



Hero MotoCorp Ltd.

Registered Office: 34, Community Centre, Basant Lok,
Vasant Vihar, New Delhi-110 057
Website: www.heromotocorp.com
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COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day : Friday
Date : November 02, 2012
Time : 10:30 A.M.
Place : Air Force Auditorium,
Subroto Park,
New Delhi – 110 010

Sl. No.	Description	INDEX	Page Nos.
1.	Notice Convening Meeting of the Equity Shareholders of Transferee Company		02
2.	Explanatory Statement Under Section 393 of the Companies Act, 1956		04
3.	Scheme of Amalgamation		19
4.	Form of Proxy		29
5.	Attendance Slip		31

IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 134 OF 2012

IN THE MATTER OF:

The Companies Act, 1956;

AND

IN THE MATTER OF:

Application under Section 391 and 394 of the Companies Act, 1956;

AND

IN THE MATTER OF

Scheme of Amalgamation between

Hero Investments Private Limited

AND

Hero MotoCorp Limited

and their respective Shareholders and Creditors

AND

IN THE MATTER OF:

Hero MotoCorp Limited

A Company incorporated under the
provisions of the Companies Act,1956

having its Registered Office at

34, Community Centre,

Basant Lok, Vasant Vihar

New Delhi – 110 057

Applicant /Transferee Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF HERO MOTOCORP LIMITED

To,

The Equity Shareholders of HeroMotoCorp Limited (the Applicant/ Transferee Company)

TAKE NOTICE that by the orders dated September 10, 2012 and September 18, 2012 passed in the Company Application, by the Hon'ble High Court of Delhi at New Delhi, the Hon'ble High Court of Delhi at New Delhi has directed that a meeting of Equity Shareholders of the Applicant/Transferee Company be held at Air Force Auditorium, Subroto Park, New Delhi-110 010 on Friday, November 02, 2012 at 10:30 A.M. for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Hero Investments Private Limited (**the Transferor Company**) with Hero MotoCorp Limited (**the Transferee Company**) and their respective Shareholders and Creditors (the "**Scheme**").

TAKE FURTHER NOTICE that in pursuance of the said Orders, and as directed therein, notice is hereby given that a meeting of Equity Shareholders of the Applicant/Transferee Company will be held at Air Force Auditorium, Subroto Park, New Delhi-110 010 on Friday, November 02, 2012 at 10:30 A.M., which you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Applicant/Transferee Company at **34, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110 057** not later than 48 (Forty Eight) hours prior to the commencement of the meeting. [Please carry proper proof of identification at the meeting venue for verification].

The Hon'ble High Court of Delhi at New Delhi has appointed Ms. Raashi Beri, Advocate, as the Chairperson and failing her Mr. Sumit Pargal, Advocate, as the Alternate Chairperson of the said meeting.

A copy of the said Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956 and a form of Proxy and attendance slip are enclosed. The above mentioned Scheme then, if approved by the meeting will be subject to subsequent approval of the Hon'ble High Court of Delhi at New Delhi.

Dated this 18th day of September, 2012

Place : New Delhi

Sd/-
Raashi Beri
Advocate
Chairperson appointed
for the meeting of the Equity Shareholders
of the Applicant/Transferee Company

Advocates for the Applicant Companies

Luthra & Luthra

Law Offices

103, Ashoka Estate, Barakhamba Road, New Delhi-110 001, Ph No. (011) 4121 5100

Advocate In Charge: Mr. H.S.Chandhoke

- Notes:
1. All alterations made in the Form of Proxy should be initialed.
 2. Only registered Equity Shareholders of the Applicant/ Transferee Company may attend and vote (either in person or in Proxy) at the said meeting.

IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 134 OF 2012

IN THE MATTER OF:

The Companies Act, 1956;

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and their respective Shareholders and Creditors

AND

IN THE MATTER OF:

Hero MotoCorp Limited

A Company incorporated under the
provisions of the Companies Act,1956

having its Registered Office at

34, Community Centre,

Basant Lok, Vasant Vihar

New Delhi – 110 057

Applicant /Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to Orders dated September 10, 2012 and September 18, 2012 passed by the Hon'ble High Court of Delhi at New Delhi in the Company Application referred to above, meeting of Equity Shareholders of the aforesaid Applicant/Transferee Company is being convened at Air Force Auditorium, Subroto Park, New Delhi-110 010 on Friday, November 02, 2012 at 10:30 A.M for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Hero Investments Private Limited with Hero MotoCorp Limited (hereinafter referred to as the 'Scheme' or 'Scheme of Amalgamation') and their respective Shareholders and Creditors (the "**Scheme**").
2. Hero MotoCorp Limited (hereinafter referred to as "**the Applicant/Transferee Company**") formerly Hero Honda Motors Limited was incorporated under the provisions of Companies Act, 1956 as a public company on January 19, 1984. The Certificate of Commencement of Business of the Applicant/Transferee Company was issued on March 02, 1984. Subsequently the name was changed from Hero Honda Motors Limited to Hero MotoCorp Limited after passing the necessary Special Resolution under Section 21 of the Companies Act, 1956 and a fresh Certificate of Incorporation bearing no. L35911DL1984PLC017354 was issued by the office of Registrar of Companies, NCT of Delhi and Haryana on July 28, 2011. The registered office of the Applicant/Transferee Company is situated at 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110 057.
3. The authorized share capital of the Applicant/Transferee Company as on June 30, 2012 is Rs.58,00,00,000 divided into 25,00,00,000 equity shares of Rs.2 each, 4,00,000 Cumulative convertible preference shares of Rs. 100 each and 4,00,000 Cumulative convertible redeemable preference shares of Rs. 100 each. The issued, subscribed and paid up capital of the Applicant/Transferee Company as on June 30, 2012 is Rs. 39,93,75,000 divided into 19,96,87,500 equity shares of Rs. 2 each.
4. The Applicant/Transferee Company is, inter alia, engaged in the business of manufacturing, assembling and distributing two wheelers and parts thereof. The objects for which the Applicant/Transferee Company has been established have been set out in its Memorandum and Articles of Association. The Main Objects are as under:-
 1. *To manufacture, assemble, buy, sell, distribute, import, export, alter, remodel, hire, exchange, repair, service and otherwise deal in motor cycles and motor vehicles of every kind and description, component parts thereof spare parts, accessories, tools, implements, materials thereof and products for the transport or conveyance of passengers, merchandise and goods of every description, whether propelled by using gas, petroleum, diesel oil, steam, oil, vapor, electricity or any other motive or mechanical power.*
 2. *To manufacture, assemble, buy, sell, distribute, import, export, alter, remodel, hire, exchange, repair, service and otherwise deal in all types of parts, gears, transmission, axles, joints, springs, lamps, chains, bodies, frames, chassis, engines, tyres, tubes, batteries, goods, instruments, appliances and apparatus, equipment, components, accessories, raw materials of every kind and description required for or capable of being used for/or in connection with the objects described in "1" above.*
 3. *To manufacture, assemble, buy, sell, distribute, import, export, alter, remodel, hire, exchange, repair, service and otherwise deal in general purpose engines and machinery incorporating such engines therein, including, but not limited to generators, tillers, lawn movers, outboard engines and other engines and products of like nature and all types of parts, frames, goods, instruments, appliances and apparatus equipment, components, accessories, raw materials of every kind and description required for or capable of being used for or in connection with the foregoing.*
 4. *To carry on all or any of the business of repair-shop operators, service shop operators, filling station operators, engineers machinists, tool makers, wire drawers, millwrights, founders, tube makers, iron and steel converters, smiths, metal workers, welders, saddlers, metallurgists, molders, fitters, galvanizers, electroplaters, enamellers, japanners, annealers, painters and packing case makers.*
 5. *To carry on all or any of the business as manufacturers of or traders in or dealers in sports goods and equipment of all kinds including cricket bats, balls, kits, sports material, other sports accessories, sports gear, apparels, equipments and clothing.*
 6. *To produce, buy, sell, import, export or otherwise deal in including participation, exhibition and distribution of television and other media programs, television films, cinematographic films, video films, video software including their copyrights and to establish, purchase, take on lease or hire or otherwise to acquire and maintain, hire, give on lease or otherwise studios, cinema halls, picture places, theatres for exhibition, production, processing and printing of films."*

5. The equity shares of the Applicant/Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The BSE Limited and the National Stock Exchange of India Limited have vide their letters dated July 06, 2012 and June 29, 2012 respectively granted no objection to the Scheme of Amalgamation.
6. Hero Investments Private Limited (hereinafter referred to as “**the Applicant/Transferor Company**”) was Incorporated at Ludhiana, Punjab on September 22, 1979 under the provisions of the Companies Act, 1956 (hereinafter referred to as ‘**the Act**’). By way of Special Resolution the provisions of the Memorandum of Association were altered with respect to change of the registered office of the Applicant/Transferor Company from State of Punjab to New Delhi. Such alteration was confirmed by the Company Law Board, New Delhi vide its order dated March 30, 2012 and upon such change in Registered Office, a fresh Certificate of Incorporation bearing CIN U67120DL1979PTC236936 was issued by the office of the Registrar of Companies, NCT of Delhi and Haryana to the Applicant/Transferor Company. The registered office of the Applicant/Transferor Company is now situated at E-1, Qutab Hotel Complex, Shaheed Jeet Singh Marg, New Delhi-110 016.
7. The authorized share capital of the Applicant/Transferor Company as on June 30, 2012 is Rs.125,00,000 divided into 125,000 equity shares of Rs.100 each. The issued, subscribed and paid up capital of the Applicant/Transferor Company as on June 30, 2012 is Rs. 30,16,800 divided into 30,168 equity shares of Rs. 100 each.

As on date, the Applicant/Transferor Company holds approximately 43.33% of the share capital of the Applicant/Transferee Company. The entire share capital of the Applicant/Transferor Company is held by the promoters of the Applicant/Transferor Company (who are also the promoters of the Applicant/Transferee Company) and two non-resident investors.

8. The Applicant/Transferor Company is engaged in the business of holding securities in the group company(ies) for purposes other than trading of such securities. The Objects for which the Applicant/Transferor Company has been established have been set out in its Memorandum and Articles of Association. The Main Objects are as under: -
 1. *To carry on the business as an Investment Company and to acquire hold and deal in shares, stocks, debentures, debenture-stock, bonds, notes, obligations and securities issued or guaranteed by any company and debentures, debenture-stock bonds, notes, obligations and securities issued or guaranteed by any Government, sovereign ruler, commissioner, public body or authority, supreme, dependent, municipal or local.*
 2. *To acquire any such shares, stocks, debentures, debenture-stock, bonds, notes, obligations or securities by original subscription, contract, tender, purchase; exchange, participation in syndicates or otherwise and whether or not fully paid, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit and to dispose of the same.*
 3. *To carry on the business of dealers in shares, stocks debentures, debenture-stock, bonds, obligations, units, securities and other investments.”*
9. The Board of Directors of both the Applicant/Transferor Company and the Applicant/Transferee Company consider that the Scheme of Amalgamation would benefit the respective companies on account of the following reasons:
 - (a) The merger of the Applicant/Transferor Company with the Applicant/Transferee Company will result in an increase in the public float of Applicant/Transferee Company by approximately 12.29% (being the shareholding of the non-resident investors in Applicant/Transferee Company pursuant to the merger, which will form part of public shareholding and not that of promoter group). That will in turn increase the trading stock of the shares of the Applicant/Transferee Company.
 - (b) Increase in the public float and trading stock of the shares of the Applicant/Transferee Company will positively impact the liquidity of the shares of the Applicant/Transferee Company.
 - (c) The merger will result in the promoter group of the Applicant/Transferor Company directly holding shares in Applicant/Transferee Company, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group’s direct commitment to and engagement with Applicant/Transferee Company.

10. On the basis of the valuation exercise carried out by SSPA & Co. regarding the valuation of the businesses of both the Applicant/Transferor Company and Applicant/Transferee Company, a fair exchange ratio of 8,65,31,210 fully paid up equity shares (face value of Rs. 2 each) of the Applicant/Transferee Company to be issued and allotted to the equity shareholders of the Applicant/Transferor Company in proportion of their holding in the Applicant/Transferor Company, for 30,168 fully paid up equity shares (face value of Rs. 100 each) of the Applicant/Transferor Company upon amalgamation of the Applicant/Transferor Company into the Applicant/Transferee Company, was approved by the respective Board of Directors of the Applicant Companies on June 04, 2012. It is further provided that in case the Applicant/Transferor Company acquires additional shares in the Applicant/Transferee Company before the effective date without incurring additional liability, such number of fully paid up equity shares (face value of Rs. 2 each) of the Applicant/Transferee Company as the additional shares acquired, will also be issued and allotted to the equity shareholders of the Applicant/Transferor Company, in the proportion of their holding in the Applicant/Transferor Company.
11. The Scheme envisages the amalgamation of the Applicant/Transferor Company with the Applicant/Transferee Company. A copy of the 'Scheme' setting out the terms and conditions of the amalgamation of the Applicant/Transferor Company with the Applicant/Transferee Company which has been approved by the Board of Directors of the Transferor Company and the Applicant/Transferee Company at their respective Board Meetings held on June 04, 2012 forms part of this Explanatory Statement.

Some of the salient features of the Scheme of Amalgamation are as follows:

*"This Scheme of Amalgamation is presented under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 for amalgamation of Hero Investments Private Limited (hereinafter referred to as "**Transferor Company**" or "**HIPL**") with Hero MotoCorp Limited (hereinafter referred to as "**Transferee Company**" or "**HMCL**").*

1. **DEFINITIONS**

In the Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meaning:

- 1.1 **"Act"** means the Companies Act, 1956 and shall include any statutory modification(s), re-enactment(s) or amendment(s) thereof for the time being in force.
- 1.2 **"Appointed Date"** means January 1, 2013 or such other date as may be fixed or approved by the High Court or such other competent authority, as may be applicable, from which date the undertaking of the Transferor Company shall stand restricted to or restrict in or deemed to be transferred or vested in the Transferee Company (as defined hereinafter) without any further act, deed or thing;
- 1.3 **"Companies"** means collectively HIPL and HMCL;
- 1.4 **"Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 18 hereof have been fulfilled;
- 1.5 **"High Court"** or **"Court"** means the High Court of Delhi to which this Composite Scheme of Arrangement in its present form is submitted for sanctioning of the Scheme under Sections 391 to 394 of the Act, and shall include National Company Law Tribunal, if applicable;
- 1.6 **"HIPL Shares"** means 8,65,31,210 (eight crore sixty five lakh thirty one thousand two hundred and ten) equity shares of Rs. 2 (Rupees Two) each of HMCL held by HIPL in HMCL which represent approximately 43.33% of the fully paid up share capital of HMCL and such additional equity shares which HIPL may acquire in HMCL prior to the Effective Date;
- 1.7 **"Record Date"** means the date fixed by the board of directors or a committee thereof of the Transferee Company for the purpose of determining the members of the Transferor Company to whom New Equity Shares will be allotted pursuant to this Scheme.
- 1.8 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form as submitted to the High Court with such modification(s), if any made, as per Clause 17 of the Scheme, as approved or directed by the said Court or such other competent authority, as may be applicable;

- 1.9 **“Transferor Company”** or **“HIPL”** means Hero Investments Private Limited, a company incorporated under the Act and having its registered office at E-1, Qutab Hotel Complex, Shaheed Jeet Singh Marg, New Delhi – 110016.
- 1.10 **“Transferee Company”** or **“HMCL”** means Hero MotoCorp Limited, a company incorporated under the Act and having its registered office at 34, Community Centre, Basant Lok Vasant Vihar, New Delhi – 110057, India.
- 1.11 Any reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

5. **TRANSFER AND VESTING**

- 5.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and whole of the undertaking of HIPL including all the properties and assets, present or future or contingent or of whatsoever nature, if any, shall under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act or deed be transferred and/or deemed to be transferred to and vested with HMCL so as to become the properties of HMCL.
- 5.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, obligations, charges, liens, mortgages, contingent liabilities, taxes and duties of HIPL and other obligations of whatsoever nature, if any, shall under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act, instrument or deed be transferred or be deemed to be transferred to and vest in and be assumed by HMCL so as to become the debts, liabilities, contingent liabilities, duties and obligations of HMCL on the same terms and conditions as were applicable to HIPL.
- 5.3 Further, this clause of the Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under tax laws, including Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.
- 5.4 With effect from the Appointed Date and upon the Scheme becoming effective, subject to applicable law, any statutory licenses, permissions, approvals, registration and/or consents held by HIPL shall stand vested in HMCL (save and except as otherwise specified in this Scheme) without any further act, deed, matter or thing and shall be appropriately registered with the statutory authorities concerned in favour of the HMCL. The benefit of all statutory and regulatory licenses, permissions, approvals, registration of HIPL shall vest in and become available to the HMCL pursuant to the Scheme. Provided that any statutory licenses, permissions, approvals, registration and/or consents held by HIPL that are not required by HMCL will, if required by applicable laws, be cancelled or surrendered by HIPL.

6. **CONSIDERATION**

- 6.1 Upon this Scheme becoming effective and upon amalgamation of HIPL with HMCL in terms of this Scheme, HMCL shall, without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of HIPL holding fully paid-up equity shares of HIPL and whose names appear in the Register of Members of HIPL on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of HIPL/ HMCL in the following proportion:

“8,65,31,210 fully paid up equity shares of Rs. 2 each of HMCL against 8,65,31,210 fully paid up equity shares of Rs. 2 each of HIPL held by HIPL in HMCL on June 4, 2012 shall be issued and allotted to the equity shareholders of HIPL, in proportion of their holdings in HIPL”

“In the event HIPL holds more than 8, 65, 31,210 fully paid up equity shares of HMCL (without incurring any additional liability), such additional number of equity shares of HMCL (if any) as may be held by HIPL in HMCL in addition to 8, 65, 31,210 equity shares held by HIPL in HMCL as on June 4, 2012 shall also be issued and allotted to the equity shareholders of HIPL, in proportion of their holdings in HIPL”

(New equity shares to be issued as above are hereinafter referred to as “New Equity Shares”)

It is clarified that any positive net assets of HIPL as on the Appointed Date, other than the investment in the HIPL Shares, will not affect/ alter the share exchange ratio as provided above.

- 6.2 *The New Equity Shares to be issued to the members of HIPL as per Clause 6.1 shall be subject to the Memorandum of Association and Articles of Association of HMCL. The New Equity Shares shall rank pari-passu in all respects, including dividend, with the existing equity shares of HMCL.*
- 6.3 *In respect of fractional entitlement to a shareholder, the same shall be rounded to the next nearest integer. However, in no event, shall the number of New Equity Shares to be allotted by HMCL to the members of HIPL exceed the number of equity shares held by HIPL in HMCL on the Effective Date.*
- 6.4 *Upon New Equity Shares being issued and allotted by HMCL to the members of HIPL, in accordance with Clause 6.1 above, the investment held by HIPL in the equity share capital of HMCL shall, without any further application, act, instrument or deed stand cancelled. The share certificates, if any, in relation to the shares held by HIPL shall be of no effect, and the shares held by HIPL in dematerialized form shall be extinguished, on and from such issue and allotment of New Equity Shares.*
- 6.5 *The New Equity Shares to be issued by HMCL shall be issued in dematerialized form by HMCL. The members of HIPL shall be required to have an account with a depository participant and shall be required to provide details thereof to HMCL as may be required.*
- 6.6 *The New Equity Shares of HMCL shall be listed and/ or admitted to trading on the National Stock Exchange of India Limited and/ or the Bombay Stock Exchange Limited and on such other stock exchanges on which the existing equity shares of HMCL are listed at that time (“**Stock Exchanges**”). HMCL shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges. On such formalities being fulfilled the Stock Exchanges shall list and/ or admit the New Equity Shares for purpose of trading.*
- 6.7 *HMCL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by HMCL of New Equity Shares to the members of HIPL under the Scheme.*
- 6.8 *The issue and allotment of New Equity Shares to the members of HIPL pursuant to the Clause 6.1 above is an integral part of this Scheme.*
- 6.9 *The approval of this Scheme by the members of HMCL shall be deemed to be due compliance with the applicable provisions of the Act including Section 81(1A) of the Act, if applicable, for the issue and allotment of New Equity Shares by HMCL to the members of HIPL, as provided in the Scheme.*

7. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 7.1 *With effect from the Appointed Date and upto and including the Effective Date, HIPL shall carry on its business with utmost prudence for and on behalf of and in trust of HMCL.*
- 7.2 *With effect from June 4, 2012 and upto and including the Effective Date, HIPL shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its undertaking or any part thereof save and except in each case:*
 - (a) *if the same is in the ordinary course of business of HIPL as carried on by HIPL as on the date of filing this Scheme with the High Court; or*
 - (b) *if the same is expressly permitted by this Scheme; or*
 - (c) *if the prior written consent of the Board of Directors of HMCL has been obtained.*

Notwithstanding the above, HIPL will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the shares held by HIPL in HMCL.

7.3 *Subject to Clause 7.4 of this Scheme, the following assets, liabilities and properties of HIPL shall get utilized on or prior to the Effective Date in the following manner:*

(a) *A loan of Rs 1,00,00,000/- (Rupees one crore only) availed by HIPL from Kotak Mahindra Prime Limited against security of its fixed deposit of Rs. 1,05,00,000/- (Rupees one crore and five lakh only) shall be repaid by HIPL together with the interest due on such loan.*

(b) *With effect from the Scheme becoming effective, all the contracts or arrangements entered into by HIPL with its shareholders relating to the operations and management of HIPL shall be deemed to be terminated qua HIPL and all the rights and obligations of the shareholders of HIPL qua HIPL under such shareholders or other contracts or arrangement and any obligations of HIPL towards its shareholders shall get extinguished.*

For the avoidance of doubts, it is clarified that there are no outstanding claims or liabilities owed against HIPL by any of its shareholders, in relation to the aforementioned shareholders agreement or other contracts or arrangements with its shareholders.

(c) *Any income and other available cash (including money market mutual fund investments, fixed deposits with banks etc.) of HIPL shall be utilized in accordance with Clause 8 of this Scheme.*

7.4 *Any income, profits or other funds of HIPL will first be utilized to meet any current or expected liabilities of HIPL, including any tax liabilities, or costs in relation to the amalgamation of HIPL with HMCL, before they are utilized for other purposes, including but not limited to, utilization in accordance with Clause 8 of this Scheme.*

7.5 *Save and except as otherwise specified in this Scheme, any income or profit accruing or arising to HIPL or expenditure or losses arising or incurred or suffered by HIPL pertaining to the business and undertaking of HIPL between the Appointed Date and the Effective Date shall for all purposes be treated as the income or profits or losses or expenditures as the case may be of HMCL.*

7.6 *With effect from the Appointed Date and upto and including the Effective Date, in the event HMCL distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to its shareholders, HIPL shall be entitled to receive such dividend and bonus shares, and subscribe to such rights shares offered by HMCL.*

8. DIVIDEND/ ACQUISITION OF ADDITIONAL SHARES OF HMCL

8.1 *Until the Effective Date, HIPL may utilize its income / available cash, if any, for the following purposes:*

(a) *for declaration or payment of dividend, whether interim or final, to its shareholders; and/ or*

(b) *for further acquisition of equity shares of HMCL, including by way of purchases on floor of Stock Exchanges; and/ or*

(c) *for meeting its expenses in the ordinary course of business or for the purposes specified in the Scheme.*

8.2 *Until the Effective Date, the holders of shares of HIPL shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under the Articles of Association of HIPL including the right to receive dividends.*

8.3 *It is clarified that the aforesaid provisions in respect of declaration of dividends and/or further acquisition of equity shares of HMCL, including by way of purchases on floor of Stock Exchanges are enabling provisions only and shall not be deemed to confer any right on any member of HIPL to demand or claim dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of HIPL.*

8.4 *It is clarified that upon amalgamation of HIPL with HMCL in terms of this Scheme, HMCL will issue and allot such additional number of equity shares of HMCL to the equity shareholders of HIPL as on the Record Date in accordance with Clause 6.1 of the Scheme, in lieu of the additional equity shares of HMCL (if any) acquired by HIPL in accordance with Clause 8.1 of the Scheme. Further,*

such additional shares of HMCL (if any) acquired by HIPL in accordance with Clause 8.1 of the Scheme shall also stand cancelled upon amalgamation of HIPL with HMCL and issuance of New Equity Shares by HMCL to the equity shareholders of HIPL as on the Effective Date, in accordance with Clause 6.4 of the Scheme.

9. EMPLOYEES

Upon the Scheme becoming effective, all staff, workmen and permanent employees of HIPL, if any, who are in service on the Effective Date shall be deemed to have become staff, workmen and employees (as the case may be) of HMCL with effect from the Appointed Date without any break or interruption in their service, on same terms and conditions on which they are engaged as on the Effective Date and the terms and conditions of their employment with HMCL shall in no event be less favorable than those applicable to them with reference to HIPL on the Effective Date.

10. CONTRACTS, DEEDS, RESOLUTIONS ETC.

Subject to other provisions contained in this Scheme all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, to which HIPL is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of HMCL and may be enforced by or against HMCL as fully and effectually as if, instead of HIPL, HMCL had been a party thereto.

11. LEGAL PROCEEDINGS

11.1 If any suit, appeal or other proceedings of whatsoever nature by or against HIPL is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation of HIPL with HMCL or anything contained in this Scheme, but the said suit, appeal, or other legal proceedings, as the case maybe, may be continued, prosecuted and enforced, as the case may be, by or against HMCL and to the same extent as it would be or might have been continued, prosecuted and enforced by or against HIPL, as if this Scheme has not been made. In the event that the legal proceedings referred to herein require HIPL and/or HMCL to be jointly treated as parties thereto, HMCL shall be added as party to such proceedings.

11.2 On and from the Effective Date, the HMCL may, if required, initiate any legal proceedings in relation to the rights, title, interest, obligations or liabilities or any nature whatsoever, whether under contract or law or otherwise, of HIPL and to the same extent as would or might have been initiated by HIPL.

12. ACCOUNTING TREATMENT

12.1 Transferee Company shall abide by the Accounting Standard (AS) - 14 issued by The Institute of Chartered Accountants of India.

12.2 HMCL shall record the values of tangible and intangible (if any) assets and liabilities as appearing in the books of HIPL at their book values using the pooling of interest method.

12.3 HMCL shall credit the aggregate face value of the New Equity Shares issued pursuant to clause 6.1 by it to the members of HIPL pursuant to this Scheme to the Share Capital Account, in its books of accounts.

12.4 The equity share capital directly held by HIPL in HMCL shall stand cancelled and there shall be no further obligation/outstanding in that behalf as provided in Clause 6 of the Scheme.

12.5 The inter-corporate deposits / loans and advances/loans outstanding (if any) between HIPL and HMCL will stand cancelled and there shall be no further obligation/outstanding in that behalf.

12.6 The difference between the value of net assets of the HIPL transferred to HMCL and recorded as per sub-clauses 12.2 above, and the purchase consideration issued by HMCL (pursuant to sub-clause 12.3 above) shall be adjusted in reserves as per AS 14.

12.7 The difference (if any) between the value of investment held by HIPL in the equity share capital of HMCL cancelled pursuant to clause 6.4, and the face value of corresponding equity share capital of HMCL shall be first adjusted against security premium of the combined entity and balance (if any) shall be adjusted against all other reserves as deem appropriate by the management of HMCL.

13. INDEMNITY BY SHAREHOLDERS OF HIPL

The shareholders of HIPL shall indemnify and hold harmless HMCL and its directors, officers, representatives, partners, employees and agents (collectively, the “Indemnified Persons”) for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of amalgamation of HIPL into HMCL but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst HMCL and the shareholders of HIPL.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations appertaining/ relating to HIPL, pursuant to this Scheme, and the continuance of the proceedings by or against HMCL, under Clause 11 hereof shall not affect any transactions or proceedings already completed by HIPL, on and after the Appointed Date to the end and intent that HMCL accepts all acts, deeds, matters and things done and executed by and/ or on behalf of HIPL, as acts, deeds and things done and executed by and on behalf of HMCL.

15. DISSOLUTION OF HIPL

On the Scheme becoming effective HIPL shall be dissolved without being wound up on such terms and the Court may direct or determine.

16. APPLICATION TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions to the High Court of Delhi and/or any other appropriate/competent authority for sanctioning the Scheme under Section 391 to 394 and other applicable provisions, if any, of the Act, for an order or orders thereof for carrying the Scheme into effect and for dissolution of HIPL.

17. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

17.1 The Transferor Company and the Transferee Company by their respective Board of Directors (the “Board”, which term shall include any duly constituted committee thereof), may assent to/ make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board). The Transferor Company and the Transferee Company by their respective Board be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

17.2 The term ‘any other authority’ referred to in Clause 17.1 above, shall specifically include (i) the Stock Exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company shall file a copy of the Scheme under sub-clause (f) of Clause 24 of the Listing Agreement of the respective Stock Exchanges; and (ii) the Competition Commission of India.

17.3 If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective shareholders or creditors, in which case the Scheme will be modified to such extent, as will best preserve for the them the benefits and obligations of the Scheme, including but not limited to such part.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

18.1 The occurrence of the Appointed Date.

18.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as prescribed under the Act or as may be directed by the High Court or any other appropriate authority as may be applicable except to the extent as may be waived by the Court and/or any other competent authority as may be applicable.

18.3 The sanction of this Scheme by the High Court or any other appropriate authority under Section 391 to 394 and other applicable provisions, if any of the Act in favour of the Transferor Company and the Transferee Company.

18.4 Certified copy of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, NCT of Delhi and Haryana by the Transferor Company and the Transferee Company.

18.5 The requisite, consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained, including approvals as may be required from 'any other authority' as referred in Clause 17.2 above.

19. EFFECT OF NON RECEIPT OF APPROVALS

In the event any of the said sanctions and approvals referred to in Clause 18 not being obtained and/ or the Scheme not being sanctioned by the High Court or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

20. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and other expenses, if any (save as expressly otherwise agreed) arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne and paid by HIPL. In the case the amount of cost, charges and expenses is in excess of the cash available with HIPL, such excess amount shall be borne by the shareholders of HIPL.

21. DIFFERENCES

In case any doubt or difference or issue (in relation to the Scheme) arises between HIPL and HMCL, any of their shareholders, creditors, employees or persons, entitled to or claiming any right to any New Equity Shares in HMCL or as to the interpretation of any term of the Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of Directors of HMCL shall resolve all such disputes and its decision shall be final and binding on all concerned."

12. The proposed merger of the Applicant/Transferor Company into the Applicant/Transferee Company qualifies as a "combination" under Section 5(c) of the Competition Act, 2002 (as amended). The Applicant/ Transferee Company along with the Applicant/Transferor Company gave a joint notice to the Competition Commission of India for the approval of the proposed combination under Section 6(2) of Competition Act, 2002 (as amended), pursuant to which, the Competition Commission of India has approved the proposed combination under Section 31(1) of the Competition Act, 2002 (as amended) by Order dated June 20, 2012.

13. The Directors shareholdings in both the Applicant/Transferee Company and the Applicant/Transferor Company are as follows:

Shareholding of Directors of Hero MotoCorp Limited (Applicant/Transferee Company) in the Applicant/Transferee Company as well as the Applicant/Transferor Company as on September 07, 2012 is as follows :-

Sl. No.	Name of Director/ Director's Relative	Hero MotoCorp Limited		Hero Investments Private Limited	
		Number of shares	% of total shareholding	Number of shares	% of total shareholding
1.	Mr. Brijmohan Lall Munjal	10	0.00	4322**	14.33
2.	Mr. Pawan Munjal	32,520	0.02	4322**	14.33
3.	Mr. Sunil Kant Munjal	32,500	0.02	4322**	14.33
4.	Mr. Suman Kant Munjal	71,250	0.04	4322**	14.33
5.	Mr. Paul Edgerley	0	0.00	0	0.00
6.	Mr. Pradeep Dinodia	0	0.00	0	0.00
7.	Gen. (Retd.) V.P. Malik	0	0.00	0	0.00
8.	Dr. Pritam Singh	0	0.00	0	0.00
9.	Mr. M. Damodaran	0	0.00	0	0.00
10.	Mr. Ravi Nath	0	0.00	0	0.00
11.	Dr. Anand C. Burman	0	0.00	0	0.00
12.	Mr. Analjit Singh	0	0.00	0	0.00
	Director's Relative				
1.	Mr. Pawan Munjal	32,500*	0.02	0	0.00
2.	Ms. Aniesha Munjal	32,500	0.02	0	0.00
3.	Ms. Vasudha Munjal	32,500	0.02	0	0.00
4.	Mr. Suman Kant Munjal	32,500*	0.02	0	0.00
5.	Mrs. Renuka Munjal	32,480	0.02	0	0.00
6.	Mrs. Renu Munjal	1,00,650	0.05	4322**	14.33
7.	Mr. Rahul Munjal	10,620	0.01	0	0.00
8.	Mr. Abhimanyu Munjal	10,620	0.01	0	0.00
9.	Mrs. Sujata Dinodia (Jointly with Mr. Pradeep Dinodia)	650	0.00	0	0.00

*Holding shares on behalf of HUF

**Holding shares on behalf of M/s Brijmohan Lal Om Parkash, a partnership firm

Shareholding of Directors of Hero Investments Private Limited (Applicant/Transferor Company) in the Applicant/Transferor Company as well as the Applicant/Transferee Company as on September 07, 2012 is as follows :-

Sl. No.	Name of Director / Director's Relative	Hero Investments Private Limited		Hero MotoCorp Limited	
		Number of shares	% of total shareholding	Number of shares	% of total shareholding
1.	Mr. Brijmohan Lall Munjal	4322**	14.33	10	0.00
2.	Mr. Suman Kant Munjal	4322**	14.33	71,250	0.04
3.	Mrs. Renu Munjal	4322**	14.33	1,00,650	0.05
4.	Mr. Pawan Munjal	4322**	14.33	32,520	0.02
5.	Mr. Sunil Kant Munjal	4322**	14.33	32,500	0.02
	Director's Relative				
1.	Mr. Pawan Munjal	0	0.00	32,500*	0.02
2.	Ms. Aniesha Munjal	0	0.00	32,500	0.02
3.	Ms. Vasudha Munjal	0	0.00	32,500	0.02
4.	Mr. Suman Kant Munjal	0	0.00	32,500*	0.02
5.	Mrs. Renuka Munjal	0	0.00	32,480	0.02
6.	Mr. Rahul Munjal	0	0.00	10,620	0.01
7.	Mr. Abhimanyu Munjal	0	0.00	10,620	0.01

* Holding shares on behalf of HUF

**Holding shares on behalf of M/s Brijmohan Lal Om Parkash, a partnership firm.

Other than the above Directors/Directors' relatives holding shares in the Applicant/Transferee Company and the Applicant/Transferor Company respectively, as stated aforesaid, no other Director/Directors' relatives of either the Applicant/Transferee Company or the Applicant/Transferor Company holds any shares in either of the Applicant/Transferee Company or the Applicant/Transferor Company respectively.

- 13A. **The capital structure and the shareholding pattern of the Applicant/Transferee Company pre amalgamation (as on September 07, 2012) i.e. the latest preceding date from the date of this notice) and post amalgamation (expected) is as follows:**

Capital Structure		
Particulars	Pre Amalgamation as on September 07, 2012 (Amount in Rs.)	Post Amalgamation (expected) (Amount in Rs.)
Authorised Capital	58,00,00,000	59,25,00,000
Paid up Capital	39,93,75,000	39,93,75,000

Shareholding pattern - Pre Amalgamation as on September 07, 2012				
Sl. No.	Description	Nos.	Holding	% to Equity
A	Promoter and Promoter Group			
1	Indian Individual/HUF	12	420650	0.21
2	Indian Bodies Corporate	5	103838840	52.00
	Total A	17	104259490	52.21
B	Public			
	(i) Institutions			
1	Mutual Funds /UTI	109	2179763	1.09
2	Financial Institutions /Banks	55	3332654	1.67
3	Insurance Companies	37	7584477	3.80
4	Foreign Institutional Investors	480	64814846	32.46
	Total B(i)	681	77911740	39.02
	(ii) Non-Institutions			
1	Bodies Corporate	1445	2929836	1.47
2	Individuals			
	(i) Individuals holding nominal share capital upto Rs.1 lakh	71941	12779707	6.40
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	8	1288585	0.65
3	Others			
	(i) Non- resident Indians	1421	246353	0.12
	(ii) Clearing members	162	175877	0.09
	(iii) Trusts	28	95912	0.05
	Total B(ii)	75005	17516270	8.77
	Total B = B(i) + B(ii)	75686	95428010	47.79
	Total A + B	75703	199687500	100.00

Shareholding pattern - Post Amalgamation				
Sl. No.	Description	Nos.	Holding	% to Equity
A	Promoter and Promoter Group			
1	Indian Individual/HUF	12	420650	0.21
2	Indian Bodies Corporate	3	17307630	8.67
3	Indian others	1	61984202	31.04
	Total A	16	79712482	39.92
B	Public			
	(i) Institutions			
1	Mutual Funds /UTI	109	2179763	1.09
2	Financial Institutions /Banks	55	3332654	1.67
3	Insurance Companies	37	7584477	3.80
4	Foreign Institutional Investors	480	64814846	32.46
5	Foreign Venture Capital investors	2	24547008	12.29
	Total B(i)	683	102458748	51.31
	(ii) Non-Institutions			
1	Bodies Corporate	1445	2929836	1.47
2	Individuals			
	(i) Individuals holding nominal share capital upto Rs.1 lakh	71941	12779707	6.40
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	8	1288585	0.65
3	Others			
	(i) Non- resident Indians	1421	246353	0.12
	(ii) Clearing members	162	175877	0.09
	(iii) Trusts	28	95912	0.05
	Total B(ii)	75005	17516270	8.77
	Total B = B(i) + B(ii)	75688	119975018	60.08
	Total A + B	75704	199687500	100.00

14. Subsequent to the date of the last audited accounts of the Applicant/ Transferee Company, there has been no substantial change in the financial position of the Applicant/Transferee Company excepting those arising on account of or resulting from the normal course of business.
15. No investigations and, proceedings have been instituted or/are pending under Sections 235 to 251 of the Act against the Applicant/Transferee and Applicant/Transferor Company.
- 15(A). The registered office of both the Applicant Companies are situated in New Delhi, therefore both the Companies have filed a common application for the approval of the Scheme of Amalgamation before the Hon'ble High Court of Delhi at New Delhi.
16. The proposed Scheme of Amalgamation is in the best interests of both the Applicant/Transferee Company and Applicant/Transferor Company and their respective Equity shareholders and creditors.
17. The Applicant Companies shall on the Scheme being approved by the Equity Shareholders of the Applicant/Transferee Company, file a petition under Sections 391 to 394 of the Companies Act, 1956 before the Hon'ble High Court of Delhi at New Delhi for the sanction of the Scheme.
18. An Equity Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and such proxy need not be a member of the Applicant/Transferee Company. The instrument appointing the proxy should however be deposited at the Registered Office of the Applicant/Transferee Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.
19. Corporate members intending to send their authorized representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (Forty Eight) hours prior to the commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting
20. This statement may be treated as an Explanatory Statement under Section 173 as also under Section 393 of the Act.
21. Copy of the Scheme of Amalgamation and of this Explanatory Statement, may be obtained free of charge during ordinary business hours on all working days except Saturdays, Sundays and public holidays from the Registered Office of the Applicant/Transferee Company or at the office of their Advocates, Luthra & Luthra, Law Offices, 103, Ashoka Estate, Barakhamba Road, New Delhi -110 001.
22. The copies of the following documents will be open for inspection at the Registered Office of the Applicant/Transferee Company on any working day (except Saturdays, Sundays and public holidays) prior to the date of the meeting, between 10.30 A.M. and 12.30 P.M. and at the venue of the meeting on the date fixed for the meeting from 10.30 A.M. upto the conclusion of the meeting.
 - a) Copy of the orders dated September 10, 2012 and September 18, 2012 passed by Hon'ble High Court of Delhi at New Delhi, with respect to Company Application No. 134 of 2012.
 - b) Scheme of Amalgamation- of Hero Investments Private Limited with Hero MotoCorp Ltd.
 - c) Memorandum and Articles of Association of the Applicant/Transferor Company and Applicant/Transferee Company.
 - d) Latest audited annual accounts of the Applicant/Transferee Company for the year ended March 31, 2012 and reviewed accounts for the period ended June 30, 2012.
 - e) Latest audited annual accounts of the Applicant/Transferor Company for the year ended March 31, 2012 and unaudited provisional accounts for the period ended June 30, 2012.
 - f) Copies of the letters dated July 06, 2012 and June 29, 2012 from the BSE Limited and National Stock Exchange of India Limited respectively, granting no objection to the Scheme of Amalgamation to the Applicant/Transferee Company and the Applicant/Transferor Company.
 - g) Valuation report issued by SSPA & Co. and fairness opinion in terms of Clause 24(h) of the Listing Agreement. and
 - h) Order dated June 20, 2012 passed by the Competition Commission of India.

Dated this 18th day of September, 2012

Sd/-
Raashi Beri
Advocate
Chairperson appointed
for the meeting of the Equity Shareholders
of the Applicant/Transferee Company

Registered Office :-
34, Community Centre,
Basant Lok, Vasant Vihar,
New Delhi-110 057

SCHEME OF AMALGAMATION
BETWEEN
HERO INVESTMENTS PRIVATE LIMITED
AND
HERO MOTOCORP LTD.
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme of Amalgamation is presented under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 for amalgamation of Hero Investments Private Limited (hereinafter referred to as “**Transferor Company**” or “**HIPL**”) with Hero MotoCorp Ltd. (hereinafter referred to as “**Transferee Company**” or “**HMCL**”).

PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:

- (1) **PART I** deals with the definitions, share capital and description of HIPL and HMCL;
- (2) **PART II** deals with the amalgamation of HIPL with HMCL;
- (3) **PART III** deals with general terms and conditions applicable to this Scheme of Amalgamation

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In the Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meaning:

- 1.1 “**Act**” means the Companies Act, 1956 and shall include any statutory modification(s), re-enactment(s) or amendment(s) thereof for the time being in force;
- 1.2 “**Appointed Date**” means January 1, 2013 or such other date as may be fixed or approved by the High Court or such other competent authority, as may be applicable, from which date the undertaking of the Transferor Company shall stand restricted to or restrict in or deemed to be transferred or vested in the Transferee Company (as defined hereinafter) without any further act, deed or thing;
- 1.3 “**Companies**” means collectively HIPL and HMCL;
- 1.4 “**Effective Date**” means the last of the dates on which all the conditions and matters referred to in Clause 18 hereof have been fulfilled;
- 1.5 “**High Court**” or “**Court**” means the High Court of Delhi to which this Composite Scheme of Arrangement in its present form is submitted for sanctioning of the Scheme under Sections 391 to 394 of the Act, and shall include National Company Law Tribunal, if applicable;
- 1.6 “**HIPL Shares**” means 8,65,31,210 (eight crore sixty five lakh thirty one thousand two hundred and ten) equity shares of Rs. 2 (Rupees Two) each of HMCL held by HIPL in HMCL which represent approximately 43.33% of the fully paid up share capital of HMCL and such additional equity shares which HIPL may acquire in HMCL prior to the Effective Date;
- 1.7 “**Record Date**” means the date fixed by the board of directors or a committee thereof of the Transferee Company for the purpose of determining the members of the Transferor Company to whom New Equity Shares will be allotted pursuant to this Scheme.

- 1.8 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form as submitted to the High Court with such modification(s), if any made, as per Clause 17 of the Scheme, as approved or directed by the said Court or such other competent authority, as may be applicable;
- 1.9 **“Transferor Company” or “HIPL”** means Hero Investments Private Limited, a company incorporated under the Act and having its registered office at E-1, Qutab Hotel Complex, Shaheed Jeet Singh Marg, New Delhi – 110016;
- 1.10 **“Transferee Company” or “HMCL”** means Hero MotoCorp Ltd., a company incorporated under the Act and having its registered office at 34, Community Center, Basant Lok, Vasant Vihar, New Delhi, 110057, India;
- 1.11 Any reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. DESCRIPTION OF THE COMPANIES

HIPL is a private limited company registered with the Reserve Bank of India as a systemically important non deposit taking non banking financial company and has made an application to the Reserve Bank of India for registration as a core investment company. HIPL is engaged in the business of holding securities in the group company(ies) for purposes other than trading of such securities. As on June 4, 2012, HIPL holds approximately 43.33% of the share capital of HMCL. The entire share capital of HIPL is held by the promoters of HIPL (who are also the promoters of HMCL) and two non-resident investors in the following percentage:

Shareholders	No. of equity shares of Rs. 100 each	Percentage
Promoters	21,610	71.63%
Non-resident investors	8,558	28.37%

HMCL is a public limited company whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited and is engaged, *inter alia*, in the business of manufacturing, assembling and distributing two wheelers and parts thereof. The promoters of HMCL hold approximately 52.2% of the entire share capital of HMCL and the remaining approximately 47.8% of the share capital of HMCL is held by the general public.

3. SHARE CAPITAL

3.1 The share capital of HIPL as on June 4, 2012 is as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
1,25,000 equity shares of Rs. 100 each	1,25,00,000
Issued, subscribed and paid-up capital	
30,168 equity shares of Rs. 100 each	30,16,800

3.2 The share capital of HMCL as on June 4, 2012 is as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
29,00,00,000 equity shares of Rs. 2 each	58,00,00,000
4,00,000 cumulative convertible preference shares of Rs. 100 each	4,00,00,000
4,00,000 cumulative redeemable preference shares of Rs. 100 each	4,00,00,000
Issued, subscribed and paid-up capital	
19,96,87,500 equity shares of Rs. 2 each	39,93,75,000

PART II

AMALGAMATION OF HIPL WITH HMCL

4. RATIONALE FOR THE SCHEME

It is proposed to amalgamate HIPL into HMCL by this Scheme, as a result of which the shareholders of HIPL viz. the promoters of HIPL (who are also the promoters of HMCL) and the non-resident investors shall directly hold shares in HMCL and the following benefits shall, *inter alia*, accrue to the Companies and to the respective shareholders and stakeholders of the Companies:

- (a) The merger of HIPL with HMCL will result in an increase in the public float of HMCL by approximately 12.29% (being the shareholding of the non-resident investors in HMCL pursuant to the merger, which will form part of public shareholding and not that of promoter group). That will in turn increase the trading stock of the shares of HMCL.
- (b) Increase in the public float and trading stock of the shares of HMCL will positively impact the liquidity of the shares of HMCL.
- (c) The merger will result in the promoter group of HMCL directly holding shares in HMCL, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with HMCL.

5. TRANSFER AND VESTING

- 5.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and whole of the undertaking of HIPL including all the properties and assets, present or future or contingent or of whatsoever nature, if any, shall under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act or deed be transferred and/or deemed to be transferred to and vested with HMCL so as to become the properties of HMCL.
- 5.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, obligations, charges, liens, mortgages, contingent liabilities, taxes and duties of HIPL and other obligations of whatsoever nature, if any, shall under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act, instrument or deed be transferred or be deemed to be transferred to and vest in and be assumed by HMCL so as to become the debts, liabilities, contingent liabilities, duties and obligations of HMCL on the same terms and conditions as were applicable to HIPL.
- 5.3 Further, this clause of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under tax laws, including Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme

shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

- 5.4 With effect from the Appointed Date and upon the Scheme becoming effective, subject to applicable law, any statutory licenses, permissions, approvals, registration and/or consents held by HIPL shall stand vested in HMCL (save and except as otherwise specified in this Scheme) without any further act, deed, matter or thing and shall be appropriately registered with the statutory authorities concerned in favour of the HMCL. The benefit of all statutory and regulatory licenses, permissions, approvals, registration of HIPL shall vest in and become available to the HMCL pursuant to the Scheme. Provided that any statutory licenses, permissions, approvals, registration and/or consents held by HIPL that are not required by HMCL will, if required by applicable laws, be cancelled or surrendered by HIPL.

6. CONSIDERATION

- 6.1 Upon this Scheme becoming effective and upon amalgamation of HIPL with HMCL in terms of this Scheme, HMCL shall, without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of HIPL holding fully paid-up equity shares of HIPL and whose names appear in the Register of Members of HIPL on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of HIPL/ HMCL in the following proportion:

“8,65,31,210 fully paid up equity shares of Rs. 2 each of HMCL against 8,65,31,210 fully paid up equity shares of Rs. 2 each of HIPL in HMCL on June 4, 2012 shall be issued and allotted to the equity shareholders of HIPL, in proportion of their holdings in HIPL”

“In the event HIPL holds more than 8,65,31,210 fully paid up equity shares of HMCL (without incurring any additional liability), such additional number of equity shares of HMCL (if any) as may be held by HIPL in HMCL in addition to 8,65,31,210 equity shares held by HIPL in HMCL as on June 4, 2012 shall also be issued and allotted to the equity shareholders of HIPL, in proportion of their holdings in HIPL”

(New equity shares to be issued as above are hereinafter referred to as “New Equity Shares”)

It is clarified that any positive net assets of HIPL as on the Appointed Date, other than the investment in the HIPL Shares, will not affect/ alter the share exchange ratio as provided above.

- 6.2 The New Equity Shares to be issued to the members of HIPL as per Clause 6.1 shall be subject to the Memorandum of Association and Articles of Association of HMCL. The New Equity Shares shall rank *pari-passu* in all respects, including dividend, with the existing equity shares of HMCL.
- 6.3 In respect of fractional entitlement to a shareholder, the same shall be rounded to the next nearest integer. However, in no event, shall the number of New Equity Shares to be allotted by HMCL to the members of HIPL exceed the number of equity shares held by HIPL in HMCL on the Effective Date.
- 6.4 Upon New Equity Shares being issued and allotted by HMCL to the members of HIPL, in accordance with Clause 6.1 above, the investment held by HIPL in the equity share capital of HMCL shall, without any further application, act, instrument or deed stand cancelled. The share certificates, if any, in relation to the shares held by HIPL shall be of no effect, and the shares held by HIPL in dematerialized form shall be extinguished, on and from such issue and allotment of New Equity Shares.
- 6.5 The New Equity Shares to be issued by HMCL shall be issued in dematerialized form by HMCL. The members of HIPL shall be required to have an account with a depository participant and shall be required to provide details thereof to HMCL as may be required.
- 6.6 The New Equity Shares of HMCL shall be listed and/ or admitted to trading on the National Stock Exchange of India Limited and/or the BSE Limited and on such other stock exchanges on which the existing equity shares of HMCL are listed at that time (“**Stock Exchanges**”). HMCL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges. On

such formalities being fulfilled the Stock Exchanges shall list and/or admit the New Equity Shares for purpose of trading.

- 6.7 HMCL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by HMCL of New Equity Shares to the members of HIPL under the Scheme.
- 6.8 The issue and allotment of New Equity Shares to the members of HIPL pursuant to the Clause 6.1 above is an integral part of this Scheme.
- 6.9 The approval of this Scheme by the members of HMCL shall be deemed to be due compliance with the applicable provisions of the Act including Section 81(1A) of the Act, if applicable, for the issue and allotment of New Equity Shares by HMCL to the members of HIPL, as provided in the Scheme.

7. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 7.1 With effect from the Appointed Date and upto and including the Effective Date, HIPL shall carry on its business with utmost prudence for and on behalf of and in trust of HMCL.
- 7.2 With effect from June 4, 2012 and upto and including the Effective Date, HIPL shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its undertaking or any part thereof save and except in each case:
 - (a) if the same is in the ordinary course of business of HIPL as carried on by HIPL as on the date of filing this Scheme with the High Court; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Directors of HMCL has been obtained.

Notwithstanding the above, HIPL will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the shares held by HIPL in HMCL.

- 7.3 Subject to Clause 7.4 of this Scheme, the following assets, liabilities and properties of HIPL shall get utilized on or prior to the Effective Date in the following manner:
 - (a) A loan of Rs 1,00,00,000/- (Rupees one crore only) availed by HIPL from Kotak Mahindra Prime Limited against security of its fixed deposit of Rs. 1,05,00,000/- (Rupees one crore and five lakh only) shall be repaid by HIPL together with the interest due on such loan.
 - (b) With effect from the Scheme becoming effective, all the contracts or arrangements entered into by HIPL with its shareholders relating to the operations and management of HIPL shall be deemed to be terminated qua HIPL and all the rights and obligations of the shareholders of HIPL qua HIPL under such shareholders or other contracts or arrangement and any obligations of HIPL towards its shareholders shall get extinguished.

For the avoidance of doubts, it is clarified that there are no outstanding claims or liabilities owed against HIPL by any of its shareholders, in relation to the aforementioned shareholders agreement or other contracts or arrangements with its shareholders.
 - (c) Any income and other available cash (including money market mutual fund investments, fixed deposits with banks etc.) of HIPL shall be utilized in accordance with Clause 8 of this Scheme.

- 7.4 Any income, profits or other funds of HIPL will first be utilized to meet any current or expected liabilities of HIPL, including any tax liabilities, or costs in relation to the amalgamation of HIPL with HMCL, before they are utilized for other purposes, including but not limited to, utilization in accordance with Clause 8 of this Scheme.

- 7.5 Save and except as otherwise specified in this Scheme, any income or profit accruing or arising to HIPL or expenditure or losses arising or incurred or suffered by HIPL pertaining to the business and undertaking of HIPL between the Appointed Date and the Effective Date shall for all purposes be treated as the income or profits or losses or expenditures as the case may be of HMCL.

7.6 With effect from the Appointed Date and upto and including the Effective Date, in the event HMCL distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to its shareholders, HIPL shall be entitled to receive such dividend and bonus shares, and subscribe to such rights shares offered by HMCL.

8. DIVIDEND/ ACQUISITION OF ADDITIONAL SHARES OF HMCL

8.1 Until the Effective Date, HIPL may utilize its income / available cash, if any, for the following purposes:

- (a) for declaration or payment of dividend, whether interim or final, to its shareholders; and/ or
- (b) for further acquisition of equity shares of HMCL, including by way of purchases on floor of Stock Exchanges; and/ or
- (c) for meeting its expenses in the ordinary course of business or for the purposes specified in the Scheme.

8.2 Until the Effective Date, the holders of shares of HIPL shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under the Articles of Association of HIPL including the right to receive dividends.

8.3 It is clarified that the aforesaid provisions in respect of declaration of dividends and/or further acquisition of equity shares of HMCL, including by way of purchases on floor of Stock Exchanges are enabling provisions only and shall not be deemed to confer any right on any member of HIPL to demand or claim dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of HIPL.

8.4 It is clarified that upon amalgamation of HIPL with HMCL in terms of this Scheme, HMCL will issue and allot such additional number of equity shares of HMCL to the equity shareholders of HIPL as on the Record Date in accordance with Clause 6.1 of the Scheme, in lieu of the additional equity shares of HMCL (if any) acquired by HIPL in accordance with Clause 8.1 of the Scheme. Further, such additional shares of HMCL (if any) acquired by HIPL in accordance with Clause 8.1 of the Scheme shall also stand cancelled upon amalgamation of HIPL with HMCL and issuance of New Equity Shares by HMCL to the equity shareholders of HIPL as on the Effective Date, in accordance with Clause 6.4 of the Scheme.

9. EMPLOYEES

Upon the Scheme becoming effective, all staff, workmen and permanent employees of HIPL, if any, who are in service on the Effective Date shall be deemed to have become staff, workmen and employees (as the case may be) of HMCL with effect from the Appointed Date without any break or interruption in their service, on same terms and conditions on which they are engaged as on the Effective Date and the terms and conditions of their employment with HMCL shall in no event be less favorable than those applicable to them with reference to HIPL on the Effective Date.

10. CONTRACTS, DEEDS, RESOLUTIONS ETC.

Subject to other provisions contained in this Scheme all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, to which HIPL is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of HMCL and may be enforced by or against HMCL as fully and effectually as if, instead of HIPL, HMCL had been a party thereto.

11. LEGAL PROCEEDINGS

11.1 If any suit, appeal or other proceedings of whatsoever nature by or against HIPL is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation of HIPL with HMCL or anything contained in this Scheme, but the said suit, appeal, or other legal proceedings, as the case maybe, may be continued, prosecuted and enforced, as the case may be, by or against HMCL and to the same extent as it would be or might have been continued, prosecuted and

enforced by or against HIPL, as if this Scheme has not been made. In the event that the legal proceedings referred to herein require HIPL and/or HMCL to be jointly treated as parties thereto, HMCL shall be added as party to such proceedings.

11.2 On and from the Effective Date, the HMCL may, if required, initiate any legal proceedings in relation to the rights, title, interest, obligations or liabilities or any nature whatsoever, whether under contract or law or otherwise, of HIPL and to the same extent as would or might have been initiated by HIPL.

12. ACCOUNTING TREATMENT

12.1 Transferee Company shall abide by the Accounting Standard (AS) - 14 issued by The Institute of Chartered Accountants of India.

12.2 HMCL shall record the values of tangible and intangible (if any) assets and liabilities as appearing in the books of HIPL at their book values using the pooling of interest method.

12.3 HMCL shall credit the aggregate face value of the New Equity Shares issued pursuant to clause 6.1 by it to the members of HIPL pursuant to this Scheme to the Share Capital Account, in its books of accounts.

12.4 The equity share capital directly held by HIPL in HMCL shall stand cancelled and there shall be no further obligation/outstanding in that behalf as provided in Clause 6 of the Scheme.

12.5 The inter-corporate deposits / loans and advances/loans outstanding (if any) between HIPL and HMCL will stand cancelled and there shall be no further obligation/outstanding in that behalf.

12.6 The difference between the value of net assets of the HIPL transferred to HMCL and recorded as per sub-clauses 12.2 above, and the purchase consideration issued by HMCL (pursuant to sub-clause 12.3 above) shall be adjusted in reserves as per AS 14.

12.7 The difference (if any) between the value of investment held by HIPL in the equity share capital of HMCL cancelled pursuant to clause 6.4, and the face value of corresponding equity share capital of HMCL shall be first adjusted against security premium of the combined entity and balance (if any) shall be adjusted against all other reserves as deem appropriate by the management of HMCL.

13. INDEMNITY BY SHAREHOLDERS OF HIPL

The shareholders of HIPL shall indemnify and hold harmless HMCL and its directors, officers, representatives, partners, employees and agents (collectively, the “**Indemnified Persons**”) for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of amalgamation of HIPL into HMCL but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst HMCL and the shareholders of HIPL.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations appertaining/ relating to HIPL, pursuant to this Scheme, and the continuance of the proceedings by or against HMCL, under Clause 11 hereof shall not affect any transactions or proceedings already completed by HIPL, on and after the Appointed Date to the end and intent that HMCL accepts all acts, deeds, matters and things done and executed by and/ or on behalf of HIPL, as acts, deeds and things done and executed by and on behalf of HMCL.

15. DISSOLUTION OF HIPL

On the Scheme becoming effective HIPL shall be dissolved without being wound up on such terms and the Court may direct or determine.

PART III
GENERAL TERMS AND CONDITIONS

16. APPLICATION TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/petitions to the High Court of Delhi and/or any other appropriate/competent authority for sanctioning the Scheme under Section 391 to 394 and other applicable provisions, if any, of the Act, for an order or orders thereof for carrying the Scheme into effect and for dissolution of HIPL.

17. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

17.1 The Transferor Company and the Transferee Company by their respective Board of Directors (the “**Board**”, which term shall include any duly constituted committee thereof), may assent to/ make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board). The Transferor Company and the Transferee Company by their respective Board be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

17.2 The term ‘any other authority’ referred to in Clause 17.1 above, shall specifically include (i) the Stock Exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company shall file a copy of the Scheme under sub-clause (f) of Clause 24 of the Listing Agreement of the respective Stock Exchanges; and (ii) the Competition Commission of India.

17.3 If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective shareholders or creditors, in which case the Scheme will be modified to such extent, as will best preserve for the them the benefits and obligations of the Scheme, including but not limited to such part.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

18.1 The occurrence of the Appointed Date.

18.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as prescribed under the Act or as may be directed by the High Court or any other appropriate authority as may be applicable except to the extent as may be waived by the Court and/or any other competent authority as may be applicable.

18.3 The sanction of this Scheme by the High Court or any other appropriate authority under Section 391 to 394 and other applicable provisions, if any of the Act in favour of the Transferor Company and the Transferee Company.

18.4 Certified copy of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, NCT of Delhi and Haryana by the Transferor Company and the Transferee Company.

18.5 The requisite, consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained, including approvals as may be required from ‘any other authority’ as referred in Clause 17.2 above.

19. EFFECT OF NON RECEIPT OF APPROVALS

In the event any of the said sanctions and approvals referred to in Clause 18 not being obtained and/ or the Scheme not being sanctioned by the High Court or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

20. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and other expenses, if any (save as expressly otherwise agreed) arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne and paid by HIPL. In the case the amount of cost, charges and expenses is in excess of the cash available with HIPL, such excess amount shall be borne by the shareholders of HIPL.

21. DIFFERENCES

In case any doubt or difference or issue (in relation to the Scheme) arises between HIPL and HMCL, any of their shareholders, creditors, employees or persons, entitled to or claiming any right to any New Equity Shares in HMCL or as to the interpretation of any term of the Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of Directors of HMCL shall resolve all such disputes and its decision shall be final and binding on all concerned.

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**IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 134 OF 2012**

IN THE MATTER OF:

The Companies Act, 1956;

AND

IN THE MATTER OF:

Application under Section 391 and 394 of the Companies Act, 1956;

AND

IN THE MATTER OF

Scheme of Amalgamation between

Hero Investments Private Limited

AND

Hero MotoCorp Limited

and their respective Shareholders and Creditors

AND

IN THE MATTER OF:

Hero MotoCorp Limited

A Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at 34, Community Centre, Basant Lok, Vasant Vihar New Delhi – 110 057

Applicant /Transferee Company

FORM OF PROXY

I/We, the undersigned, Equity Shareholder(s) of Hero MotoCorp Limited(the abovenamed Applicant/ Transferee Company) do hereby appoint Shri/Smt/Ms _____ of _____ and failing him/her Shri/Smt/Ms _____ of _____ as my / our Proxy, to act for me/ us at the meeting of the Equity Shareholders of the Applicant/ Transferee Company to be held on Friday, November 02, 2012 at 10:30 A.M., at Air Force Auditorium, Subroto Park, New Delhi-110 010 for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Hero Investments Private Limited with Hero MotoCorp Limited and their respective Shareholders and Creditors at such meeting and any adjournment / adjournments thereof to vote, for me / us and in my / our name(s) _____ *(here, "if for" insert "for", "if against", insert "against", and in the latter case, strike out the words below either with or without modification(s) after the word Amalgamation") the said Scheme of Amalgamation either with or without modification(s) as my/our proxy may approve.

Revenue Stamp of Re.1 to be affixed
--

Signatures of Shareholder(s) across the stamp

Signatures of proxy

* (Strike out what is not necessary)

Dated this _____ day of _____ 2012

Name: _____

Address: _____

Regd. Folio No./DP Id** /Client Id No. ** _____

** Applicable for shareholder(s) holding in dematerialized form.

Note:

1. All alterations made in the Form of Proxy should be initialed.
2. The Proxy must be deposited at the registered office of the Applicant/ Transferee Company at 34 Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057 not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid meeting
3. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting, the proxy later in time shall be accepted.



Hero MotoCorp Ltd.

Registered Office : 34 Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057

Court convened Meeting of the Equity Shareholders of Hero MotoCorp Limited

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the meeting of the Equity Shareholders convened under the directions of Hon'ble High Court of Delhi at New Delhi, vide orders dated September 10, 2012 and September 18, 2012 held on Friday November 02, 2012 at 10:30 A.M, at Air Force Auditorium, Subroto Park, New Delhi-110 010.

Name & Address of the Equity Shareholder : _____

(If represented by Authorised Representative details of the same)

No. of Shares : _____

DP Id* : _____

Client Id* : _____

Regd. Folio No. : _____

Name of the proxy holder/
Authorised representative : _____

* Applicable for shareholder(s) holding shares in dematerialized form.

I further declare that above particulars are true and correct to the best of my knowledge.

Signature: _____

Date :

Place:

BOOK POST

If undelivered, please return to :

Hero MotoCorp Ltd.

Registered Office:

34, Community Centre,

Basant Lok, Vasant Vihar,

New Delhi-110 057