

Hero MotoCorp Ltd.

ANNUAL REPORT
2010-11



*For the **Hero** within*

Propelled towards a
new dimension

Hum mein hai Hero

Hero MotoCorp is more than a national brand. It represents the spirit of a multicultural India, which is ready to take on the world on the strength of its deep potential and inherent dynamism.

The new brand consolidates our inherent strengths, while enhancing our global focus. At the same time, it demonstrates continuity in quality assurance and market leadership for innumerable customers.

The red colour of the reinvigorated identity exudes energy, passion and confidence, while black lends a touch of solidity, superior quality and authority. The symbol H connotes engineering, reflecting our commitment to quality and breakthrough innovation. The wordmark Hero represents human warmth and our faith in the indomitable human spirit.

The unique harmony of advanced engineering and human warmth testifies to the true vigour of this brand: that celebrates contradictions, challenges conventions and sets new standards of excellence in innovation and enterprise.

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Hero Honda is now Hero MotoCorp

The successful association of Hero and Honda for 27 years created the world's largest two wheeler manufacturing company. During 2010-11, we decided to part ways and evolve beyond this partnership. This is a happy culmination of a long and fruitful relationship. We now embark on a brand new journey into an exciting future of enormous possibilities.

At Hero MotoCorp, we are now propelled towards a new dimension of excellence with far-reaching consequences for the organisation, customers and the industry.

For the organisation, the new dimension would entail enhanced market insight, better operating efficiencies, deeper customer centricity, greater focus on product-process excellence and financial stewardship.

For the customers, it would mean a wider choice of globally-benchmarked products at competitive prices, greater proximity and higher convenience for purchase of products.

For the industry, it would signify more alliances and partnerships and higher maturity and professionalism.

We will continue to sustain leadership in the domestic market, leverage existing capabilities and build new competencies to expand globally.



The Way Ahead

We believe in

- ▶ Creating relationship and ethics based enterprise
- ▶ Delivering value through seamless and efficient supply chain
- ▶ Delivering excellence through resource optimised manufacturing
- ▶ Creating and sustaining powerful brands
- ▶ Keeping our promises and ensuring customer and shareholder delight

No. 1

Two wheeler company
in the world for the
10th consecutive year

50 million+

Two wheelers sold

54.6%

Share in the domestic
motorcycle market

44.5%

Share in the domestic
two wheeler market

5000+

Customer touch points

100,000+

Villages covered; extensive
presence in rural India

6

New products launched
in 2010-11 (including variants)

COMPANY OVERVIEW	BOARD & MANAGEMENT REPORTS	FINANCIAL STATEMENTS
CORPORATE IDENTITY		

Vision

The story of Hero Honda began with a simple vision – the vision of a mobile and an empowered India, powered by its bikes. Hero MotoCorp Ltd., Company's new identity, reflects its commitment towards providing world class mobility solutions with renewed focus on expanding Company's footprint in the global arena.

Mission

Hero MotoCorp's mission is to become a global enterprise fulfilling its customers' needs and aspirations for mobility, setting benchmarks in technology, styling and quality so that it converts its customers into its brand advocates.

The Company will provide an engaging environment for its people to perform to their true potential. It will continue its focus on value creation and enduring relationships with its partners.

Products Portfolio



1



5



2



6



3



7



4

100CC

1 Pleasure 2 CD Dawn 3 CD Deluxe 4 Splendor Plus
5 Splendor NXG 6 Splendor Pro 7 Passion Pro

8 Glamour 9 Super Splendour 10 Glamour FI

125CC



8



9



10

135CC

11 Achiever



11

150CC

12 Hunk
13 CBZ X-treme



12



13



14



15

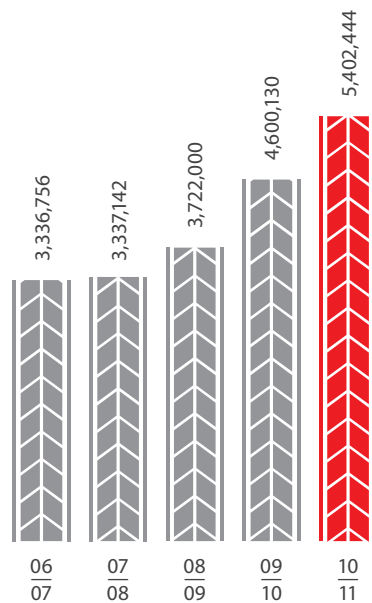
225CC

14 Karizma
15 Karizma ZMR

Sustained Performance

SALES

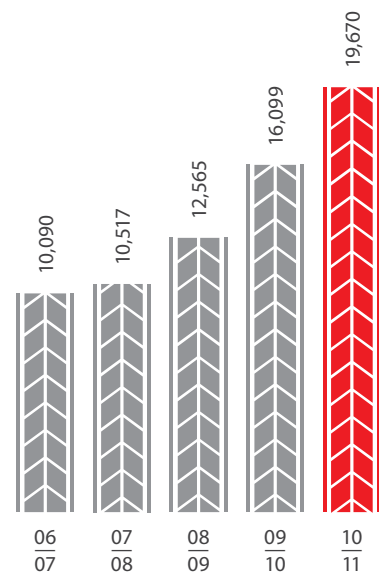
▲ 12.5%
5-year CAGR



Number of units

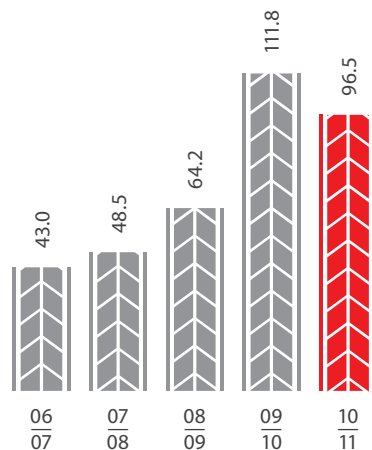
TOTAL NET INCOME

▲ 17.3%
5-year CAGR



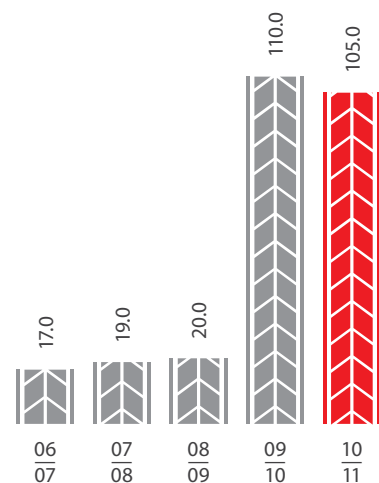
Rs. in crores

EARNINGS PER SHARE



Rs.

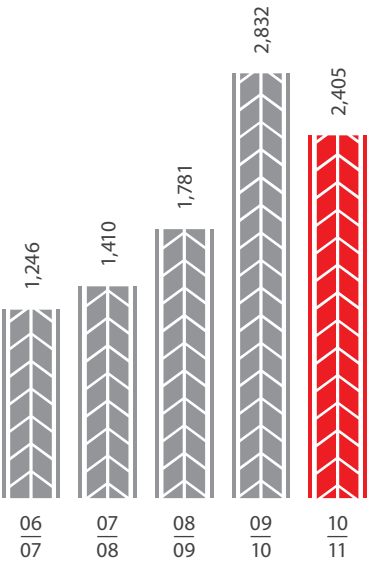
DIVIDEND PER SHARE



Rs.

PROFIT BEFORE TAX

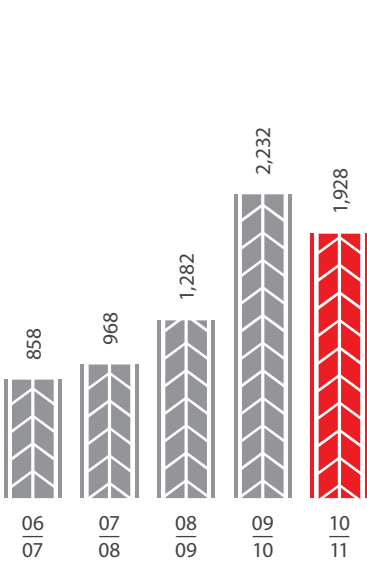
▲11.2%
5-year CAGR



Rs. in crores

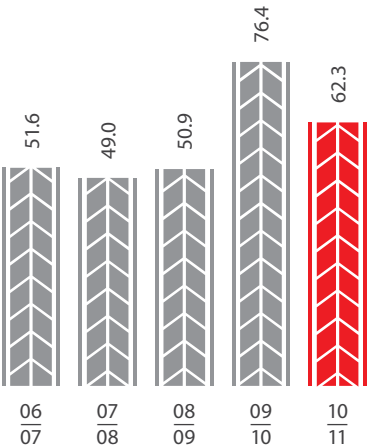
PROFIT AFTER TAX

▲14.7%
5-year CAGR



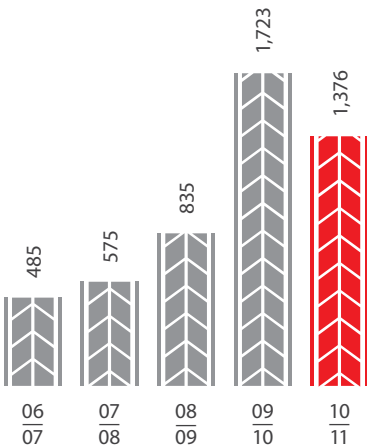
Rs. in crores

RETURN ON AVERAGE CAPITAL EMPLOYED



%

ECONOMIC VALUE ADDED



Rs. in crores

Awards and Accolades



Prominent awards and accolades received during the year

- ▶ Received the 'Two-wheeler Manufacturer of the Year' award by Bike India magazine
- ▶ Received the 'Bike Manufacturer of the Year' at the Economic Times ZigWheels Car and Bike Awards
- ▶ Adjudged the 'Most Preferred Brand of Two-Wheelers' at the CNBC Awaaz Consumer awards
- ▶ Adjudged at top of the two-wheeler category in the Brand Equity Most Trusted Brands 2010 Survey
- ▶ Ranked No. 3 in the Most Trusted Brand across categories amongst Young Adult Males. It is the only automobile brand to figure in the top 50 ranking of all brands across categories in the Survey
- ▶ Received the Automotive Sector Gold Award in the 2010 Economic Times Frost and Sullivan Manufacturing Excellence Awards
- ▶ The Gurgaon plant won the National Safety Award