

ANNEXURE - VIII

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2018-19

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Board of Directors (the "Board") of Hero MotoCorp Limited have adopted the CSR policy which has following key points:

- To direct HMCL's CSR Programmes, inter-alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports;
- To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are pre-requisites for social and economic development;
- To engage in affirmative action/interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society;
- To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies and to spend such monies through such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- To carry out activities at the time of natural calamity or engage in Disaster Management System;
- To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, Other Backward Classes, minorities and women;
- To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government;

- To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognized as CSR activity;
- To promote sustainability in partnership with industry associations, like CII,PHD, FICCI, etc. in order to have a multiplier impact.

The Company would implement the CSR Programmes through Company personnel or through external implementing agencies and ensure proper governance, monitoring and reporting thereof.

The policy is available on the Company's website, www.heromotocorp.com at the following link: <https://www.heromotocorp.com/en-in/about-us/key-policies/corporate-social-responsibility.html>.

2. The Composition of the CSR Committee.

| | |
|---------------------------|----------|
| Dr. Pawan Munjal | Chairman |
| Prof. Jagmohan Singh Raju | Member |
| Mr. Pradeep Dinodia | Member |

Further, the Company has designated Mr. Vijay Sethi, Chief Information Officer and Head of Human Resources as Head CSR to ensure effective implementation of CSR programmes of the Company.

3. Average net profit of the Company for last three financial years

| | |
|-----------|------------------|
| 2015 - 16 | ₹ 4,399.82 crore |
| 2016 - 17 | ₹ 4,485.79 crore |
| 2017 - 18 | ₹ 5,172.79 crore |

Average for last 3 years is ₹ 4,686.13 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

| | |
|---------------|---------------|
| 2% of Average | ₹ 93.72 crore |
|---------------|---------------|

5. Details of CSR spent during the financial year

- Total amount to be spent for the financial year: ₹ 93.72 crore
- Amount unspent, if any: NIL
- Manner in which the amount spent during the financial year is detailed below:

Overall Spend

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------|---|--|--|--|--|---|---|
| S. No. | CSR Project or activity identified | Sector in which the Project is covered | Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or program wise (in lakh) | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (in lakh) | Cumulative expenditure up to the reporting period (in lakh) | Amount spent: Direct or through implementing agency |
| 1 | Environment - Tree Plantation, Solar Lights, LED Lights | Schedule VII (iv) Ensuring Environment Sustainability | 7.6 lakh tree plantation at Delhi NCR, Indore, Chennai, Ahmedabad and near to our Offices PAN India. 7,332 solar street lights and 57,538 LED lights installed | 2,500 | 2,624.4 | 5,136.0 | Direct and Agency: Sustainable Green Initiative, Greenmax, Leicht Led, SPECS |
| 2 | Promoting preventive health care and sanitation | Schedule VII (i) Preventive Health care and Sanitation Facility | Preventive health care camps in rural area and schools. Free Medical facility to 1,03,016 patients. 308 toilets in 41 Government schools in Haryana, Rajasthan, Uttarakhand and Gujarat | 350 | 347.1 | 1,560.6 | Direct and Agency: Wockhardt, Ayus, AIIMS |
| 3 | Education promotion and vocational skill development for children and women and Promoting Road Safety Awareness | Schedule VII (ii) Promoting education, skill development and Road safety education | Construction and renovation of school infrastructures at Haryana, Rajasthan, Uttarakhand and Gujarat. Education promotion program in Delhi, Haryana, Rajasthan, Uttarakhand and Gujarat. Road Safety Education-PAN India | 6,000 | 6,100.7 | 18,323.7 | Direct and Agency: FUEL, Magic Bus, CRV, HPPI, Agastya, Quota International, Nabet, AIF, SETCO Foundation, RKMf |
| 4 | Promoting Sports | Schedule VII (vii) Promoting Rural Sports | Promoting Rural Sports and Olympic and Paralympic sports | 250 | 263.4 | 923.7 | Direct and Agency: Paralympic Committee, Mera Gaon Mera Desh, MKRBF |
| 5 | Women Empowerment | Schedule VII (iii) Women Empowerment | Women Empowerment, Community Development and Promoting socio-economic development awareness through all media | 550 | 535.8 | 1,788.6 | Direct, State Police and Agency: HPPI, JJJKT, ISB |
| 6 | Army Wives Welfare | Schedule VII (vi) Benefits for Army wives | Supporting families of Army and CRPF personnel | 50 | 51.0 | 92.8 | Direct and Agency: AWWA, CWWA, Impact Run |
| 7 | PM Relief Fund | Schedule VII (viii) PM & CM Relief Fund | Contribution to PM and CM Relief Fund for Disaster relief | 100 | 100 | 650.8 | Direct |
| 8 | Rural Development | Schedule VII (x) Rural development projects | Supporting various rural development projects i.e. water management, waste management, awareness of government schemes etc. | 200 | 172.5 | 172.5 | Direct and Agency: Samagra Associates |
| Total | | | | 10,000.0 | 10,194.8 | 28,648.6 | |

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. This is to confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

(Pawan Munjal)

Chairman, CSR Committee

Chairman, Managing Director & CEO

DIN: 00004223

Date: April 26, 2019

Place: New Delhi