



HERO FOREVER

ANNUAL REPORT 2015-16
HERO MOTOCORP LTD.

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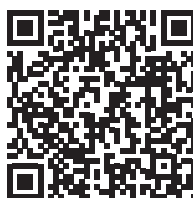
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Annual Report



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 share 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. Readers should keep in mind that 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.



HERO FOREVER

DR. BRIJMOHAN LALL MUNJAL EPITOMISED THE INDOMITABLE SPIRIT OF INDIA; TO RISE AND RECLAIM ITS PLACE IN THE COMITY OF NATIONS, DESPITE IMMENSE CHALLENGES IN THE WAY.

He saw the broad canvas of history unfolding before him. From the suffering under colonial rule, the ravages of Partition, the raising of the Tricolour, Licence Raj, to the liberalisation of the economy, triumphs of Indian entrepreneurship across the world, and the digital age of the twenty-first century. Not only did he live through all this, he turned challenges into opportunities, and worked hard with dignity, until he saw light at the end of the tunnel. His vision was to help empower India through building institutions of excellence.

From humble beginnings, Dr. Munjal went on to set-up a world-class ethical, value-based and professional enterprise that today employs over 35,000 people; and has verticals ranging from two-wheelers and cycles to auto parts, from BPO and financial services to insurance distribution, clean energy and real estate. Hero Group is now a US\$ 5 billion enterprise, which includes Hero MotoCorp, the World's largest two-wheeler manufacturer with operations across continents.

His passion for institution building was not confined to businesses alone. He built and nurtured a large number of social enterprises in the realms of adult education, women's empowerment, healthcare and education. The trusts that he set-up now successfully run numerous well-known primary, secondary, vocational and tertiary education institutes across multiple states of India. He believed, "there is no greater investment and no better return than that in education. It benefits not only an individual but society at large."

Dr. Brijmohan Lall Munjal was an entrepreneur, philanthropist, social engineer and above all a humanist, who inspired millions of people by his exemplary vision. In recognition of his immense contribution, a very large number of prestigious awards were bestowed upon him. At Hero MotoCorp, we are honoured to have been guided by this legend; and will continue to draw inspiration from his extraordinary life.

**HE WAS, AND REMAINS OUR
UNDYING HERO.**

DR. BRIJMOHAN LALL MUNJAL

FOUNDER CHAIRMAN, HERO GROUP
1ST JULY, 1923 - 1ST NOVEMBER, 2015

REMEMBERING OUR HERO



1st. JULY, 1923 - BIRTH
KAMALIA, DISTRICT LAYALLPUR
BRITISH INDIA

PARENTS

FATHER : BAHADUR CHAND MUNJAL
MOTHER : THAKUR DEVI MUNJAL

1930

JOINED GURUKUL NEAR KAMALIA



1938

STARTED WORKING IN
A LOCAL FARM

1943
WORKED IN ARMY ORDINANCE
DEPOT QUETTA, PAKISTAN



1947
BOARDED THE LAST TRAIN OUT
OF KAMALIA MOVED TO AMRITSAR
MOVED TO AGRA MARRIED
SANTOSH MUNJAL



1949

STARTED HIS OWN BUSINESS IN BOMBAY

1951

MOVED TO LUDHIANA & JOINED HIS
BROTHERS TO TRADE IN BICYCLE
COMPONENTS



1953

STARTED MANUFACTURING
BICYCLE COMPONENTS

CHILDREN

RAMAN
GEETA
SUMAN
PAWAN
SUNIL



1923



1956

HERO CYCLES ESTABLISHED
IN LUDHIANA



1959

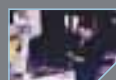
FIRST TRIP TO GERMANY
TO IMPORT LATEST TECHNOLOGY
FOR BICYCLE CHAIN MACHINERY

MET MR. ERNST MANN
HIS TECHNOLOGY GURU



1960

ROCKMAN CYCLES ESTABLISHED IN LUDHIANA
TO MANUFACTURE CHAIN AND BICYCLE HUBS



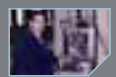
1962

MUNJAL GASES ESTABLISHED AND BECOMES
THE SECOND ANCILLARY IN LUDHIANA

1964
PRESIDENT OF THE
MANAGING SOCIETY OF
DAYANAND MEDICAL
COLLEGE & HOSPITAL
LUDHIANA



1968
STARTED LUDHIANA
FLYING CLUB



1969

HIGHWAY INDUSTRIES
ESTABLISHED IN LUDHIANA



1976
ON THE BOARD OF DIRECTORS OF
PUNJAB NATIONAL BANK



1977
ROTARY DISTT. GOVERNOR

1978
STARTED BAHADURCHAND MUNJAL
ARYA MODEL SCHOOL, LUDHIANA &
LUDHIANA MANAGEMENT
ASSOCIATION

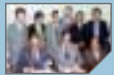
MAJESTIC AUTO ESTABLISHED
IN LUDHIANA TO
MANUFACTURE MOPEDS



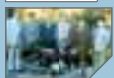
1955



1981
MUNJAL CASTINGS
ESTABLISHED IN LUDHIANA



1983
HERO HONDA ESTABLISHED IN NEW DELHI



1985
MUNJAL SHOWA
ESTABLISHED IN GURGAON



1987
SUNBEAM AUTO ESTABLISHED
IN GURGAON



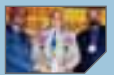
PRESIDENT OF CII



1988
GUJARAT CYCLES ESTABLISHED
HERO CYCLES ESTABLISHED IN SAHIBABAD
HERO MOTORS ESTABLISHED IN SAHIBABAD



1990
HERO COLD ROLLING DIVISION
ESTABLISHED IN LUDHIANA



1991
HERO FINLEASE ESTABLISHED

1994
BUSINESSMAN OF THE YEAR BY BUSINESS
INDIA GROUP OF PUBLICATIONS



1995
PRESIDENT OF SIAM
NATIONAL AWARD FOR OUTSTANDING
CONTRIBUTION TO THE 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 JAHANGIR 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



1980



2004
DOCTORATE BY BANARAS HINDU
UNIVERSITY, VARANASI

HERO BPO ESTABLISHED



2005
THE PRESIDENT OF INDIA BESTOWS
PADMA BHUSHAN



DOCTOR OF LETTERS
(HONORIS CAUSA) BY HEMWATI NANDAN
BAHUGUNA GARHWAL UNIVERSITY,
SRINAGAR GARHWAL



LIFETIME ACHIEVEMENT AWARD
BY ET AWARDS
FOR CORPORATE EXCELLENCE

2006
HERO REALTY ESTABLISHED



2007
HERO MINDMINE ESTABLISHED



2009
SIAM GOLDEN JUBILEE AWARD
FOR OUTSTANDING CONTRIBUTION
TO AUTOMOBILE INDUSTRY



2010
BML MUNJAL GREEN MEADOWS PUBLIC
SCHOOL, HARIDWAR, UTTARAKHAND



HERO STEELS ESTABLISHED



2011
LIFETIME ACHIEVEMENT
AWARD BY ERNST & YOUNG

DOCTOR OF SCIENCE BY IIT KHARAGPUR

LIFETIME ACHIEVEMENT AWARD FOR THE
ASIA PACIFIC ENTREPRENEURSHIP
AWARD BY ENTERPRISE ASIA

FINLEASE RENAMED AS
HERO FINCORP



HERO HONDA RENAMED
AS HERO MOTOCORP



2012
HERO FUTURE ENERGIES
ESTABLISHED



2014
BML MUNJAL UNIVERSITY
GURGAON, HARYANA



THE CNB VISIONEER AWARD FOR
OUTSTANDING CONTRIBUTION TO THE
INDIAN AUTOMOTIVE INDUSTRY BY NDTV
PROFIT CAR & BIKE AWARDS 2013

1st NOVEMBER 2015
DR. BML MUNJAL LIVES FOREVER

2003



**WE MAKE ICONIC PRODUCTS
AND BRANDS.**

**WE PROVIDE UNIQUE
EXPERIENCES THAT EVOKE
POWERFUL EMOTIONS OF
EMPOWERMENT.**

**WE INTRODUCE SMARTER
APPROACHES AND GREEN
TECHNOLOGIES IN OUR DESIGN
AND ENGINEERING, BECAUSE
OUR CUSTOMERS ACROSS THE
WORLD DESERVE IT.**

FOR OVER THREE DECADES, WE HAVE BEEN CONSISTENTLY ASSIGNING THE HIGHEST PRIORITY TO MATTERS THAT IMPACT OUR CUSTOMERS' WELL-BEING AND QUALITY OF LIFE. AND THAT'S THE STARTING POINT OF EVERY STORY OF INNOVATION AT HERO.

INNOVATION FOR US IS ABOUT IMPROVING THE MANNER IN WHICH WE FUNCTION.

IT IS ABOUT HAVING DEEP DISCUSSIONS WITH CUSTOMERS; AND APPRECIATING THEIR PERSPECTIVES IN AN EVOLVING SOCIETY; ABOUT

REACHING OUT TO NEW GEOGRAPHIES WITH HIGH BENCHMARKS OF DURABILITY, COMFORT, SAFETY, EFFICIENCY, FUEL ECONOMY AND AESTHETICS.

WE OBSERVE GLOBAL TRENDS AND ASPIRATIONS; INTEGRATE CUSTOMER INSIGHTS INTO OUR THOUGHT PROCESS; DISRUPT MARKETS; AND BUILD BRANDS THAT ENJOY A FORMIDABLE FAN FOLLOWING ACROSS THE WORLD.

INNOVATION TAKES US AHEAD, FROM MARKET LEADERSHIP TO THOUGHT LEADERSHIP.



REFRESHINGLY RELEVANT

WE INNOVATE FOR INDIA AND THE WORLD. IT'S BOTH OUR PASSION AND COMMITMENT, AS THE WORLD'S LARGEST MANUFACTURER OF TWO-WHEELERS, BASED IN INDIA. OUR AIM IS TO CREATE EXCEPTIONAL CUSTOMER EXPERIENCES IN WHATEVER WE DO – FROM INSPIRING IDEAS THAT WE BRING ON BOARD, TO THE PRECISION OF OUR MANUFACTURING, CULMINATING WITH OUR EXTENSIVE NETWORK ACROSS GEOGRAPHIES.

WE NURTURE
NEW IDEAS
PASSIONATELY
AND DILIGENTLY

WE SET NEW
PARADIGMS
OF PERSONAL
MOBILITY

WE GO BEYOND
THEM

WE WORK TO MAKE
BRANDS REMAIN
RELEVANT IN MINDS
AND MARKETS
ACROSS DECADES

**WE ARE
HERO
MOTOCORP**

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 and sturdiness. We aim to set 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.

STRATEGY

Our key strategies focus on building a steady and robust product portfolio across categories and explore growth opportunities globally. We also seek to continuously improve upon operational efficiency, aggressively expand our customer reach, invest in brand-building activities and ensure customer and shareholder delight.

GLOBAL LEADERSHIP**No. 1**

TWO-WHEELER COMPANY IN THE WORLD FOR THE 15TH CONSECUTIVE YEAR

39%

MARKET SHARE IN THE DOMESTIC TWO-WHEELER MARKET

30+

YEARS OF EXPERIENCE OF CATERING TO VARIED CUSTOMER ASPIRATIONS IN THE TWO-WHEELER INDUSTRY

52.4%

MARKET SHARE IN THE DOMESTIC MOTORCYCLE MARKET

8.1 Mn units

CUMULATIVE INSTALLED CAPACITY ACROSS FIVE WORLD-CLASS FACILITIES; ONE OF THE LARGEST IN THE WORLD

29

COUNTRY GLOBAL PRESENCE

24+

PRODUCTS COMPRISING 100CC, 110CC, 125CC, 150CC, 225CC AND SCOOTER CATEGORY FOR A WIDE CUSTOMER SPECTRUM ACROSS GENDER

7,500+

TEAM MEMBERS, DRIVING THE LEVERS OF HERO'S PROGRESS

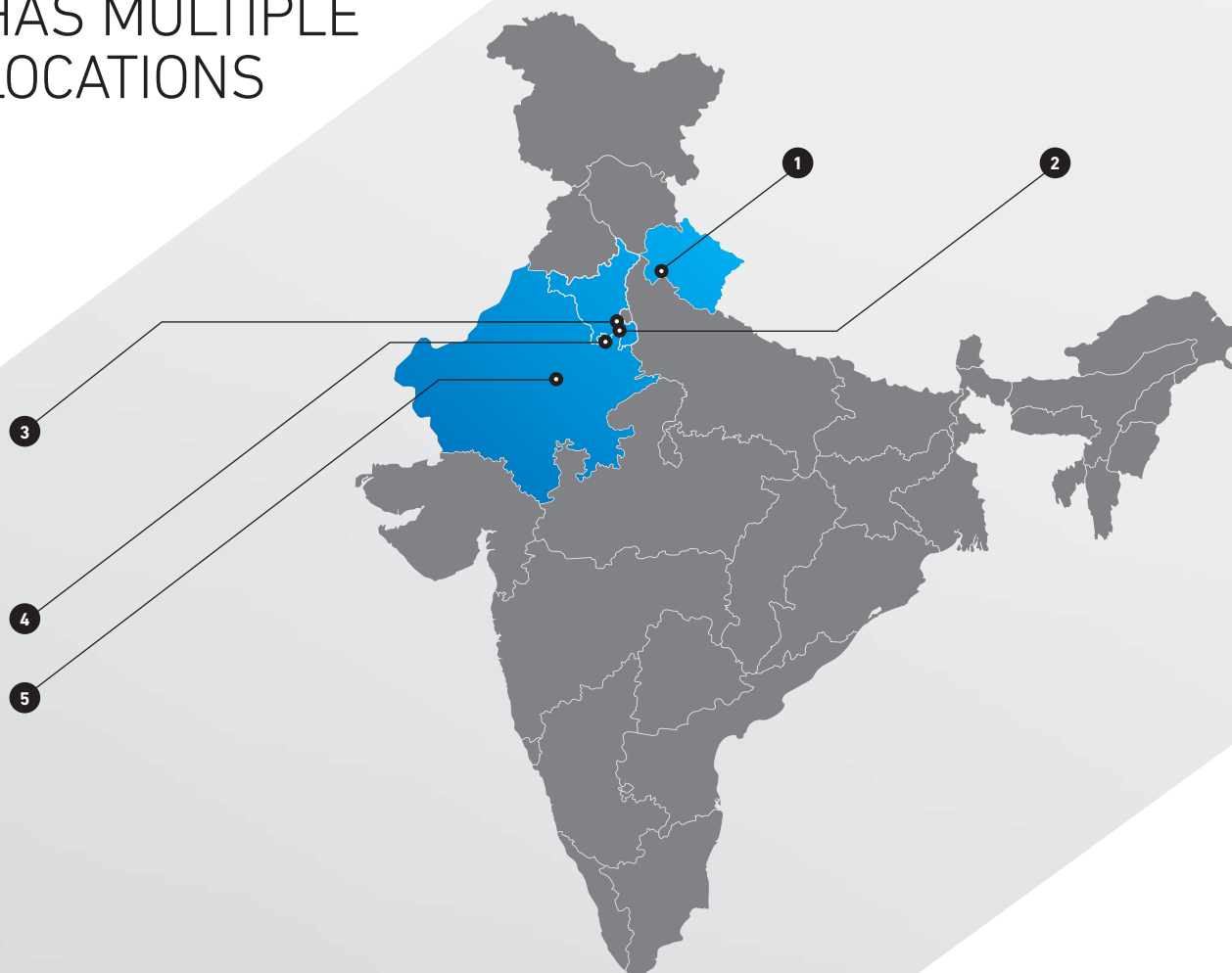
65 Mn units

CUMULATIVE SALES ACHIEVED SINCE INCEPTION

6,000+

PAN-INDIA TOUCH POINTS AND PRESENCE IN 100,000+ VILLAGES

EXCELLENCE HAS MULTIPLE LOCATIONS



1

HARIDWAR

**2.8 Mn units
per annum**

2

DHARUHERA

**2.1 Mn units
per annum**

3

GURGAON

**2.1 Mn units
per annum**

4

NEEMRANA

**1.05 Mn units
per annum**

**Global Parts
Centre**

5

JAIPUR

**Global Centre of
Innovation and
Technology (CIT)**