Year under review 6 (Six) meetings of the Committee were held. The detail of the Committee of Directors is given in Table 9.

Table 9: Details of Committee of Directors

Name of the Committee member	Position held	No. of meetings held during FY 2014-15	No. of meetings attended
Mr. Brijmohan Lall Munjal	Chairperson	6	6
Mr. Pawan Munjal	Member	6	5
Mr. Suman Kant Munjal	Member	4	4
Mr. Sunil Kant Munjal	Member	2	0
Mr. Ravi Sud	Permanent Invitee	6	6
Mr. Ilam C. Kamboj	Permanent Invitee	6	6

* Mr. Sunil Kant Munjal resigned w.e.f 23.09.2014.

** Mr. Suman Kant Munjal was inducted as member w.e.f 23.09.2014.

Committee of Directors – Capital Issue

Apart from the aforesaid Committees, the Company also constituted a Committee of Directors – Capital Issue for a specific purpose on September 11, 2013 to deal with matters inter-alia relating to

a) allotment of shares pursuant to amalgamation; and

b) issue of share certificates pursuant to consolidation, splitting, re-materialisation, replacement and loss/misplacement.

The Committee comprised of Mr. Pawan Munjal, as Chairperson; Dr. Pritam Singh and Mr. Suman Kant Munjal as its members.

As the purpose of the Committee was fulfilled the same was dissolved on May 28, 2014.

During the year under review 1 (one) meeting of the Committee was held. The details of the Committee of Directors – Capital Issue are given in Table 10.

Table 10: Details of Committee of Directors – Capital Issue

Name of the Committee member	Position held	No. of meeting held during FY 2014-15	No. of meeting attended
Mr. Pawan Munjal	Chairperson	1	1
Dr. Pritam Singh	Member	1	1
Mr. Suman Kant Munjal	Member	1	1

Share Transfer ('ST') Committee

This ST Committee was constituted on January 31, 2007 as a measure of Good Corporate Governance practice and to streamline the work related to share transfer etc. which was earlier approved by the Committee of Directors. Mr. Ravi Sud, Sr. Vice President & CFO and Mr. Ilam C. Kamboj, Asso. V. P. Legal & Company Secretary are the members of ST Committee as on March 31, 2015.

The meetings of the ST Committee is convened as and when need arise. During the year under review 14 (Fourteen) meetings of the Committee were held.

Disclosures

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioned them on consequences of non-compliances.

Further the Company has put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. Both the aforesaid Codes are in lines with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Related Party Transactions

All related party transactions pursuant to Section 188(1) of the Act that were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which might have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee only for its approval as they are not required to be placed before the Board. However Related Party Transactions pursuant to Accounting Standard 18 (AS 18) are disclosed to the Board.

The policy on dealing with Related Party Transactions is disclosed on company's website, link for which is <http://www.heromotocorp.com/en-in/about-us/key-policies.html>

Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large

There was no materially significant transaction made by the Company with its Promoters, Directors or Management or their relatives etc. that has potential conflict with the interest of the Company at large.

Accounting Treatment in preparation of Financial Statements

The guidelines/Accounting Standards laid down by the Institute of Chartered

Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 are followed in preparation of the Financial Statements of the Company.

Compliances by the Company

There are neither any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the stock exchanges or SEBI or any other authority, on any matters related to capital market during the previous 3 (three) Financial Years or anytime prior to that.

Whistle Blower Policy

In compliance with the SEBI Regulation the Audit Committee of the Company has approved the policy/mechanism on dealing with Whistle Blowers. The Audit Committee reviews the same as and when required. The said policy/mechanism is disclosed on Company's website: link for which is <http://www.heromotocorp.com/en-in/about-us/key-policies.html>.

During the Financial Year under review no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

CEO & CFO Certification

The CEO and the Chief Financial Officer ('CFO') of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by

the CEO and the CFO is annexed along with this Report.

Appointment of Women Director

Ms. Shobana Kamineni (DIN: 00003836) was appointed as an Additional Director in the category of Non- Executive and Independent Director of the Company on March 27, 2015 with a tenure fixed for the first term of 5 (five) consecutive years in terms of the provisions of Sections 149, 152, 164, 165, 184 and other applicable provisions of the Act. Her appointment shall be regularised at the ensuing Annual General Meeting.

Brief resume of the Ms. Kamineni is provided in the Notice of the AGM annexed to the Annual Report.

Re-Appointment of Directors

Mr. Suman Kant Munjal, Non-Executive Director of the Company shall retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offer himself for re-appointment.

Brief resume of the Mr. Munjal proposed to be re-appointed is provided in the Notice of the AGM annexed to the Annual Report.

Means of Communication

Financial Results

Pursuant to Clause 41(l)(f) of the Listing Agreement, the Company has regularly furnished, by way of post, email as well as by fax (within 15 minutes of closure of the Board meeting) the quarterly un-audited as well as annual audited results to both the Stock Exchanges i.e. BSE & NSE.

Quarterly and Annual Financial Results are also published in English, and Hindi newspapers, i.e. Indian Express and Jansatta.

News releases, presentations, among others

Official news releases and official media releases are sent to Stock Exchanges.

Presentations to institutional investors/analysts

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as Audited Annual Financial results.

Website

Pursuant to Clause 54 of the Listing Agreement the Company's website www.heromotocorp.com contained a dedicated functional segment called 'INVESTORS' where all the information meant for shareholders were available including Shareholding Pattern, Financial Results and Annual Reports.

Annual Report

The Annual Report containing inter alia, Audited Financial Statement, Consolidated Financial Statements, Board Report, Auditors' Report and other important information is circulated to members, Directors and other concerned including Auditors, Equity Analyst etc. Further, the Management Discussion and Analysis (MDA) Report, highlighting operations, business performance, financial and other important aspects of the Company's functioning forms an integral part of the Annual Report and is displayed on the Company's website at www.heromotocorp.com.

Chairman's Speech

The printed copy of the Chairman's Speech is distributed to shareholders at Annual General Meetings. The document is also placed on the Company's website at www.heromotocorp.com.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system

are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Green Initiatives

As per the MCA Circular nos. 17/2011 dated April 21, 2011 & 18/2011 dated April 29, 2011, Company has issued letters to its shareholders and uploaded the information on its website for registering email IDs of Investors so that Annual Reports and other information may be sent to them in electronic forms to save papers.

E-mail IDs for Investors

Following designated Email Ids of the Compliance Officer is exclusively given on the website along with various materials including notices for creating investor awareness and to redress their grievances/queries:

Mr. Ilam C. Kamboj,
Asso. V.P. Legal & Company Secretary & Compliance Officer:
E-mail: ilam.kamboj@heromotocorp.com

or

Karvy Computershare Pvt. Limited,
Registrar & Share Transfer Agents:
E-mail: einward.ris@karvy.com

or

Mr. Ravi Sud,
Sr. Vice President & CFO:
E-mail: ravisud@heromotocorp.com

General Body Meetings

Details of Extra Ordinary General Meeting (EGM)/Annual General Meeting (AGM)

Location, date and time of General Meetings held during the previous 3 (three) years and Ordinary and Special Resolutions passed thereat are given in Table 11.

Table 11: Details of Extra Ordinary General Meeting (EGM)/Annual General Meeting (AGM)**Details of EGM held:**

No EGM was held during the previous 3 (three) years.

Details of AGM

Financial Year	Time, Day, Date and Location	Summary of Special Resolution(s) Passed
2013-14	10:00 A.M., Tuesday, August 05, 2014 Air Force Auditorium, Subroto Park, New Delhi 110 010	To modify the terms of appointment of Mr. Brijmohan Lall Munjal (DIN 00004134), Chairman and Whole-time Director; and To modify the terms of remuneration by way of Commission to Non-Executive and Independent Directors
2012-13	10:30 A.M., Wednesday, September 11, 2013 Air Force Auditorium, Subroto Park, New Delhi 110 010	Renewal of Remuneration by way of commission to Non-Executive and Independent Directors
2011-12	10:30 A.M. Monday, September 10, 2012, Air Force Auditorium, Subroto Park, New Delhi 110 010	None

Postal Ballot

During the Financial Year ended March 31, 2015, the members of the Company passed the following 3 (three) Resolutions through Postal Ballot:

Sl. No.	Resolutions passed	Result Date
1.	Increase in Shareholding Limit for Foreign Institutional Investors (FIIs) from 40% upto an aggregate limit of 49% of the paid-up equity share capital of the Company	22.09.2014
2.	Approval of Employees Incentive Scheme 2014	22.09.2014
3.	Alteration of Object Clause of Memorandum of Association of the Company	01.12.2014

The details of Postal Ballot procedure and voting process are as under:

During the Postal Ballot process the members of the Company were provided e-Voting platform for effective participation in the process. The detailed procedure as per Section

110 of the Act read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement was followed by the Company.

Mr. Arvind Kohli, Practising Company Secretary was appointed as the scrutiniser

for conducting the Postal Ballots and based on his reports, the Postal Ballot results were declared.

The voting pattern of votes casted in favour/ against the Resolutions is as under:

Result of Postal Ballot (including e-voting) for Increase in Shareholding Limit for Foreign Institutional Investors (FIIs) from 40% upto an aggregate limit of 49% of the paid-up equity share capital of the Company

Total No. of shareholders to whom Postal Ballot (including e-voting) Form(s) were sent: 62,753

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	500	572	1,072
b) Total number of votes casted	38,174,294	104,999,187	143,173,481
c) Less: Invalid no. of votes casted	5,381	305,017	310,398
d) Valid no. of votes casted (Net)	38,168,913	104,694,170	142,863,083
e) Total no. of votes with assent for the Resolution	38,167,228	104,542,232	142,709,460
f) Total no. of votes with dissent for the Resolution	1,685	151,938	153,623

%age of total votes casted in favour of Resolution: 99.89

%age of total votes casted against Resolution: 0.11

Result of Postal Ballot (including e-voting) for Approval of Employees Incentive Scheme 2014

Total No. of shareholders to whom Postal Ballot (including e-voting) Form(s) were sent: 62,753

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	500	572	1,072
b) Total number of votes casted	38,174,294	104,999,187	143,173,481
c) Less: Invalid no. of votes casted	2,951	720,303	723,254
d) Valid no. of votes casted (Net)	38,171,343	104,278,884	142,450,227
e) Total no. of votes with assent for the Resolution	33,902,415	83,685,993	117,588,408
f) Total no. of votes with dissent for the Resolution	4,268,928	20,592,891	24,861,819

%age of total votes casted in favour of Resolution: 82.55

%age of total votes casted against Resolution: 17.45

Result of Postal Ballot (including e-voting) for Alteration of Object Clause of Memorandum of Association of the Company

Total No. of shareholders to whom Postal Ballot (including e-voting) Form(s) were sent: 64,230

Particulars	Physical	Electronic	Total
a) Total postal ballot forms received	403	682	1085
b) Total number of votes casted	30,053,077	112,797,666	142,850,743
c) Less: Invalid no. of votes casted	2,557	306	2,863
d) Valid no. of votes casted (Net)	30,050,520	112,725,844	14,2776,364
e) Total no. of votes with assent for the Resolution	30,048,240	112,568,730	142,616,970
f) Total no. of votes with dissent for the Resolution	2,280	157,114	159,394

%age of total votes casted in favour of Resolution: 99.89

%age of total votes casted against Resolution: 0.11

General Shareholder's Information

Annual General Meeting

Date	: August 31, 2015
Day	: Monday
Time	: 11:00 A.M.
Venue	: Air Force Auditorium, Subroto Park, New Delhi – 110 010

Financial Calendar: Financial year: April 1, 2014 to March 31, 2015

For FY 2014 - 15	Results were announced on
First quarter ended June 30, 2014	Tuesday, August 05, 2014
Second quarter and Half Year ended September 30, 2014	Thursday, October 16, 2014
Third quarter and Nine Months ended December 31, 2014	Tuesday, February 03, 2015
Fourth quarter and Financial Year ended March 31, 2015	Thursday, May 07, 2015
For FY 2015-16	Results are likely to be announced on (Tentative and subject to change)
First quarter ending June 30, 2015	August, 2015 (1 st Week)
Second quarter and half year ending September 30, 2015	October, 2015 (3 rd Week)
Third quarter and nine months ending December 31, 2015	January, 2016 (3 rd Week)
Fourth quarter and Financial Year ending March 31, 2016	May, 2016 (2 nd Week)

Book closure

The dates of book closure shall be from Wednesday, June 3, 2015 to Saturday, June 6, 2015 (both days inclusive).

Dividend payment

The Board has declared an Interim Dividend @ 1,500% i.e. ₹ 30 per share. The dividend was paid to those shareholders whose names appeared on the Register of Members as on Monday, August 11, 2014.

The Board has recommended a Final Dividend @ 1,500% i.e. ₹ 30 per share for FY 2014-15. The Final Dividend, if approved by shareholders at the ensuing

AGM shall be paid to those shareholders whose names appeared on the Register of Members as on Saturday, June 6, 2015. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on Tuesday, June 2, 2015 as per details furnished by the Depositories for this purpose.

Listing on Stock Exchange

The securities of the Company are listed on the following exchanges:

1. BSE Limited (BSE) based at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; &

2. National Stock Exchange of India Limited (NSE) based at Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

Listing Fees

Listing fees for the year 2015-16 has been paid to the stock exchanges, wherein the equity shares of the Company are listed (i.e. BSE & NSE) within the stipulated time.

Stock Codes

The Company's stock codes at the primary exchanges are:

	Scrip Code	Reuters Code	Bloomberg
BSE	500182	HROM.BO	HMCL:IN
NSE	HEROMOTOCO	HROM.NS	HMCL:IN

Stock Market Data

The Company's market capitalisation is included in the computation of the BSE Sensex, BSE - 100, BSE- 200, BSE- 500, BSE Sectoral Indices, BSE TASI Shariah 50, S&P CNX Nifty, S&P CNX 500 and CNX 100. Monthly high and low quotations as well as the volume of shares traded at the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) are given in Table 12.

Table 12: Share Price data for 2014-15 (in ₹)

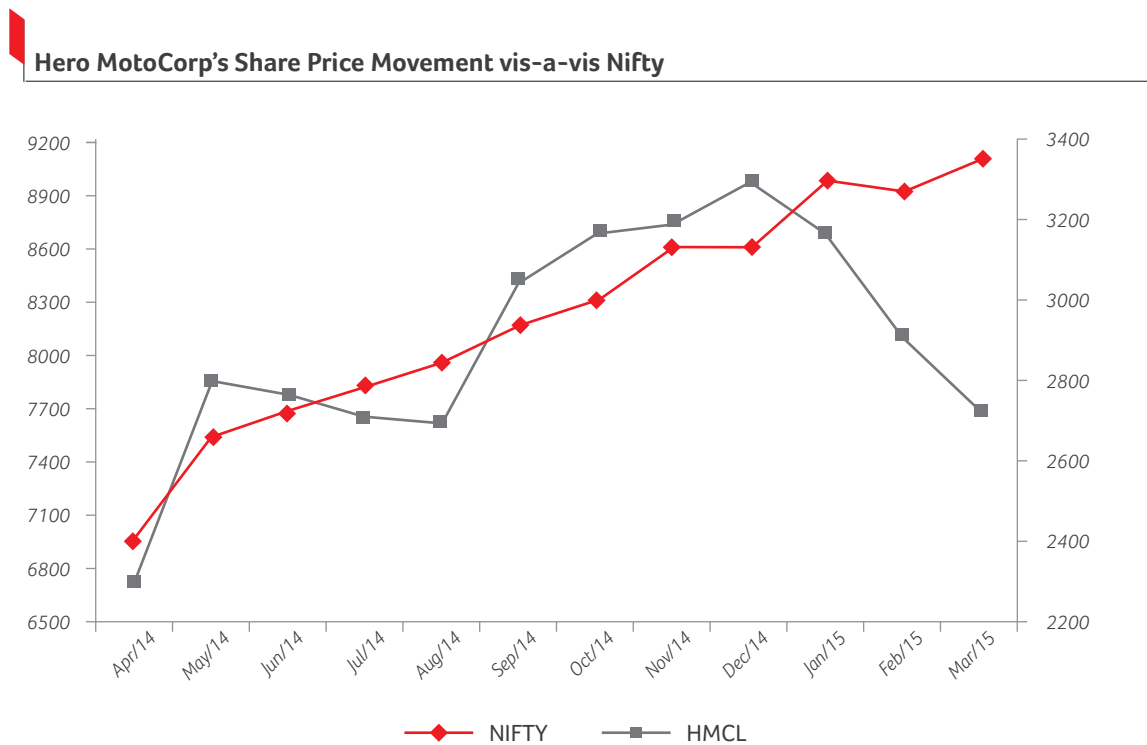
(Shares of ₹ 2 Paid Up Value)

National Stock Exchange of India Limited, Mumbai (NSE)

Month	Total Volume (No. of Sh.)	High (₹)	Date	Volume on that date	Low (₹)	Date	Volume on that date
Apr '14	44,55,909	2,296.00	23-04-2014	3,22,006	2,123.05	15-04-2014	3,05,932
May '14	69,87,680	2,787.70	16-05-12014	7,22,965	2,115.05	09-05-2014	2,16,863
Jun '14	1,29,26,861	2,757.80	13-06-2014	54,45,293	2,348.00	02-06-2014	3,98,058
Jul '14	62,21,915	2,693.70	02-07-2014	3,04,779	2,393.15	15-07-2014	3,11,888
Aug '14	1,07,78,842	2,677.95	28-08-2014	37,40,111	2,488.00	14-08-2014	4,75,867
Sep '14	87,04,031	3,029.00	23-09-2014	3,04,207	2,597.90	01-09-2014	7,82,545
Oct '14	1,03,85,543	3,140.00	23-10-2014	95,371	2,725.95	16-10-2014	9,03,551
Nov '14	2,10,36,081	3,162.40	28-11-2014	2,59,437	2,862.60	07-11-2014	1,16,65,947
Dec '14	81,44,567	3,269.95	01-12-2014	5,19,665	3,028.05	18-12-2014	5,11,995
Jan '15	92,73,353	3,146.90	05-01-2015	1,60,068	2,797.20	20-01-2015	6,20,515
Feb '15	2,54,88,649	2,888.80	02-02-2015	2,98,183	2,600.00	26-02-2015	11,72,341
Mar '15	1,01,55,882	2,705.50	02-03-2015	8,17,814	2,552.00	27-03-2015	5,84,370

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Hero MotoCorp's Share Price Movement vis-a-vis Nifty

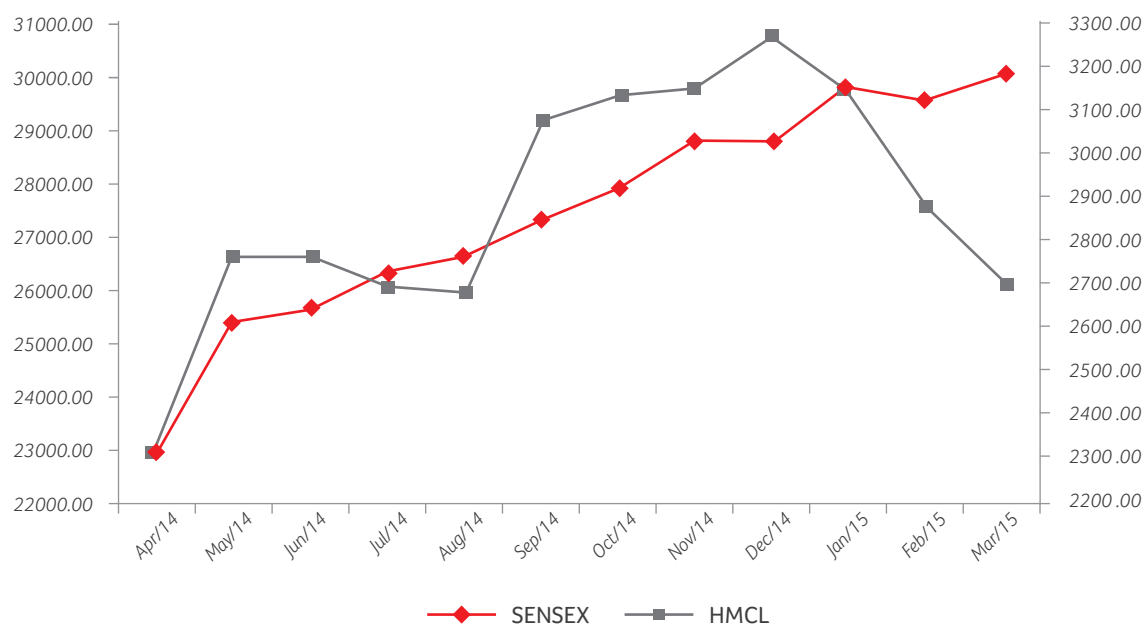


(Source: This information is compiled from the data available from the website of NSE)

Note: The above chart depicts comparison of monthly high of Nifty and HMCL share price. BSE Limited, Mumbai (BSE)

Month	Total Volume (No. of Sh.)	High (₹)	Date	Volume on that date	Low (₹)	Date	Volume on that date
Apr '14	2,56,703	2,320.00	07-04-2014	11,240	2,124.00	15-04-2014	25,071
May '14	4,68,426	2,775.05	16-05-2014	60,960	2,110.00	09-05-2014	18,797
Jun '14	37,04,994	2,760.80	13-06-2014	30,85,587	2,349.50	02-06-2014	16,483
Jul '14	3,57,268	2,690.80	02-07-2014	14,982	2,394.15	15-07-2014	21,055
Aug '14	12,59,639	2,677.00	28-08-2014	52,710	2,490.00	14-08-2014	32,549
Sep '14	7,01,936	3,080.00	18-09-2014	58,888	2,596.30	01-09-2014	55,680
Oct '14	7,43,577	3,144.00	23-10-2014	11,637	2,725.25	16-10-2014	67,295
Nov '14	10,32,724	3,159.80	28-11-2014	14,141	2,875.00	07-11-2014	5,64,758
Dec '14	3,27,228	3,271.80	01-12-2014	30,015	3,028.25	18-12-2014	51,371
Jan '15	5,21,052	3,149.20	05-01-2015	29,509	2,797.20	20-01-2015	38,720
Feb '15	19,39,281	2,889.40	02-02-2015	23,143	2,602.20	26-02-2015	44,398
Mar '15	8,59,722	2,703.25	02-03-2015	45,016	2,556.40	27-03-2015	27,550

Hero MotoCorp's Share Price Movement vis-a-vis Nifty



(Source: This information is compiled from the data available from the website of BSE)

Distribution of Shareholding by Size

Table 13 lists the distribution of shareholding by number of shares held and Shareholding Pattern in percentage (pursuant to Clause 35 of the Listing Agreement) as on March 31, 2015.

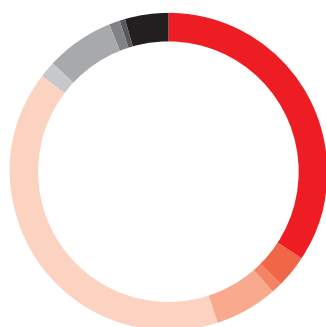
Table 13

No. of shares held (₹ 2/- paid up)	Folios		Shares of ₹ 2 paid up	
	Numbers	%	Numbers	%
Upto 500	76,085	89.57	4,661,084	2.33
501 – 1,000	6,030	7.10	4,528,442	2.27
1,001 – 5,000	1,922	2.26	3,910,440	1.96
5,001 – 10,000	244	0.29	1,777,309	0.89
10,001-50,000	341	0.40	7,894,272	3.95
50,001 & Above	320	0.38	176,915,953	88.60
Total	84,942	100	199,687,500	100.00

Shareholding Pattern as on March 31, 2015

Category	No. of Holders	No. of Shares Held	% total to No. of Shares	No. of Shares Dematerialised	% of Share Dematerialised
Promoters					
Indian	20	69,166,082	34.64	69,166,082	34.64
Public Shareholding					
Mutual Funds / UTI	227	6,818,299	3.41	6,754,829	3.38
Financial Institutions / Banks	67	2,279,546	1.14	2,260,841	1.13
Insurance Companies	32	12,667,836	6.34	12,667,836	6.34
Foreign Institutional Investors	697	81,420,209	40.77	81,382,009	40.75
Bodies Corporate	1,567	3,509,323	1.76	3,483,112	1.74
Indian Public	80,068	13,479,560	6.76	10,218,591	5.12
Trusts	45	1,263,814	0.64	1,263,814	0.64
Clearing Members	195	220,341	0.11	220,341	0.11
Non Resident Indians	2,022	327,584	0.16	327,514	0.16
Foreign Bodies	2	8,534,906	4.27	8,534,906	4.27
Grand Total	84,942	199,687,500	100.00	196,279,875	98.29

Shareholding Pattern (%)

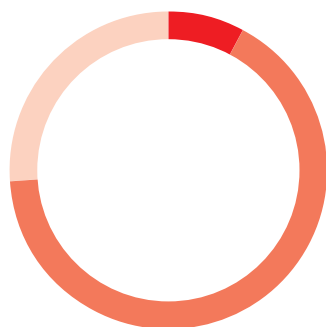


Category	No. of Shares Held	%
■ Indian	69,166,082	34.64
■ Mutual Funds / UTI	6,818,299	3.41
■ Financial Institutions / Banks	2,279,546	1.14
■ Insurance Companies	12,667,836	6.34
■ Foreign Institutional Investors	81,420,209	40.77
■ Bodies Corporate	3,509,323	1.76
■ Indian Public	13,479,560	6.76
■ Trusts	1,263,814	0.64
■ Clearing Members	220,341	0.11
■ Non Resident Indians	327,584	0.16
■ Foreign Bodies	8,534,906	4.27
Grand Total	199,687,500	100.00

Category of Shareholding as on March 31, 2015

Category	No. of Holders	% to Total holders	Total Shares	% to Equity
Physical	6,714	7.90	3,407,625	1.71
NSDL	56,127	66.08	193,997,978	97.15
CDSL	22,101	26.02	2,281,897	1.14
Total	84,942	100.00	1,99,687,500	100.00

Category of Shareholding (%)



Category	No. of Holders	%
■ Physical	6,714	34.64
■ NSDL	56,127	1.14
■ CDSL	22,101	40.77
Total	84,942	100.00

Corporate Benefits

Dividend declared for the previous 7 (seven) years on ₹ 2 paid up share

Financial Year	Type	Dividend Declared	Dividend per share
2007-08	Final	₹ 19	950%
2008-09	Final	₹ 20	1,000%
2009-10	Special	₹ 80	4,000%
	Final	₹ 30	1,500%
2010-11	Interim	₹ 70	3,500%
	Final	₹ 35	1,750%
2011-12	Final	₹ 45	2,250%
2012-13	Final	₹ 60	3,000%
2013-14	Final	₹ 65	3,250%
2014-15	Interim	₹ 30	1,500%
	Final	₹ 30	1,500%

Dematerialisation of Shares and Liquidity

The shares of the Company are traded in compulsory demat segment. As on March 31, 2015, 98.29 % of the total share capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). During the year under review, share certificates involving 1,38,863 shares of ₹ 2 each, were dematerialised by the shareholders, however share certificates involving 1,310 shares of ₹ 2 each, were re-materialised. During the year under review the net dematerialisation represents 98.29% of the total share capital of the Company.

Outstanding GDR's/ADR's/Warrants or any Convertible Instruments Conversion Date and likely impact on equity

Not applicable.

Details of Public Funding Obtained in the previous three years

The Company has not obtained any public funding in the previous three years.

Registrar & Share Transfer Agents

All work related to Share Registry, both in physical form and electronic form, was handled by the Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited. The communication address of the Registrar and Share Transfer Agent is given hereunder.

Karvy Computershare Private Ltd.
(Unit: Hero MotoCorp Ltd.)
Karvy Selenium Tower B,
Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad – 500 008
Tel No: 040-23420818
Fax: 040-2342 0814
Toll Free No: 1-800-3454-001
E-mail: einward.ris@karvy.com

Karvy Computershare Private Ltd.
(Unit: Hero MotoCorp Ltd.)
305, New Delhi House,
27, Barakhamba Road,
New Delhi – 110 001
Tel: 011-4368 1700
Fax: 011-4368 1710
Website: www.karvycomputershare.com

Share Transfer System

The total numbers of shares transferred during the FY 2014-15 were 12,683 (No. of cases 60), deletion of name 10,135 (No. of cases 18) and transmission of shares 18,025 (No. of cases 17) which were completed in the prescribed period. Shares under objection are returned within two weeks' time. Confirmations in respect of the requests for dematerialisation of shares are sent to the respective depositories i.e. NSDL & CDSL expeditiously.

Compliance Certificate of the Auditors

Certificate from the Company's Auditors, M/s. Arvind Kohli & Associates, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

Adoption of mandatory and non-mandatory requirements of Clause 49

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

Audit Qualification

The Company has unqualified financial statements.

Separate Posts of Chairman and CEO

As on March 31, 2015 the Company has separate persons at the post of Chairman and Managing Director & CEO.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

Company's Registered Address

34, Community Centre,
Basant Lok, Vasant Vihar,
New Delhi - 110 057
CIN: L35911DL1984PLC017354
Tel: 011-4604 4100, 2614 2451
Fax: 011-2614 3321, 2614 3198
Website: www.heromotocorp.com

Plant Locations

Gurgaon Plant

37 K.M. Stone, Delhi-Jaipur Highway,
Sector 33, Gurgaon-122 001
Haryana, India.
Tel: 0124-289 4200, 237 2123
Fax: 0124 237 3141-42

Dharuhera Plant

69 K.M. Stone, Delhi-Jaipur Highway,
Dharuhera, Distt. Rewari-122 100
Haryana, India
Tel: 01274 264 000
Fax: 01274 267 018

Haridwar Plant

Plot No. 3, Sector - 10,
I.I.E., SIDCUL, Roshanabad,
Haridwar-249 403, Uttarakhand, India
Tel: 01334 238 500, 239 514-16
Fax: 01334 239 512-13

Neemrana Plant

Plot No. 101-103, 108 & 109,
RIICO Industrial Area, Phase - II,
Delhi - Jaipur Highway,
Neemrana, District Alwar,
Rajasthan - 301 705, India

Investors' Correspondence may be addressed to:

Mr. Ilam C. Kamboj
Asso. V.P. Legal & Company Secretary &
Compliance Officer,
34, Community Centre,
Basant Lok, Vasant Vihar,
New Delhi - 110 057
E-mail: ilam.kamboj@heromotocorp.com

Or

Karvy Computershare Private Ltd.
(Unit: Hero MotoCorp Ltd.)
Karvy Selenium Tower B,
Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032
Tel No: 040-23420818
Fax: 040-2342 0814
Toll Free No: 1-800-3454-001
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

Queries relating to the Financial Statements of the Company may be addressed to:

Mr. Ravi Sud,
Sr. Vice President & CFO,
34, Community Centre,
Basant Lok, Vasant Vihar,
New Delhi - 110 057
e-mail: ravisud@heromotocorp.com

Queries/complaints relating to products, services or dealers etc. only be addressed to:

Customer Care
Hero MotoCorp Ltd.
34, Community Centre,
Basant Lok, Vasant Vihar,
New Delhi - 110 057 or to its
e-mail: customercare@heromotocorp.com

For and on behalf of the Board



Pawan Munjal

Chairman, Managing Director & CEO
DIN: 00004223

New Delhi
June 1, 2015