

# Annexure V

## Secretarial Audit Report

### for the Financial Year 2014-15

To,

The Members  
Hero MotoCorp Ltd.  
34, Community Centre,  
Basant Lok, Vasant Vihar,  
New Delhi 110 057.

**Subject:** Secretarial Audit Report for the Financial Year 2014 – 2015.

Dear Sirs,

We have conducted the Secretarial compliances Audit for compliance of applicable statutory provisions and adherence to good corporate practices by **Hero MotoCorp Ltd. (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the **Company's** books, papers, minutes' books, forms and returns filed, other records maintained by the Company and also the information provided by the Company, its officers, agents, and authorised representative during the conduct of Secretarial Audit, we hereby report that in our opinion the Company, during the audit period covering the Financial Year ended on March 31, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns and other records maintained by **Hero MotoCorp Ltd.** for the Financial Year ended on March 31, 2015 according to the provisions of:

- I. The Companies Act, 2013 and Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

#### VI. Other Laws Applicable to the Company as a Business Unit and also Laws applicable to various Manufacturing Units and Other Offices:

We have examined the framework, processes and procedures of compliance of laws applicable on the Company in detail. We have examined reports, compliances with respect to applicable laws on test basis.

**Industry Specific Act(s)-** Motor Vehicles Act, 1988; The Standard of Weights And Measures Act, 1976.

We have also examined other important laws on test basis.

#### Select few are mentioned herein:

**Taxation Laws-** Income Tax Act, 1961; Service Tax Act, 1994; the Customs Act, 1962; Central Sales Tax Act, 1956; Central Excise Act, 1944.

**Environment Laws-**The Environment (Protection) Act, 1986 ; Air (Prevention and Control of Pollution) Act, 1981; Water (Prevention and Control of Pollution) Act, 1974; The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

**Labour Laws-**Apprentices Act, 1961; Employees State Insurance Act, 1948; Employees Provident Fund And Misc. Provisions Act, 1952; Factories Act, 1948; Payment of Wages Act, 1948; Minimum Wages Act, 1948; Industrial Disputes Act, 1947; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Employees Compensation Act, 1923; The Trade Unions Act, 1926; Contract Labour (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Industrial Employment (Standing Order) Act, 1946; The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956; Sexual Harassment of Women at workplace (Prevention, Prohibition and Regulation) Act, 2013.

**IPR Laws-** Copyright Act, 1957; Trademark Act, 1999; Patent Act, 1970.

**Other Miscellaneous Laws** – Competition Act, 2002.

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Though not notified for the Financial Year 2014-2015, however the Company is compliant of the same, wherever applicable.)
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange.

During the period under review, the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except where the shorter notice was applicable) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.


The system provides for a majority view being carried after recording the views of dissenting members. However, there was no such instance during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations

of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this Report.**

For **Arvind Kohli & Associates**  
Company Secretaries



**Arvind Kohli**  
Proprietor  
FCS 4434, CP No. 2818

Place : New Delhi  
Date : April 29, 2015

**Annexure-A**

To,  
The Members  
**Hero MotoCorp Ltd.,**  
Community Centre,  
Basant Lok, Vasant Vihar,  
New Delhi 110 057.

Our report of even date is to be read along with this letter.

- 1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in

secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

- 6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Arvind Kohli & Associates**  
Company Secretaries



**Arvind Kohli**  
Proprietor  
FCS 4434, CP No. 2818

Place : New Delhi  
Date : April 29, 2015