

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 ("the Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (including any statutory modification or re-enactment thereof for the time being in force) ("the Rules") that the resolution appended below is proposed to be passed by the Members as Special Resolution by way of Postal Ballot by giving their assent/dissent. The Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons thereof is annexed hereto alongwith a Postal Ballot Form.

To consider and, if thought fit, to give assent/dissent to the following Resolution:

1. As a Special Resolution:

Approval of Employee Stock Option Plan

"RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association and pursuant to the provisions of Section 81 (1A), and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committees thereof, including the Compensation/Remuneration Committee which the Board might constitute (hereinafter referred to as "the Committee") to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board, to introduce, offer, issue, and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including directors of the Company, and to such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as Eligible Employees) under a Scheme titled "Employee Stock Option Plan", (hereinafter referred to as the "ESOP" or "ESOP Scheme" or "the Scheme"), except those who are promoters or belonging to the promoter group, such number of equity shares of the Company which could give rise to the issue of equity shares not exceeding 20,00,000 (twenty lacs) equity shares of the Company under the Employees' Stock Option Scheme, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board or a duly constituted committee of the Board in accordance with the provisions of the law or guidelines issued by the relevant authority; each option would be exercisable for one equity share of a face value of Rs. 2 (two) each fully paid-up on payment of the requisite exercise price of the Company.

RESOLVED FURTHER THAT, in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division of the Company and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 20,00,000 Equity Shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the Employees' Stock Option Scheme and such equity shares shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment of securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time in its sole discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company and any other applicable laws or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any Committee, with power to further delegate to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard".

For Hero MotoCorp Ltd.



Iram C. Kamboj

Sr. G.M. Legal & Company Secretary

New Delhi

July 3, 2012

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) read with Section 192A of the Act in respect of business specified above is annexed hereto.
2. The Board vide its resolution passed on **June 4, 2012** has appointed Shri Ved Prakash Kapoor, FCS No. 1695, CP No. 1645 Practising Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
3. The Notice is being sent to all the Members whose names would appear in the Register of Members/ Record of Depositories as on Friday, **July 6, 2012**.
4. Member(s) desiring to exercise vote can do so either by sending Postal Ballot Form or by using e-voting facility.
- 4a. In case a member(s) is desiring to exercise vote by Postal Ballot Form, he is requested to carefully read the instructions printed on the Postal Ballot Form. After completing the enclosed Postal Ballot Form, send the self addressed Business Reply Envelope to the Scrutinizer. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot, if sent by courier or by Registered Post at the expense of the registered eligible Member will also be accepted. The envelope may also be deposited personally at the address given thereon. However the envelope containing the Postal Ballot should reach the Scrutinizer not later than the close of working hours on **Monday, August 13, 2012**. Any Postal Ballot Form received thereafter shall be deemed to be not received. Also **no other Form or Photocopy thereof is permitted**.
- 4b. In case a member is desiring to exercise vote by using e-voting facility then he has to carefully follow the instructions given under the heading "**Instructions**" of Postal Ballot Form. He can use the facility and log in any number of times till he has voted on the resolution or till the end of the voting period (**i.e. till the last date of receipt of Postal Ballots**), whichever is earlier.
5. The Scrutinizer will submit his Report to the Chairman of the Company or any other person authorized by him after completion of the scrutiny and the result of the voting by Postal Ballot shall be declared by the Chairman or in his absence by any other person, so authorized by him on **Thursday, August 16, 2012** at 04.30 P.M. at the Registered Office of the Company at 34, Basant Lok, Vasant Vihar, New Delhi - 110 057 and the resolution will be taken as passed effectively on the date of announcement of the result by the Chairman or such authorized person, if the results of the Postal Ballots indicate that the requisite majority of the members had assented to the Resolution. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

Members who wish to be present at the venue at the time of declaration of the result are welcome to do so. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company www.heromotocorp.com.

Hero MotoCorp Ltd.

Regd. Office: 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110 057, India

Tel: +91-11-261 42451, 460 44100, Fax : +91-11-261 43321, 261 43198

email : secretarialho@heromotocorp.com, www.heromotocorp.com

6. A copy each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. and 1.00 P.M. up to the date of declaration of the result of Postal Ballot.
7. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2), SECTION 192A(2) OF THE COMPANIES ACT, 1956 AND SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999

ITEM NO. 1

The Board of your Company has decided to introduce an Employees Stock Option Scheme ("ESOP" or "ESOP Scheme" or "the Scheme") in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereafter referred to as "SEBI Guidelines") with the objective of attracting and retaining employees as well as to reward employees for their performance and association with the Company and motivate them to contribute to the growth and profitability of the Company.

The ESOP Scheme would not only enable the Company to attract and motivate employees by rewarding performance and retain best talents but also enable the employees to develop a sense of ownership with the organization.

Clause 6.1 of SEBI Guidelines requires the approval of the Company's Shareholders by means of a Special Resolution for offer of shares to employees of the Company under ESOP Scheme.

The salient features of the ESOP Scheme are mentioned as under:

1. Total number of options to be granted

The aggregate number of Options to be granted under the said ESOP Scheme shall not be more than 20,00,000 (Twenty lacs). Each Option shall entitle the holder thereof to apply for and be allotted 1 (one) fully paid Equity Share of Rs. 2 (two) at a price determined in accordance with the formula stated in para (5) below.

2. Identification of class of employees entitled to participate in the ESOP Scheme

All permanent employees and directors (except for those holding directly or indirectly more than 10 (Ten) % of the outstanding Equity Shares of the Company) of the Company and its Subsidiaries (excluding promoters and employees belonging to Promoter Companies) as may be decided by the Committee, from time to time would be entitled to options under the ESOP Scheme.

However, the employees would be granted Stock Options based on performance and such other criteria as the Committee may, in its absolute discretion decide.

The options granted to an employee will not be transferable to any person otherwise than by will or the laws of descent and distribution and the stock option shall be exercisable, during such employee's lifetime, only by him or, during periods of legal disability, by his legal representative. No stock option shall be subject to execution, attachment or similar process. The stock options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner, at any time.

3. Requirements of vesting and period of vesting of Options

Vesting of the options shall take place over a minimum vesting period of 1 (one) year or, as per applicable laws and regulations prevailing from time to time, from the date of grant of Options. The Committee may, in its discretion, lay down certain performance matrices on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options granted under ESOP Scheme would vest as specified above. The requirements of vesting and period of vesting shall be mentioned in the Grant Letter. No employee can exercise his/her right during this vesting period.

4. Exercise period and process of exercise

The exercise period will commence from the date of vesting and will expire on completion of 8 (eight) years from the date of granting of options. The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Committee from time to time. The options will lapse, if not exercised within the specified Exercise Period.

In respect of employees who resign from the services of the Company, all Unvested Options on the date of submission of resignation shall expire and stand terminated with effect from that date. However, all Vested Options as on that date shall be exercisable by the Option Grantee immediately but not later than the last working day in the Company. Special provisions shall apply in case of death, disability, retirement or misconduct of any employee. Any eligible employee may exercise the Options vested in him/her during the exercise period by submitting an acceptance in writing.

5. Exercise Price or Pricing Formula

The exercise price per option may be decided by the Committee which shall be Fair Value or less than the Fair Value of the option at the time of grant. The Committee, if decides unanimously at their meeting, has the power to vary the aforesaid Exercise Price among the different categories/levels of the employees.

6. Appraisal process for determining the eligibility of employees

The appraisal process for determining the eligibility of the employee will be based on the outcome of the annual appraisals as per criteria such as seniority of employee, length of service, performance record, merit of the employee, future potential contribution by the employee, individual contribution towards the Company's business performance and potential for growth and/or such other criteria that may be determined by the Company. Based on the recommendation of the Company the Committee would, in its sole discretion, finally determine the eligibility of the employees for the ESOP Scheme.

7. Maximum number of Options to be granted per employee and in the aggregate

The number of Options that should be granted to an employee under the Scheme shall be decided by the Committee. However, no employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling to 1(One) % of the outstanding issued share capital as on the date of grant (excluding outstanding Options and conversions) unless approval of members in the general meeting by way of separate resolution has been obtained.

8. Adjustments in case of Corporate Actions

A fair and reasonable adjustment shall be made by the Committee to the number of Options and to the exercise price in case of Corporate Actions such as Rights Issue, Bonus Issue, Merger, Sale of Divisions and others between the date of grant of Options and the exercise of the Options.

9. Accounting Policies

The Company shall conform to the accounting policies specified in Clause 13.1 of the SEBI Guidelines, and/or such other guidelines or accounting standards as may be applicable, from time to time.

10. Method of Options valuation

The Company may, in its discretion, adopt either the intrinsic value method or the fair value method to value the options granted under the Scheme.

11. Disclosure in Directors' Report

In case the Company calculates the employee compensation cost using the intrinsic value of the stock option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value method of the Options shall be disclosed in the Directors' Report and also the impact of this difference on the Profits and on Earnings per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

As the Scheme will entail further shares to be offered to persons other than existing shareholders of the Company, the consent of the members is sought pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Act, and as per the requirement of clause 6 of the SEBI Guidelines.

The Options to be granted under the Scheme shall not be treated as an offer or an invitation made to public for subscription in the securities of the Company.

The Directors other than (i) Promoter Directors and (ii) those Directors, if any, holding directly or indirectly more than 10 (Ten)% of the outstanding Equity Shares of the Company shall be deemed to be interested or concerned in passing of this resolution to the extent of the benefit that may derive under the Scheme.

The Board accordingly commends the Resolution for approval by the members of the Company as Special Resolution.

None of the Directors of the Company are in any way concerned or interested in the said resolution, except to the extent of the securities that may be offered to them under the Scheme.



Hero

POSTAL BALLOT FORM

(Please read the instructions given below carefully before exercising your vote)

Serial No.

(1) Name(s) of the Sole/First Member(s) :
(in block Letters) (including Joint holders, if any)

(2) Registered address of the Sole/First named member

(3) Registered Folio No. / DP ID* / Client ID No.* :
(*in case of shares held in demat form)

(4) No. of Shares held :

(5) I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the notice of the Company dated July 3, 2012 by sending my/our assent or dissent to the said Resolution by placing the tick () mark in the appropriate box below:

Item No.	Item	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Special Resolution pursuant to the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the provisions of Section 81(1A) of the Companies Act, 1956 for approving ESOP.			

Place Date : _____ Signature of the Member(s)

ELECTRONIC VOTING PARTICULARS

EVSN	User ID	Password

Hero MotoCorp Ltd.

Regd. Office: 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110 057, India

Tel: +91-11-261 42451, 460 44100, Fax : +91-11-261 43321, 261 43198

email : secretarialho@heromotocorp.com, www.heromotocorp.com

INSTRUCTIONS

Member(s) can opt only one mode for voting i.e. either by Physical Ballot or e-voting. In case, if you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both by Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.

PROCESS AND MANNER FOR MEMBERS OPTING FOR PHYSICAL BALLOT

1. A member desiring to exercise his vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if deposited in person or if sent by courier/registered post at the expenses of the member will also be accepted.
2. The self-addressed business reply envelope is addressed to the Scrutinizer appointed by the Board of the Company.
3. Please convey your assent/dissent in this Postal Ballot Form only. The consent or otherwise, received in any other Form or photocopy thereof shall not be considered valid and be rejected.
4. This Postal Ballot Form should be completed and signed by the member or members, in case of joint holding as per the specimen signature registered with the Company/Depository Participant by the first named member and in his absence, by the next named joint holder.
5. Incomplete, unsigned and incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.
6. In case the shares are held by Body Corporate/Trust, the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authorization together with the attested specimen signature of the authorised signatories.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on **Monday, August 13, 2012**. Any Postal Ballot Form received after this date will be strictly treated as if no reply from the member has been received.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member on the cut off date which is **Friday, July 6, 2012**. A member need not use all his votes nor he needs to cast all his votes in the same way.
9. Members are requested not to send any other paper (other than Board Resolution/Authority as mentioned in the item no. 6 above) along with the Postal Ballot Form in the enclosed self addressed business reply envelope addressed to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.

PROCESS AND MANNER FOR INDIVIDUAL MEMBERS OPTING FOR E-VOTING

1. In line with the **"Green initiative in the Corporate Governance"** launched by the Ministry of Corporate Affairs, the Company is pleased to extend e-voting facility as an alternate, for its Individual Members (**other than Corporates/ FIs/ FIs etc.**) to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under:
 - i. Open the web browser and log on to the e-voting website : www.evotingindia.com.
 - ii. Now click on 'Shareholders'.
 - iii. Now, select the "Electronic Voting Sequence Number" (EVSN) alongwith "Hero MotoCorp" from the drop down menu and click on "SUBMIT".
 - iv. Now fill up the following details in the appropriate boxes:

	For demat holding	For physical holding
Enter	For Individual Members holding shares in Demat Form	For Individual Members holding shares in Physical Form
User-id	For NSDL - 8 character DP ID + 8 digit Client ID. For CDSL - 16 digit Beneficial Owner ID	Registered Folio Number with the Company
Password	Your unique Password has been printed on the Postal Ballot form/ email forwarding the electronic notice.	Enter the Password to be sent by the Company. For seeking the Password, the Members are requested to send a signed (as per specimen registered with the Company) request letter informing an e-mail id at which the "Password & Default Number" be sent by the Company. Such request be sent at the Registered Office of the Company.
PAN or Default Number	Enter the 10 digit alphanumeric Permanent Account Number issued to you by Income Tax Deptt.	Enter the Default Number sent to you by the Company (along with the Password) on your email id as provided by you.

The members who have already voted on an earlier instance of voting through CDSL, should use the same login details. In case they do not remember such Password, they may go to the option "Forget Password" and proceed.

After logging in the details of "User id, Password, PAN or Default Number", the Individual Members holding shares in physical form will reach directly to the voting screen. However, Members holding shares in Demat Form will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. date of birth, mobile number and email id. Kindly remember the changed Password as this can be used for voting on future Postal Ballot resolution(s) for Hero MotoCorp Ltd. or any other Company.

- vi. On the voting Page, you will now see Resolution Description and option for voting YES/ NO against Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.
 - vii. Click on the Resolution File Link if you wish to view the complete Postal Ballot Notice.
 - viii. Enter the number of shares (which represents no. of votes) under each of the headings of the resolution, if you want to vote YES/ NO, but not exceeding your total holding.
 - ix. After you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change your vote, click on CANCEL and accordingly modify your vote.
 - x. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xi. You can log in any number of times till you have voted on the resolution or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.
 - xii. If you wish to provide feedback on the e-voting system, click on Suggestions. In case you have any queries or issues regarding e-voting, please contact on helpdesk.evoting@cdslindia.com, or on secretarialho@heromotocorp.com.
2. The Company is sending this Notice electronically on the e-mail addresses as obtained from the Depositories/other sources to the Members in line with the "Green initiative in the Corporate Governance" launched by the Ministry of Corporate Affairs allowing paperless compliances by recognising emails as one of the modes of service of notice/documents on the shareholders. Such individual Members may exercise their voting electronically as per the procedure given above.

In respect of new Members, their Password will be mentioned in the e-mail forwarding the notice electronically. In case, however, the Members do not want to avail the e-voting facility organised through CDSL, such individual members may send a request to the Company on secretarialho@heromotocorp.com in for obtaining the Notice and Postal Ballot in physical form. On receipt of such requests, the Company will despatch the same in physical form to enable the Members to send back the postal ballot by **Monday, August 13, 2012**.

For Hero MotoCorp Ltd.



Ilam C. Kamboj

Sr. G.M. Legal & Company Secretary