

# STURDY STEADY SOLID

WE ARE WHAT OUR BIKES ARE...



Hero MotoCorp Ltd.

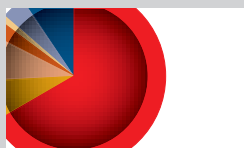
**2011-12** ANNUAL REPORT



## CONTENTS

02

Highlights,  
2011-12



06

Corporate  
Identity



12

Chairman's  
Communiqué

14

MD & CEO's  
Review

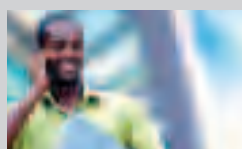
16

Expansion  
Plans



18

Global  
Forays



20

Technological  
Advancements



22

Product  
Range



28

Recognitions



30

Green  
Initiatives



32

Financial Performance

34

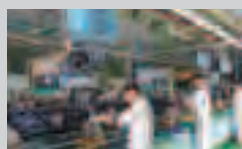
Leadership  
Team

36

Corporate Information

37

Management Discussion  
and Analysis



61

Directors'  
Report



66

Corporate  
Governance Report



95

Financial Statements



### FORWARD-LOOKING STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

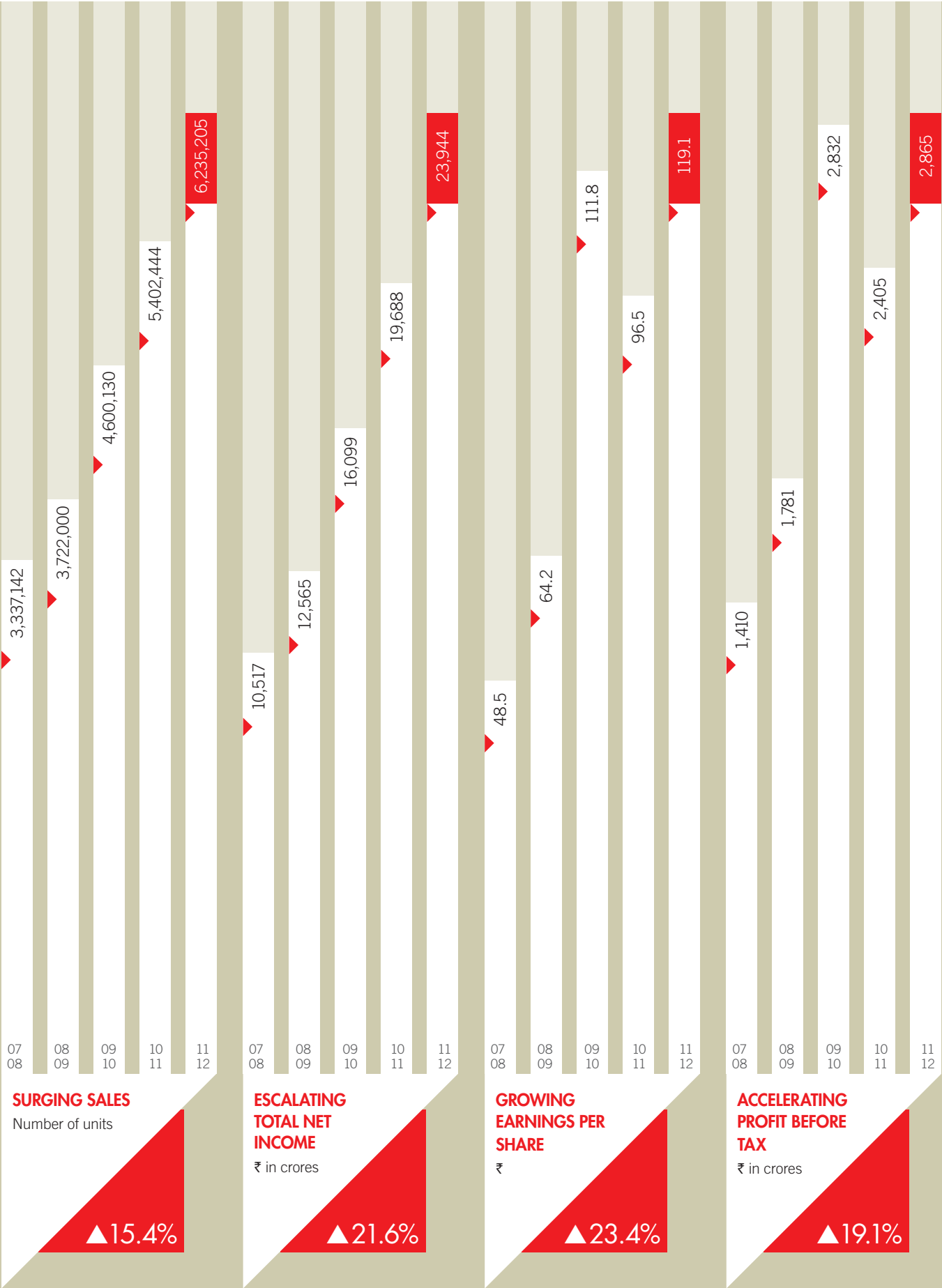
**For Hero MotoCorp,  
2011-12 sped past as  
a cheerful moment of  
energy and enthusiasm.**

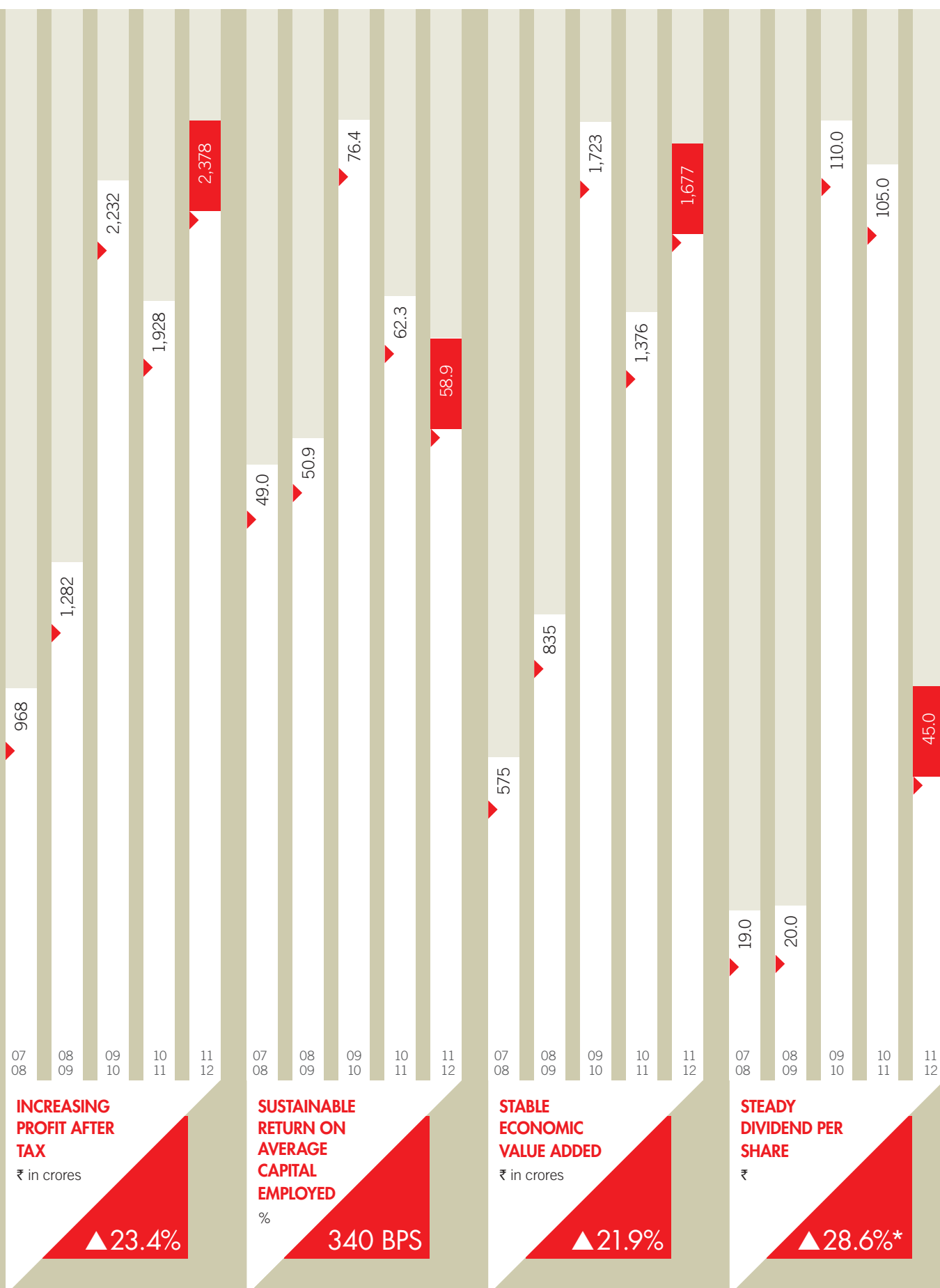
**We turned on the ignition, accelerated  
with confidence and put strategies into  
top gear for a focused, firm and  
high-velocity ride across familiar  
and unfamiliar roads.**

With more technological advancements, product launches, planned forays into new markets and geographies and a stronger brand visibility, we are enjoying our ride. We are also growing stronger each day with a consistent focus on innovation and quality.

We are countering headwinds, seizing opportunities and travelling faster than ever before. Inspired by the aspirations of a nation on the move. We are steady, sturdy and solid.

# ON A Fast Track



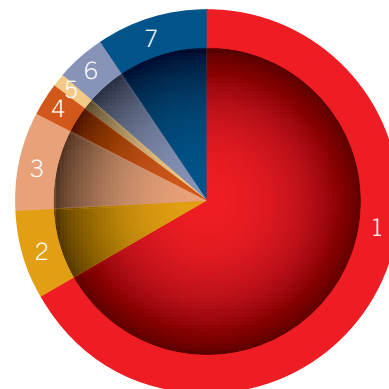


\* Excluding Interim dividend of ₹ 70

# 2011-12 At a Glance

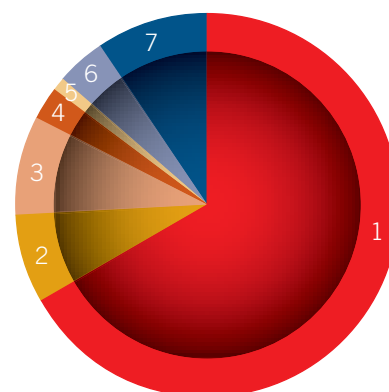
## COMPOSITION OF REVENUE IN 2011-12

	₹ in crores	%
1 MATERIALS	17,281.57	67.51
2 OPERATIONS AND OTHER EXPENSES	1,943.16	7.59
3 TAXES AND DUTIES	2,142.57	8.37
4 EMPLOYEES	735.52	2.87
5 INTEREST	21.30	0.08
6 DEPRECIATION	1,097.34	4.29
7 SHAREHOLDERS AND RESERVES & SURPLUS	2,378.13	9.29
TOTAL	25,599.59	100.00



## COMPOSITION OF REVENUE IN 2010-11

	₹ in crores	%
1 MATERIALS	14,111.11	66.86
2 OPERATIONS AND OTHER EXPENSES	2,135.18	10.12
3 TAXES AND DUTIES	1,894.22	8.98
4 EMPLOYEES	618.95	2.93
5 INTEREST	15.17	0.07
6 DEPRECIATION	402.38	1.91
7 SHAREHOLDERS AND RESERVES & SURPLUS	1,927.90	9.13
TOTAL	21,104.91	100.00



# 13.3%

CAGR growth  
in SALES in the  
preceding 5 years

# 18.9%

CAGR growth in  
TOTAL INCOME  
in the preceding  
5 years

### SLEW OF LAUNCHES

- ▶ Launched three new models, including variants of existing models successfully.
- ▶ Launched 'Impulse' (150cc), India's only dual-purpose on-road-off-road bike; launched the Company's first motorcycle under the 'Hero' brand name.
- ▶ Launched a new 110cc scooter 'Maestro', strengthening a steadily growing presence in the gearless scooter segment.
- ▶ Launched a thrilling new 125cc 'Ignitor' bike.
- ▶ Showcased a concept Hybrid scooter – 'Leap', unveiled an all-new 110cc Passion X Pro during the Auto Expo in Delhi.

### UNMATCHED PERFORMANCE

- ▶ In its first full year of operations under its new avatar, Hero's two-wheeler sales grew 15% from 5.4 million in 2010-11 to 6.23 million in 2011-12.
- ▶ Recorded over 0.65 million unit retail sales of two-wheelers in October 2011, the highest-ever in a month. Surpassed the previous record of over 0.60 million sales in October 2008.

### VISIBILITY

- ▶ Sponsored the men's and women's hockey qualifying events for the London Olympics 2012; the event, titled 'Hero FIH Road to London' and held in Delhi, witnessed the Indian men's hockey team qualifying for the London Olympics.
- ▶ Celebrated young achievers as Brand Ambassadors; Hero roped in popular Bollywood star Ranbir Kapoor.



# 18.1%

CAGR growth in  
PROFIT BEFORE  
TAX in the  
preceding 5 years

# 22.6%

CAGR growth in  
PROFIT AFTER TAX  
in the preceding  
5 years



POWERED BY A NATION.

# Now Reaching Out to the World.

**1984**

Year of  
incorporation  
in India

Consistently  
maintaining its  
position as the  
**No. 1** two-wheeler  
company in the  
world for the 11th  
consecutive year

Over **41.7 million**  
two wheelers sold

**Three** globally  
benchmarked  
facilities, with a  
combined installed  
capacity of **6.35**  
**million units**

**17 different**  
**products** across  
100cc, 125cc,  
150cc, 225cc and  
scooter category



Ariel view of Haridwar plant



**45%** market share  
in the domestic  
two-wheeler  
market

**56%** market share  
in the domestic  
motorcycle market

Team Hero  
comprises **6,106**  
**motivated** people

Hero Goodlife is  
the industry's  
**largest customer**  
relationship  
management  
programme, with  
**10 million**  
**members**

Declared a  
dividend of  
**2,250%** in  
2011-12, i.e.  
₹ 45 per equity  
share of the  
face value of  
₹ 2 per share



**2,250%**

Declared a dividend of 2,250% in  
2011-12, i.e. ₹ 45 per equity share of  
the face value of ₹ 2 per share

**41.7<sup>mn+</sup>**

Over 41.7 million two wheelers sold

**10<sup>mn</sup>**

Hero Goodlife is the industry's largest  
customer relationship management  
programme, with 10 million members

# THE WORLD Of Hero

## VISION

The story of Hero Honda began with a simple vision – that of a mobile and empowered India, powered by its bikes.

The Company's new identity – Hero MotoCorp Ltd. – reflects its commitment towards providing sturdy and solid world-class mobility solutions with a renewed focus on steadily moving ahead and expanding the footprint in the global arena.

## MISSION

Hero MotoCorp's mission is to become a global enterprise fulfilling its customers' needs and aspirations for mobility, solidity, sturdiness and setting benchmarks in technology, style and quality to convert its customers into brand advocates.

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

