



Riding with India, for the World

CREATE | COLLABORATE | INSPIRE

Hero MotoCorp Limited

Annual Report 2022-23



Riding with dia, for the World

Hero MotoCorp is ready to consolidate its global market leadership in two-wheelers with an expansive portfolio of 'Made in India, Made for the World' products. The large and growing addressable market, coupled with increased value-conscious consumers, provides Hero MotoCorp the perfect tailwind to drive innovation and deliver exceptional value, performance, and delight. Today, as India and the world stand at an inflection point in the sustainable technology era, Hero is well-positioned to address the mobility needs, aligned with the aspirations of future generations.

Contents

Introduction	
Remembering our Hero	2
Highlights for the Year	10
ESG Highlights	12
Corporate Snapshot	14
Our Expanding Global Reach	16
Our Product Development and Manufacturing Facilities	20
The Core that Defines Us	
Product Timeline	26
Chairman's Message	28
Chief Executive Officer's Message	34
Performance Indicators	36
Product Portfolio	38
Business Model	50
Harley Davidson: Business Update	52
Board of Directors	54
Leadership Team	60
Future Forward	
Operating Context	62
Future of Mobility	64
Hero to the World	
Hero MotoSports	66
Marketing and Promotions	70
Innovation and Data Driven Mobility Solutions	74
Risk Management	76
Awards	78
Sustainability at Hero	80
Environmental Protection	82
People	84
Uplifting Communities	88
Governance	92
Management Discussion and Analysis	94
Statutory Reports	120
Financial Statements	218

Remembering our Hero

An institution builder, a philanthropist, an innovator, a statesman, a spiritual soul, a family man and above all, a proud Indian, he continues to be an inspiration to everyone in the Hero family and beyond.

For a man who had a lifelong passion for wheels, becoming the world's largest two-wheeler maker was a dream come true. And in the process of realising his dream, he contributed immensely to India's industrialisation and nation building.

While we continue to celebrate his legacy, we fondly look back at the eventful journey of his life, which left an indelible mark on millions.

Dr. Brijmohan Lall Munjal
A Hero Forever...



100TH BIRTH ANNIVERSARY OF
DR. BRIJMOHAN LALL MUNJAL
1ST JULY, 1923
HERO FOREVER



Pioneering Vision, Monumental Efforts

July 1,
1923



Born to parents Bahadur Chand Munjal and Thakur Devi Munjal

1930

Embarked on a transformative journey within the sacred halls of a Gurukul nestled in the idyllic village of Kamalia

1938

Started working in a farm



1943

Worked in an Army Ordnance Depot, Quetta

1947



Amidst the tumultuous backdrop of the partition, Brijmohan Lall Munjal boarded the last train out of Kamalia to move to Amritsar. He later got betrothed to Santosh Raheja, weaving their destinies together in a union of love

1949



Started his own business in Bombay

1951

Moved to Ludhiana and joined his brothers to trade in bicycle components

1953

Started manufacturing bicycle components



1956

Hero Cycles established in Ludhiana



1959



First trip to Germany to import the latest technology for bicycle chain machinery. Met Mr. Ernst Mann, his technology Guru

1960

Rockman Cycles established in Ludhiana to manufacture chain & bicycle hubs



1962

Munjal Gases established and becomes the second ancillary in Ludhiana

1964

President of the Managing Society – Dayanand Medical College & Hospital, Ludhiana

1968

Started Ludhiana Flying Club

1969

Highway Industries established in Ludhiana



1978

Started Bahadur Chand Munjal Arya Model School, Ludhiana & Ludhiana Management Association. Majestic Auto established in Ludhiana to manufacture mopeds

1985

Hero Honda CD100 motorcycle was launched



1987

Sunbeam Auto established in Gurgaon
President of CII

1988

Gujarat Cycles, Hero Cycles as well as Hero Motors established in Sahibabad.

1990

Hero Cold Rolling Division established in Ludhiana



1994

Businessman of the year by Business India Group of Publications

1995

President of SIAM. National Award for outstanding contribution to development of Indian Small-Scale Industry



1997

Distinguished entrepreneurship award from the PHD Chamber of Commerce & Industry

1998

Business Leader of the year by Business Baron

2000

Conferred Sir Jehangir Ghandy Medal for Industrial Peace by XLRI Jamshedpur

2001

Ernst & Young Entrepreneur of the Year

2003

Lifetime Achievement Award from the All India Management Association (AIMA) for Management

2005

The President of India bestows Padma Bhushan Doctor of Letters (Honoris Causa) received by Hemwati Nandan Bahuguna Garhwal University, Srinagar Garhwal

Lifetime Achievement Award by ET Awards for Corporate Excellence



2009

SIAM Golden Jubilee Award for outstanding contribution to automobile industry



2011

Lifetime Achievement Award by Ernst & Young

Doctor of Science by IIT Kharagpur

Lifetime Achievement Award for the Asia Pacific Entrepreneurship Awarded by Enterprise Asia

Finlease renamed as Hero Fincorp.

Hero MotoCorp established



2012

Hero Future Energies established

2014

Establishment of BML Munjal University, Gurgaon, Haryana.

The CNB Visioneer Award for outstanding contribution to the Indian Automotive Industry by NDTV Profit Car & Bike Awards 2013.

2015

November 1

Dr. Brijmohan Lall Munjal lives forever...



Dr. Brijmohan Lall Munjal made our hearts his forever abode.

The one who taught us how to be a **Hero.**



We miss you...

*Not a day passes by that
you don't cross our mind,*

*Not all of you departed when
you left earth behind,*

*In our heart there is a place
that only you can hold,*

*Filled with loving memories more
priceless than gold,*

*We know that you still look over us so
please know this is true,*

*that everything we are today,
is all because of you...*

- Team Hero



Dr. Brijmohan Lall Munjal
July 1, 1923 - Forever....



Highlights for the Year

₹ 34,371 crore

TOTAL INCOME

₹ 11,077 crore

CONTRIBUTION TO GOVERNMENT EXCHEQUER

₹ 3,986 crore

EBITDA

112 million+

UNITS SOLD (CUMULATIVE)

₹ 2,911 crore

PROFIT AFTER TAX

₹ 760 crore

R&D SPEND

₹ 146

EARNINGS PER SHARE

₹ 78 crore

CSR SPEND



Halol Manufacturing Facility

Domestic Business

Splendor: World's highest selling motorcycle

11% two-wheeler growth over previous year

9 new models launched

Strong network expansion, added 666 networks in FY 2022-23

23% business growth in spare parts and accessories over the previous year

Launched Wheels of Trust, a digital integrated omni-channel platform for two-wheeler exchange

Vida

Launch of Vida V1—India's first fully integrated electric scooter

GUINNESS WORLD RECORDS ACHIEVEMENT

VIDA V1 scooter set a new Guinness World Record by covering 1,780 km (1,106.04 mi) in 24 hours, surpassing the previous record for the greatest distance traveled by an electric scooter. This accomplishment highlights the VIDA V1's outstanding engineering and performance.



Global Business

Expanded global presence from 43 countries in FY 2021-22 to 47 in FY 2022-23

Launch of 'Project Gold' aimed at developing two-wheelers tailored to usage conditions in specific countries

16 new models and refreshes launched



VIDA V1

405%

WATER POSITIVE

39%

CARBON NEUTRAL OPERATIONS

9.7%

GENDER DIVERSITY

Low ESG risk in Sustainalytics platform

The world's largest CRM programme in automotive sector- Hero GoodLife has crossed the enviable 46 million member base with a growth of 16% over last financial year

Rain water recharge potential 34 lakh cubic meter within and beyond fence

87.5%

ZERO WASTE TO LANDFILL CERTIFIED WITH 99%+ DIVERSION RATES

136.16 lakh kWh

RENEWABLE ENERGY GENERATION

6,250

STUDENTS COVERED BY REMEDIAL EDUCATION INITIATIVES

17%

REDUCTION IN CARBON EMISSION INTENSITY

2,50,000

RIDERS TRAINED ON RESPONSIBLE ROAD BEHAVIOUR

559

SCHOLARSHIPS GIVEN TO STUDENTS FOR PURSUING DEGREES LIKE BTECH, LLB, MBA

Centre for Innovation & Technology (CIT), Jaipur

Ready for the Future



We have been a flag bearer of excellence in the motorcycle and scooter industry. We offer products that are celebrated and respected for their quality, durability, technology, and their value delivery. For generations, we have addressed the personal mobility needs of riders, and now, doing so around the world.

Our ever-evolving portfolio caters to both - timeless needs as well as contemporary aspirations – from economy and performance to toughness, style and power to high-tech connectivity and intuitively smart features. Our pioneering presence has fostered a thriving automotive industry ecosystem, nurturing Original Equipment Manufacturers (OEMs), vendors, dealer networks, and aftermarket players. We have heralded the introduction of pathbreaking technologies into India through partnerships with world-leading industry players.

VISION

Be the Future of Mobility

MISSION

Create	Collaborate	Inspire
<ul style="list-style-type: none"> Re-define mobility through the creation of a mobility roadmap Set best practices and benchmarks for the industry 	<ul style="list-style-type: none"> Leverage partnerships and exhibit teamwork Co-create solutions that benefit the community, while caring for both the internal and external environmental ecosystems and support sustainability 	<ul style="list-style-type: none"> Move forward with purpose Inspire our colleagues, customers and communities Thrive on the local and global stage

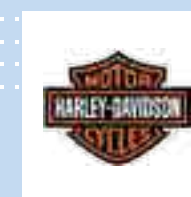
VALUES



GETTING FUTURE-READY

Partnerships with Leading Global Brands

Harley Davidson to develop premium range of motorcycles

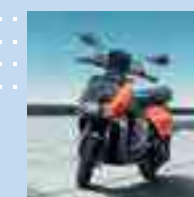


Zero Motorcycles, USA to develop premium electric two-wheelers for Indian consumers



Sustainable Mobility Solutions

Expanding the sale of Vida electric scooter



Partnership with HPCL and BPCL to set up 2W EV charging infrastructure across India



47%

DOMESTIC MOTORCYCLE MARKET SHARE

33.2%

DOMESTIC TWO-WHEELER MARKET SHARE

10,000+

CUSTOMER TOUCHPOINTS WORLDWIDE

6.40%

CONTRIBUTION OF DIGITAL SALES

57,000+

TWO-WHEELERS SOLD TO STATE GOVERNMENTS

9.50 million+

ANNUAL PRODUCTION CAPACITY (UNITS) ACROSS 8 MANUFACTURING FACILITIES

24

HERO 2.0 PHYGITAL SHOWROOMS



Tirupati Manufacturing Facility

Delighting Customers across the World

Hero MotoCorp's state-of-the-art manufacturing facilities located in multiple countries play a crucial role in the Company's ability to cater to the diverse needs and preferences of riders across the globe. These facilities enable Hero MotoCorp to produce a wide range of products which have gained appreciation and delighted our customers.

The Company's commitment to quality and customer satisfaction has been a driving force behind its expansion efforts. By delivering products that meet the expectations of riders, Hero MotoCorp has been able to expand its reach and reached newer communities around the world.

Hero MotoCorp's diverse product portfolio allows the Company to cater to different segments of the market, offering options that suit various riding needs, preferences and lifestyles.

Furthermore, Hero MotoCorp's focus on quality ensures that its products are reliable, durable, and performance – oriented. This dedication to delivering high-quality vehicles has contributed to the Company's strong reputation and customer satisfaction.

As Hero MotoCorp continues to expand its reach, it is bringing diverse sets of customers into its fold and providing them with fuel efficient, environment friendly and technologically advanced mobility solutions.

Overall, Hero MotoCorp's commitment to quality, customer satisfaction, and its ability to understand and cater to diverse market preferences will be instrumental in its success and continued expansion efforts worldwide.

THE GROWTH ROADMAP

1 Strengthening Existing Markets

Despite challenging market conditions, Hero MotoCorp Limited (Hero) has achieved significant growth in Latin America and gained market share in countries including Mexico, Argentina, Tanzania, Turkiye, Peru, South Africa, and Bolivia. To reinforce its market position, Hero is expanding its network increasing its presence in key regions, and enhancing brand awareness through targeted marketing campaigns. Additionally, Hero is focusing on strengthening retail finance options and introducing products tailored to specific market demands, such as Euro-5 compliant vehicles in Turkiye.

2 Market-specific Product Development for Global Markets

Hero's 'Project Gold' initiative involves developing two-wheelers designed for the unique usage patterns and conditions of different countries. Through comprehensive testing and analysis, Hero aims to create superior products that cater to local needs, offering performance, durability, and reliability. This customer-centric approach enables Hero to establish a strong presence in diverse markets and enhance its reputation as a manufacturer of high-quality two-wheelers.

3 Advances in the Global EV Two-wheeler Industry

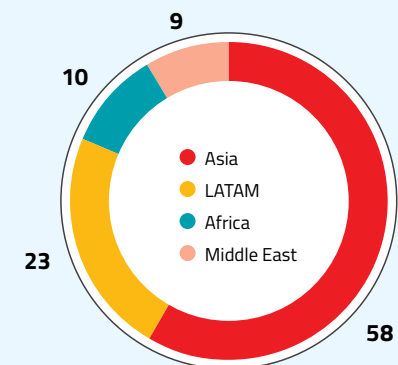
Hero has entered the Electric Vehicle (EV) segment with the launch of the Vida V1 electric scooter in India. This showcases Hero's commitment to sustainable mobility and the growing demand for electric vehicles. Additionally, the partnership with Zero Motorcycles allows Hero to co-develop premium electric motorcycles, leveraging their expertise to create innovative and high-performance EVs. By diversifying its EV portfolio, Hero aims to capture a wider customer base and capitalise on the global shift towards electric mobility.

Global Expansion Strategy

- Hero is executing its global expansion strategy by relaunching the Hero brand with several new launches planned in the coming year.
- The Company is strengthening its distribution network in key markets like the Democratic Republic of Congo and Costa Rica.
- Hero entered Haiti in Latin America. It also established a strategic partnership for its entry into the Philippines, marking its first foray into Southeast Asia.
- In FY 2023-24, Hero plans to expand its presence beyond the current 47 countries, with a focus on Africa and the Middle East due to their economic growth and growing need for two-wheelers.
- The Company aims to premiumise its brand in Latin America and Asia. Through these market expansion and product premiumisation initiatives, we hope to enter and establish ourselves in new countries, capitalise on economic opportunities, and strengthen our position as a global player in the two-wheeler industry.



Volumes Sold (%)



All figures related to the year ended March 31, 2023



Asia

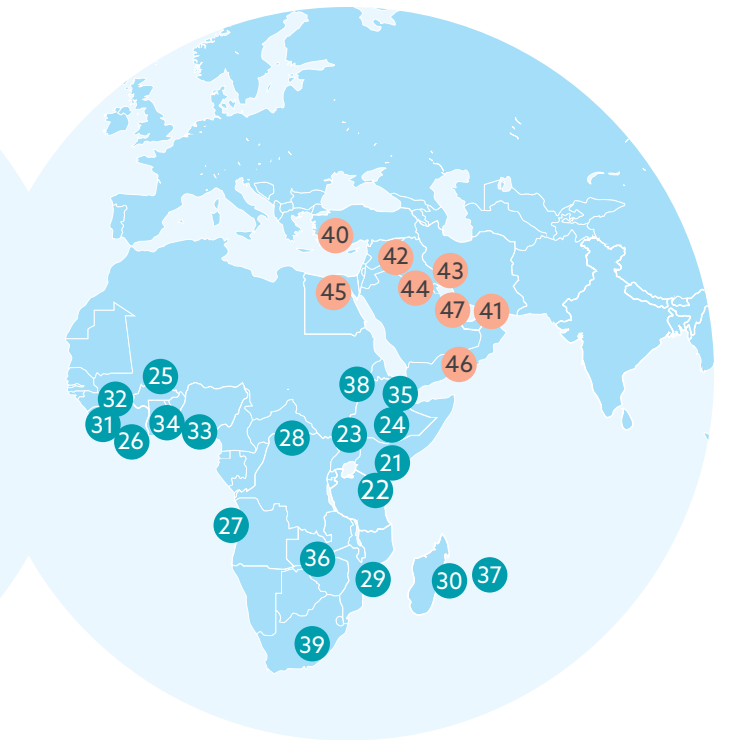
- 1 Sri Lanka
- 2 Bangladesh
- 3 Nepal
- 4 Myanmar



Map not to scale.

Central & Latin America

- 5 Colombia
- 6 Peru
- 7 Ecuador
- 8 Guatemala
- 9 El Salvador
- 10 Honduras
- 11 Nicaragua
- 12 Costa Rica
- 13 Panama
- 14 Bolivia
- 15 Dominican Republic
- 16 Argentina
- 17 Guyana
- 18 Trinidad & Tobago
- 19 Mexico
- 20 Haiti



Africa

- 21 Kenya
- 22 Tanzania
- 23 Uganda
- 24 Ethiopia
- 25 Burkina Faso
- 26 Ivory Coast
- 27 Angola
- 28 Democratic Republic of Congo
- 29 Mozambique
- 30 Madagascar
- 31 Liberia
- 32 Guinea
- 33 Nigeria
- 34 Ghana
- 35 Djibouti
- 36 Zambia
- 37 Mauritius
- 38 Sudan
- 39 South Africa

Middle East

- 40 Turkiye
- 41 Dubai (UAE)
- 43 Iraq
- 43 Kuwait
- 44 Saudi Arabia
- 45 Egypt
- 46 Yemen
- 47 Qatar

47 countries
WORLDWIDE PRESENCE

The Philippines Strategic Partnership Agreement signed

3.2%
SHARE OF INTERNATIONAL SALES

\$ 14.28 million
REVENUE FROM GLOBAL BUSINESS FOR PARTS

16
NEW PRODUCTS AND REFRESHES LAUNCHED

32%
CONTRIBUTION FROM PREMIUM SEGMENT TO INTERNATIONAL SALES

Hero Tech Centre, Germany