

March 27, 2025

Hero FinCorp Limited: [ICRA]AA+ (Stable) assigned to sub-debt programme and [ICRA]AA (Stable) assigned to perpetual debt programme; earlier ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based term loan	16,000.00	16,000.00	[ICRA]AA+ (Stable); reaffirmed
Long-term fund-based cash credit	1,600.00	1,600.00	[ICRA]AA+ (Stable); reaffirmed
Long-term short-term fund-based/Non-fund based – Others	4,200.00	4,200.00	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed
Non-convertible debentures	3,370.00	3,370.00	[ICRA]AA+ (Stable); reaffirmed
Non-convertible debentures	35.00	0.00	[ICRA]AA+ (Stable); reaffirmed and withdrawn
Subordinated debt	1,900.00	1,900.00	[ICRA]AA+ (Stable); reaffirmed
Subordinated debt	0.00	205.00	[ICRA]AA+ (Stable); assigned
Perpetual debt	550.00	550.00	[ICRA]AA (Stable); reaffirmed
Perpetual debt	0.00	110.00	[ICRA]AA (Stable); assigned
Commercial paper	6,000.00	6,000.00	[ICRA]A1+; reaffirmed
Total	33,655.00	33,935.00	

*Instrument details are provided in Annexure I

Rationale

To arrive at the ratings, ICRA has taken a consolidated view of the credit profiles of Hero FinCorp Limited (HFCL) and Hero Housing Finance Limited (HHFL), referred to as the Hero FinCorp Group or the Group, as HHFL is a majority-owned subsidiary of HFCL; and the companies have significant operational and business synergies in addition to a shared name and management oversight.

The ratings for the Hero FinCorp Group draw strength from HFCL's strong parentage, track record of adequate capitalisation supported by regular equity infusions, diversified borrowing profile with good financial flexibility, and strong liquidity position. Hero MotoCorp Limited (HMCL; rated [ICRA]AAA (Stable)/[ICRA]A1+) and its promoter group, i.e., members of the Munjal family and their investment companies (collectively referred to as the Hero BML Group), held a 79.5% stake in HFCL as on December 31, 2024. ICRA expects HMCL (41.2% stake in HFCL as on December 31, 2024) to remain the single largest shareholder in HFCL, which will continue to benefit from Group synergies in the form of branding, distribution network, management guidance, and capital support.

The ratings factor in the moderate asset quality indicators with the consolidated gross and net stage 3 ratios (as per the new Income Recognition and Asset Classification (IRAC) norms) at 5.2% and 2.4%, respectively, as on December 31, 2024 (4.1% and 2.1%, respectively, as on March 31, 2024). The deterioration in the asset quality indicators was largely on account of high slippages in the personal loan book, resulting in elevated write-offs in 9M FY2025. In line with the weakening in the reported asset quality indicators, the solvency metrics deteriorated with Net stage 3/Net worth at 14.8% as on December 31, 2024 (12.0% as on March 31, 2024). HFCL's capitalisation profile remains adequate with a marginal improvement in the standalone capital-to-risk weighted assets ratio (CRAR) in 9M FY2025, supported by perpetual debt issuances and Tier-II eligible subordinated debt issuances during this period. In ICRA's view, HFCL will need to raise capital during FY2025-FY2026 to support growth and provide growth capital to HHFL while maintaining prudent capitalisation levels. As for profitability (on a consolidated basis), the lending spreads compressed in 9M FY2025 following the reduction in the share of high-yielding personal loans in incremental disbursements, elevated systemic interest rates and higher risk weights for bank lending to non-

banking financial companies (NBFCs) leading to higher cost of funds. Along with compression in spreads, the net interest margin (NIM; consolidated basis) in relation to average managed assets also moderated in 9M FY2025 because of the higher gearing. While operating expenses remained stable, the increase in credit costs due to higher write-offs led to further weakening in the already subdued profitability indicators of the company, with a return on managed assets (RoMA) 0.2% in 9M FY2025 vis-à-vis 1.3% in FY2024. Keeping control over the asset quality and improving the profitability would be critical from a rating perspective.

The one-notch lower rating assigned to the company's perpetual debt programme compared to the [ICRA]AA+ rating for the other long-term debt programmes reflects the specific features of these instruments, wherein debt servicing is additionally linked to meeting the regulatory norms on capitalisation and reported profitability. The domestic regulatory norms for hybrid debt capital instruments include regulatory approvals from the Reserve Bank of India (RBI) for debt servicing (including principal repayments) if the company reports a loss and is not liable to service the debt if it breaches the minimum regulatory capitalisation norms.

ICRA has reaffirmed and withdrawn the rating assigned to the Rs. 35-crore non-convertible debenture (NCD) programme as no amount is outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

The Stable outlook reflects ICRA's expectation that HFCL will continue to benefit from the parentage and receive capital support, as and when needed, besides branding, distribution network and management guidance. Hence, the good financial flexibility and adequate capitalisation will be maintained and shall keep supporting the credit profile, notwithstanding the moderate asset quality and subdued profitability.

Key rating drivers and their description

Credit strengths

Strong parentage and strategic importance to HMCL – The ratings for the Hero FinCorp Group derive significant strength from the parentage with the Hero BML Group holding a 79.5% stake in HFCL as on December 31, 2024. ICRA expects HMCL to remain the single largest shareholder in HFCL and the Hero BML Group to be willing to extend capital support to HFCL and HHFL, if needed, given the importance of the business for the Hero BML Group. HFCL is a key company for the Hero BML Group's foray into financial services and is strategically important to the Hero BML Group as it plays a vital role in HMCL's sales by financing its two-wheelers (2Ws). As on December 31, 2024, ~30% of the loan book (excluding Clearcorp Repo Order Matching System, or CROMS) had linkages to the Hero ecosystem through 2W finance (18%), personal loans (10%), housing loans (1%), and unsecured micro, small and medium-sized enterprise (MSME) loans (1%). In 9M FY2025, 64% of HMCL's total vehicle sales were financed (62% in FY2024), of which 26% (% of total financed) were financed by HFCL (29% in FY2024).

Overall, ICRA expects HFCL and HHFL to continue to benefit from Group synergies in the form of branding, distribution network, management guidance, and capital support.

Diversified borrowing profile and good financial flexibility – As a part of the Hero BML Group, HFCL and HHFL enjoy good financial flexibility and have continued to raise funds at competitive costs. HFCL's consolidated borrowing profile is diversified, with bank borrowings accounting for the majority of the funding mix at 80% (including 14% share of external commercial borrowings and 1% share of National Housing Bank, or NHB, refinance) as on December 31, 2024 (81% as on March 31, 2024), followed by debt market instruments (debentures at 9% and commercial paper (CP) at 8%), direct assignment (DA; 3%). ICRA notes that the company's dependence on bank lines has increased in the incremental borrowings during the past three years as a part of its portfolio is eligible for priority sector lending.

Adequate capitalisation profile supported by regular capital infusions – HFCL’s capitalisation profile remains adequate with a standalone CRAR of 16.6% as on December 31, 2024 (16.3% as on March 31, 2024) and a consolidated managed gearing of 5.8x¹ (5.3x as on March 31, 2024). The marginal improvement in the CRAR in 9M FY2025 was supported by perpetual debt issuances and Tier-II eligible subordinated debt issuances during the period by HFCL. The capitalisation level was previously supported by regular equity infusions by the existing promoters/investors. Overall, Rs. 6,080-crore equity was raised by HFCL over the past 11 years, of which Rs. 3,905 crore was infused by the promoter group. HFCL will need to raise capital during FY2025-FY2026 to support growth and provide growth capital to HHFL while maintaining prudent capitalisation levels. In ICRA’s opinion, prudent capitalisation is a key mitigant against the credit risks associated with the business and it expects HFCL to maintain prudent steady-state leverage, going forward. ICRA expects support from the promoter to be forthcoming, as and when required.

Credit challenges

Moderate asset quality indicators – The Hero FinCorp Group’s asset quality profile remains moderate with gross and net stage 3 ratios (as per new IRAC norms) of 5.2% and 2.4%, respectively, on a consolidated basis as on December 31, 2024 compared with 4.1% and 2.1%, respectively, as on March 31, 2024. The deterioration in asset quality indicators was on account of high slippages in the personal loan book, resulting in elevated write-offs in 9M FY2025 (Rs. 1,672 crore or 4.2% of the consolidated gross loan book on annualised basis), following write-offs of Rs. 1,742 crore (3.5% of the consolidated gross loan book) in FY2024. Further, the standard restructured assets stood at 0.3% as on December 31, 2024, compared to 0.4% as on March 31, 2024. In line with the weakening in the reported asset quality indicators, the solvency metrics deteriorated with Net stage 3/Net worth at 14.8% as on December 31, 2024 (12.0% as on March 31, 2024). The Hero FinCorp Group’s ability to control fresh slippages and improve the asset quality from the current level, considering the high share of unsecured loans, would be a key monitorable. In this regard, it is noted that the overall provision cover on the consolidated loan book increased to 4.0% as on December 31, 2024 from 3.2% as on March 31, 2024.

Subdued profitability – HFCL’s yields (consolidated basis) moderated marginally to 16.2% in 9M FY2025 from 16.4% in FY2024 on account of the reduction in the share of high-yielding personal loans in incremental disbursements. Further, the weighted average cost of funds increased marginally to 8.2% in 9M FY2025 from 8.0% in FY2024. This was due to the rise in the cost of incremental borrowings on account of elevated systemic interest rates and increase in the risk weights for bank lending to NBFCs. This led to a compression in the lending spreads to 8.0% in 9M FY2025 from 8.4% in FY2024. Consequently, HFCL’s NIMs (consolidated basis) moderated to 8.4% of average managed assets in 9M FY2025 from 8.8% in FY2024 because of the lower spreads and higher gearing. While operating expenses remained stable at 4.5% in 9M FY2025, credit costs increased to 5.0% in 9M FY2025 from 3.4% in FY2024 because of higher write-offs. Overall, the profitability (consolidated basis) has weakened and remained subdued with RoMA of 0.2% in 9M FY2025 compared to 1.3% in FY2024.

The ability of HFCL and HHFL to grow, while keeping good control over the asset quality, will be critical for an improvement in the profitability over the medium term.

Liquidity position: Strong

As on December 31, 2024, HFCL’s ALM reflected debt maturities of Rs. 9,199 crore for the 6-month period ending June 30, 2025, against which its scheduled inflows from performing advances were Rs. 11,061 crore. Further, the company’s liquidity position is strong with on-balance sheet liquidity of Rs. 4,714 crore (11% of its on-balance sheet borrowings), including investment of ~Rs. 2,000 crore in CROMS as on December 31, 2024. The liquidity position is further supported by the availability of unutilised working capital lines of Rs. 2,217 crore as on December 31, 2024. This provides sufficient liquidity buffer.

¹ Consolidated net worth of Rs. 8,566 crore as on December 31, 2024. The consolidated net worth reported by the company (considering compulsory convertible preference shares (CCPS) as sub-debt) stood at Rs. 5,750 crore with a consolidated managed gearing of 9.2x as on December 31, 2024.

HFCL's standalone borrowing profile consists of bank borrowings, which accounted for the majority of the borrowing mix at 80% (including 16% share of external commercial borrowings) as on December 31, 2024 (81% as on March 31, 2024), followed by debt market instruments (debentures at 10% and CP at 8%), DA (2%).

Rating sensitivities

Positive factors – The rating could be upgraded on an improvement in the asset quality and a significant increase in the profitability on a sustained basis while maintaining prudent capitalisation.

Negative factors – The ratings could be downgraded on a deterioration in HMCL's credit profile or lower-than-expected support from the parent group. Besides, a sustained deterioration in the consolidated asset quality indicators and/or the capitalisation level, with the solvency ratio (Net stage 3/Adjusted Tier I) deteriorating beyond 25% and/or a cushion of less than 3% in the Tier I capital over the regulatory requirement, may warrant a change in the outlook or a downward revision in the ratings. The ratings could also come under pressure on a deterioration in the liquidity and/or the incremental borrowing profile of the company. A significant further weakening in the profitability from the currently modest levels will also be a credit negative.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	The ratings derive significant strength from the strong parentage of HFCL and HHFL with HMCL, its individual promoters and their investment companies (collectively referred to as the Hero BML Group) holding a 79.5% stake in HFCL as on December 31, 2024. ICRA expects HMCL to remain the single largest shareholder in HFCL and the Hero BML Group to be willing to extend capital support to HFCL and HHFL, if needed, given the importance that the business holds for the Hero BML Group.
Consolidation/Standalone	Consolidation

About the company

HFCL is an NBFC extending retail finance for 2W sales of HMCL, bill discounting for HMCL's suppliers, loans to small and medium enterprises (SMEs), loan against property (LAP), used car financing and personal loans. Moreover, its subsidiary, HHFL, received a housing finance licence from NHB in August 2017. On a consolidated basis, HFCL's assets under management (AUM) stood at Rs. 54,928² as on December 31, 2024. As on December 31, 2024, HFCL's consolidated AUM (excluding CROMS lending) comprised personal loans (30.7%), 2W finance (17.9%), secured SME loans (13.3%), corporate loans (9.6%), unsecured MSME loans (8.5%), pre-owned car finance (8.1%), home loans (6.8%), and LAP and others (4.9%).

HFCL was incorporated in December 1991 as Hero Honda FinLease Limited. Following a change in the ownership of its parent, i.e., HMCL (formerly Hero Honda Motors Limited), the company was renamed as Hero FinCorp Limited in July 2011. Until April 2013, HFCL extended term loans, machinery loans, and bill discounting facilities primarily to entities in the HMCL ecosystem. It subsequently expanded its operations to entities outside the HMCL ecosystem and started extending loans for HMCL's 2Ws, used car financing, personal loans, LAP, etc.

HMCL and its promoter group (members of the Munjal family and their investment companies) together held a 79.5% stake in HFCL as on December 31, 2024. While 41.2% was held directly by HMCL, 38.3% was held by the Munjal family members and their investment companies including Bahadur Chand Investment Pvt. Ltd. {rated [ICRA]AA (Stable)}. External investors such

² Excluding CROMS lending of Rs. 2,000 crore as on December 31, 2024

as Apis, LC Hercules (Cayman), Otter Ltd (Chrys Capital) together held a 14.0% stake with the balance (6.5%) held by HMCL's dealers, employees and others. Further, external investors such as Apollo Global and JM Financial Group had invested in HFCL via compulsorily convertible preference shares (CCPS) during the capital infusion in June 2022.

On a standalone basis, HFCL reported a profit after tax (PAT)³ of Rs. 34 crore in 9M FY2025 on a managed asset base of Rs. 55,584 crore as on December 31, 2024 compared to Rs. 602 crore in FY2024 on a managed asset base of Rs. 50,124 crore as on March 31, 2024. As on December 31, 2024, the company had a net worth of Rs. 8,526 crore and capital adequacy of 16.6% (Rs. 8,387 crore and 16.3% as on March 31, 2024). The gross and net stage 3 stood at 5.6% and 2.6%, respectively, as on December 31, 2024, compared to 4.4% and 2.1%, respectively, as on March 31, 2024.

On a consolidated basis, HFCL reported a PAT⁴ of Rs. 69 crore in 9M FY2025 on a managed asset base of Rs. 61,794 crore as on December 31, 2024 compared to Rs. 637 crore in FY2024 on a managed asset base of Rs. 55,144 crore as on March 31, 2024. As on December 31, 2024, the company had a net worth of Rs. 8,566 crore (Rs. 8,383 crore March 31, 2024). The gross and net stage 3 stood at 5.2% and 2.4%, respectively, as on December 31, 2024 compared to 4.1% and 2.1%, respectively, as on March 31, 2024.

Key financial indicators

	HFCL – Standalone			HFCL – Consolidated		
	FY2023	FY2024	9M FY2025	FY2023	FY2024	9M FY2025
	Audited	Audited	Provisional	Audited	Audited	Provisional
Total income	5,731	7,458	6,600	6,148	8,021	7,154
PAT	457	602	34	480	637	69
Total managed assets	41,718	50,124	55,584	45,331	55,144	61,794
Return on managed assets	1.2%	1.3%	0.1%	1.2%	1.3%	0.2%
Managed gearing (times)	4.1	4.7	5.1	4.6	5.3	5.8
Gross stage 3	5.7%	4.4%	5.6%	5.4%	4.1%	5.2%
CRAR	20.6%	16.3%	16.6%	NA	NA	NA

Source: HFCL, ICRA Research; Amount in Rs. crore; All figures and ratios as per ICRA's calculations/definitions/nomenclature

Status of non-cooperation with previous CRA: Not applicable

Any other information:

A Member of the board of directors of ICRA Limited is also an Independent Director on the board of HFCL. This Director was not involved in any of the discussions and processes related to the rating of the instrument(s) mentioned herein.

³ The reported PAT was lower by Rs. 265.47 crore in 9M FY2025 (Rs. 348.69 crore in FY2024) due to a non-cash non-payable accounting entry regarding CCPS valuation

⁴ The reported PAT was lower by Rs. 265.47 crore in 9M FY2025 (Rs. 348.69 crore in FY2024) due to a non-cash non-payable accounting entry regarding CCPS valuation

Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	27-MAR-2025	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long term-fund based-term loan	Long Term	16,000.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
				20-DEC-2024	[ICRA]AA+ (Stable)	-	-	-	-	-	-
Long term-fund based-cash credit	Long Term	1,600.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
				20-DEC-2024	[ICRA]AA+ (Stable)	-	-	-	-	-	-
Long term/ short term-fund based/ non fund based-others	Long Term/ Short Term	4,200.00	[ICRA]AA+ (Stable)/[ICRA]A1+	08-MAY-2024	[ICRA]AA+ (Stable)/[ICRA]A1+	15-SEP-2023	[ICRA]AA+ (Stable)/[ICRA]A1+	30-JUN-2022	[ICRA]AA+ (Stable)/[ICRA]A1+	05-APR-2021	[ICRA]AA+ (Stable)/[ICRA]A1+
				31-MAY-2024	[ICRA]AA+ (Stable)/[ICRA]A1+	27-DEC-2023	[ICRA]AA+ (Stable)/[ICRA]A1+	16-SEP-2022	[ICRA]AA+ (Stable)/[ICRA]A1+	02-JUL-2021	[ICRA]AA+ (Stable)/[ICRA]A1+
				20-DEC-2024	[ICRA]AA+ (Stable)/[ICRA]A1+	-	-	-	-	-	-
Non-convertible debentures	Long Term	3,370.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
				20-DEC-2024	[ICRA]AA+ (Stable)	-	-	16-SEP-2022	[ICRA]AA+ (Stable)	-	-
Non-convertible debentures	Long Term	35.00	[ICRA]AA+ (Stable); withdrawn	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
				20-DEC-2024	[ICRA]AA+ (Stable)	-	-	16-SEP-2022	[ICRA]AA+ (Stable)	-	-
Subordinated debt	Long Term	1,900.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
				20-DEC-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	-	-
				20-DEC-2024	[ICRA]AA+ (Stable)	-	-	-	-	-	-
Subordinated debt	Long Term	205.00	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-	-
Perpetual debt	Long Term	550.00	[ICRA]AA (Stable)	08-MAY-2024	[ICRA]AA (Stable)	-	-	-	-	-	-
				31-MAY-2024	[ICRA]AA (Stable)	-	-	-	-	-	-
				31-MAY-2024	[ICRA]AA (Stable)	-	-	-	-	-	-

				20-DEC-2024	[ICRA]AA (Stable)	-	-	-	-	-	-
				20-DEC-2024	[ICRA]AA (Stable)	-	-	-	-	-	-
Perpetual debt	Long Term	110.00	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-
Commercial paper	Short Term	6,000.00	[ICRA]A1+	08-MAY-2024	[ICRA]A1+	15-SEP-2023	[ICRA]A1+	30-JUN-2022	[ICRA]A1+	05-APR-2021	[ICRA]A1+
				31-MAY-2024	[ICRA]A1+	27-DEC-2023	[ICRA]A1+	16-SEP-2022	[ICRA]A1+	02-JUL-2021	[ICRA]A1+
				20-DEC-2024	[ICRA]A1+	-	-	-	-	-	-

Source: ICRA Research

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper	Very simple
Subordinated debt	Very simple
Perpetual debt	Moderately complex
Non-convertible debentures	Very simple
Long-term fund-based term loan	Simple
Long-term fund-based cash credit	Simple
Long-term short-term fund based/Non-fund based – Others	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details^A

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE957N14HY4	Commercial paper	Mar-05-2024	8.6700%	Mar-03-2025	250.0	[ICRA]A1+
INE957N14IB0	Commercial paper	Mar-07-2024	8.6600%	Mar-06-2025	400.0	[ICRA]A1+
INE957N14ID6	Commercial paper	Mar-19-2024	8.5800%	Mar-18-2025	75.0	[ICRA]A1+
INE957N14II5	Commercial paper	May-21-2024	8.4200%	May-21-2025	130.0	[ICRA]A1+
INE957N14IU0	Commercial paper	Sep-13-2024	8.2000%	Jun-16-2025	50.0	[ICRA]A1+
INE957N14IY2	Commercial paper	Nov-21-2024	8.1500%	Nov-21-2025	165.0	[ICRA]A1+
INE957N14IZ9	Commercial paper	Dec-04-2024	8.2500%	Nov-20-2025	100.0	[ICRA]A1+
INE957N14JA0	Commercial paper	Dec-05-2024	8.2500%	Nov-28-2025	200.0	[ICRA]A1+
INE957N14JB8	Commercial paper	Dec-05-2024	8.2500%	Nov-14-2025	200.0	[ICRA]A1+
INE957N14JC6	Commercial paper	Dec-12-2024	8.2500%	Nov-07-2025	250.0	[ICRA]A1+
INE957N14JD4	Commercial paper	Dec-13-2024	8.2500%	Dec-05-2025	250.0	[ICRA]A1+
INE957N14JE2	Commercial paper	Feb-06-2025	8.1700%	Jan-28-2026	300.0	[ICRA]A1+
INE957N14JF9	Commercial paper	Feb-06-2025	8.1700%	Feb-02-2026	450.0	[ICRA]A1+
INE957N14JG7	Commercial paper	Feb-06-2025	8.1700%	Feb-06-2026	400.0	[ICRA]A1+
NA	Commercial paper*	NA	NA	NA	2,780.0	[ICRA]A1+
INE957N08011	Sub-debt	Sep-15-2015	9.3500%	Sep-15-2025	100.0	[ICRA]AA+ (Stable)
INE957N08029	Sub-debt	Aug-03-2016	8.9800%	Aug-03-2026	100.0	[ICRA]AA+ (Stable)
INE957N08037	Sub-debt	Jun-20-2017	8.5200%	Jun-18-2027	100.0	[ICRA]AA+ (Stable)
INE957N08045	Sub-debt	Dec-06-2018	9.8100%	Nov-24-2028	125.0	[ICRA]AA+ (Stable)
INE957N08052	Sub-debt	Feb-05-2020	8.8500%	Feb-05-2030	100.0	[ICRA]AA+ (Stable)
INE957N08060	Sub-debt	Mar-04-2020	8.4900%	Mar-04-2030	25.0	[ICRA]AA+ (Stable)
INE957N08151	Sub-debt	Sep-27-2024	9.2000%	May-27-2030	200.0	[ICRA]AA+ (Stable)
INE957N08078	Sub-debt	Dec-11-2020	7.6500%	Dec-11-2030	45.0	[ICRA]AA+ (Stable)
INE957N08086	Sub-debt	Jul-18-2022	8.6500%	Jul-16-2032	100.0	[ICRA]AA+ (Stable)
INE957N08094	Sub-debt	Oct-21-2022	8.6500%	Oct-21-2032	55.0	[ICRA]AA+ (Stable)
INE957N08102	Sub-debt	Dec-01-2022	8.6500%	Dec-01-2032	100.0	[ICRA]AA+ (Stable)
INE957N08110	Sub-debt	Jan-05-2024	9.0000%	Jan-05-2034	55.0	[ICRA]AA+ (Stable)
INE957N08185	Sub-debt	Dec-31-2024	9.3000%	Dec-31-2034	50.0	[ICRA]AA+ (Stable)
NA	Sub-debt [#]	Aug-31-2024	NA	Apr-30-2030	200.0	[ICRA]AA+ (Stable)
NA	Sub-debt*	NA	NA	NA	750.0	[ICRA]AA+ (Stable)
INE957N08128	Perpetual debt	May-17-2024	9.5000%	Perpetual	150.0	[ICRA]AA (Stable)
INE957N08136	Perpetual debt	Jun-04-2024	9.6000%	Perpetual	75.0	[ICRA]AA (Stable)
INE957N08144	Perpetual debt	Aug-28-2024	9.5000%	Perpetual	25.0	[ICRA]AA (Stable)
INE957N08144 (Re-issue)	Perpetual debt	Sep-06-2024	9.5000%	Perpetual	60.0	[ICRA]AA (Stable)
INE957N08169	Perpetual debt	Oct-15-2024	9.5000%	Perpetual	55.0	[ICRA]AA (Stable)
INE957N08177	Perpetual debt	Nov-25-2024	9.5000%	Perpetual	50.0	[ICRA]AA (Stable)
INE957N08177 (Re-issue)	Perpetual debt	Feb-12-2025	9.5000%	Perpetual	120.0	[ICRA]AA (Stable)
NA	Perpetual debt*	NA	NA	NA	125.0	[ICRA]AA (Stable)
INE957N07740	NCD	Dec-30-2022	8.25%	Dec-30-2024	35.00	[ICRA]AA+ (Stable); withdrawn
INE957N07682	NCD	Jul-29-2022	7.99%	Jul-29-2025	400.00	[ICRA]AA+ (Stable)
INE957N07757	NCD	May-12-2023	8.35%	May-12-2026	50.00	[ICRA]AA+ (Stable)
INE957N07807	NCD	Dec-31-2024	8.7000%	Dec-31-2026	310.0	[ICRA]AA+ (Stable)
INE957N07815	NCD	Dec-31-2024	8.7000%	Dec-31-2027	65.0	[ICRA]AA+ (Stable)
INE957N07773	NCD	Feb-02-2024	8.60%	Feb-02-2029	25.0	[ICRA]AA+ (Stable)
INE957N07591	NCD	May-07-2021	7.35%	May-07-2031	25.00	[ICRA]AA+ (Stable)
NA	NCD*	NA	NA	NA	2,495.0	[ICRA]AA+ (Stable)
NA	Term loan - 1	Mar-31-2021	NA	Mar-31-2025	50.00	[ICRA]AA+ (Stable)
NA	Term loan - 2	Dec-30-2022	NA	Jan-15-2026	33.36	[ICRA]AA+ (Stable)
NA	Term loan - 3	Dec-30-2024	NA	Dec-31-2027	200.00	[ICRA]AA+ (Stable)

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan - 4	Dec-18-2020	NA	Dec-31-2025	75.00	[ICRA]AA+ (Stable)
NA	Term loan - 5	Jun-30-2022	NA	Jun-30-2027	450.00	[ICRA]AA+ (Stable)
NA	Term loan - 6	Sep-26-2023	NA	Sep-30-2028	525.00	[ICRA]AA+ (Stable)
NA	Term loan - 7	Sep-30-2023	NA	Sep-30-2028	175.00	[ICRA]AA+ (Stable)
NA	Term loan - 8	30-03-2021/29-04-2021	NA	Mar-30-2026	200.00	[ICRA]AA+ (Stable)
NA	Term loan - 9	Sep-14-2020	NA	Sep-14-2025	11.04	[ICRA]AA+ (Stable)
NA	Term loan - 10	Dec-09-2021	NA	Dec-08-2026	38.84	[ICRA]AA+ (Stable)
NA	Term loan - 11	Mar-30-2024	NA	Mar-31-2029	212.50	[ICRA]AA+ (Stable)
NA	Term loan - 12	Mar-30-2024	NA	Mar-31-2029	127.50	[ICRA]AA+ (Stable)
NA	Term loan - 13	Mar-30-2024	NA	Mar-31-2029	85.00	[ICRA]AA+ (Stable)
NA	Term loan - 14	Sep-26-2024	NA	Sep-30-2029	475.00	[ICRA]AA+ (Stable)
NA	Term loan - 15	Dec-16-2020	NA	Dec-16-2025	100.00	[ICRA]AA+ (Stable)
NA	Term loan - 16	Feb-04-2022	NA	Jan-31-2027	500.00	[ICRA]AA+ (Stable)
NA	Term loan - 17	20-09-2022/26-09-2022	NA	Sep-30-2027	1,100.00	[ICRA]AA+ (Stable)
NA	Term loan - 18	02-06-2023/07-06-2023	NA	Jun-30-2028	350.00	[ICRA]AA+ (Stable)
NA	Term loan - 19	Jun-14-2023	NA	Jun-30-2028	350.00	[ICRA]AA+ (Stable)
NA	Term loan - 20	Dec-22-2023	NA	Dec-31-2028	300.00	[ICRA]AA+ (Stable)
NA	Term loan - 21	Sep-30-2022	NA	Sep-30-2025	68.33	[ICRA]AA+ (Stable)
NA	Term loan - 22	Dec-29-2022	NA	Dec-29-2025	233.33	[ICRA]AA+ (Stable)
NA	Term loan - 23	Mar-27-2023	NA	Mar-27-2026	125.00	[ICRA]AA+ (Stable)
NA	Term loan - 24	Mar-29-2023	NA	Mar-29-2026	208.33	[ICRA]AA+ (Stable)
NA	Term loan - 25	Nov-28-2023	NA	Nov-28-2026	437.50	[ICRA]AA+ (Stable)
NA	Term loan - 26	Dec-30-2023	NA	Dec-30-2026	100.00	[ICRA]AA+ (Stable)
NA	Term loan - 27	Sep-30-2024	NA	Sep-27-2027	916.67	[ICRA]AA+ (Stable)
NA	Term loan - 28	Dec-16-2024	NA	Dec-16-2027	750.00	[ICRA]AA+ (Stable)
NA	Term loan - 29	Aug-11-2023	NA	Nov-11-2026	350.00	[ICRA]AA+ (Stable)
NA	Term loan - 30	Jun-21-2024	NA	Dec-21-2026	80.00	[ICRA]AA+ (Stable)
NA	Term loan - 31	Jun-25-2024	NA	Dec-25-2026	156.00	[ICRA]AA+ (Stable)
NA	Term loan - 32	Aug-27-2024	NA	Feb-27-2027	236.00	[ICRA]AA+ (Stable)
NA	Term loan - 33	Sep-22-2022	NA	Oct-22-2025	111.25	[ICRA]AA+ (Stable)
NA	Term loan - 34	Dec-29-2022	NA	Apr-29-2026	53.85	[ICRA]AA+ (Stable)
NA	Term loan - 35	Mar-29-2023	NA	Jun-30-2026	85.38	[ICRA]AA+ (Stable)
NA	Term loan - 36	Mar-29-2023	NA	Mar-28-2028	150.00	[ICRA]AA+ (Stable)
NA	Term loan - 37	Dec-29-2023	NA	Dec-28-2028	200.00	[ICRA]AA+ (Stable)
NA	Term loan - 38	Mar-30-2024	NA	Mar-29-2029	212.50	[ICRA]AA+ (Stable)
NA	Term loan - 39	Nov-26-2020	NA	Nov-26-2025	70.18	[ICRA]AA+ (Stable)
NA	Term loan - 40	Dec-31-2020	NA	Dec-30-2025	78.95	[ICRA]AA+ (Stable)
NA	Term loan - 41	Dec-09-2021	NA	Dec-09-2026	184.21	[ICRA]AA+ (Stable)
NA	Term loan - 42	Sep-29-2022	NA	Sep-29-2027	263.16	[ICRA]AA+ (Stable)
NA	Term loan - 43	Mar-31-2021	NA	Mar-31-2026	166.67	[ICRA]AA+ (Stable)
NA	Term loan - 44	Sep-24-2021	NA	Sep-23-2025	12.50	[ICRA]AA+ (Stable)
NA	Term loan - 45	Aug-12-2022	NA	Sep-30-2027	220.00	[ICRA]AA+ (Stable)
NA	Term loan - 46	Dec-29-2022	NA	Dec-31-2027	450.00	[ICRA]AA+ (Stable)
NA	Term loan - 47	Jan-31-2024	NA	Jan-31-2029	400.00	[ICRA]AA+ (Stable)
NA	Term loan - 48	Jul-31-2024	NA	Jul-31-2029	450.00	[ICRA]AA+ (Stable)
NA	Term loan - 49	Mar-09-2023	NA	Mar-31-2028	60.00	[ICRA]AA+ (Stable)
NA	Term loan - 50	Dec-28-2022	NA	Dec-28-2027	187.50	[ICRA]AA+ (Stable)
NA	Term loan - 51	Sep-05-2023	NA	Sep-05-2028	777.78	[ICRA]AA+ (Stable)
NA	Term loan - 52	Jun-28-2024	NA	Jun-28-2029	944.44	[ICRA]AA+ (Stable)
NA	Term loan - 53	Dec-30-2024	NA	Dec-31-2029	1,000.00	[ICRA]AA+ (Stable)

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Working capital - 1	NA	NA	NA	100.00	[ICRA]AA+ (Stable)
NA	Working capital - 2	NA	NA	NA	200.00	[ICRA]AA+ (Stable)
NA	Working capital - 3	NA	NA	NA	200.00	[ICRA]AA+ (Stable)
NA	Working capital - 4	NA	NA	NA	700.00	[ICRA]AA+ (Stable)
NA	Working capital - 5	NA	NA	NA	100.00	[ICRA]AA+ (Stable)
NA	Bank line - 1	NA	NA	NA	1,654.23	[ICRA]AA+ (Stable)
NA	Bank line - 2	NA	NA	NA	650.00	[ICRA]AA+ (Stable)
NA	LT fund-based term loan*	NA	NA	NA	902.23	[ICRA]AA+ (Stable)
NA	LT fund-based cash credit*	NA	NA	NA	300.00	[ICRA]AA+ (Stable)
NA	LT/ST fund-based/Non-fund based – Others*	NA	NA	NA	1,895.77	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: ICRA Research; # Subordinated Tier-II term loan; * Yet to be placed/Proposed; ^ As on February 28, 2025

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Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Hero FinCorp Limited (HFCL)	Rated Entity	Full Consolidation
Hero Housing Finance Limited (HHFL)	Subsidiary	Full Consolidation

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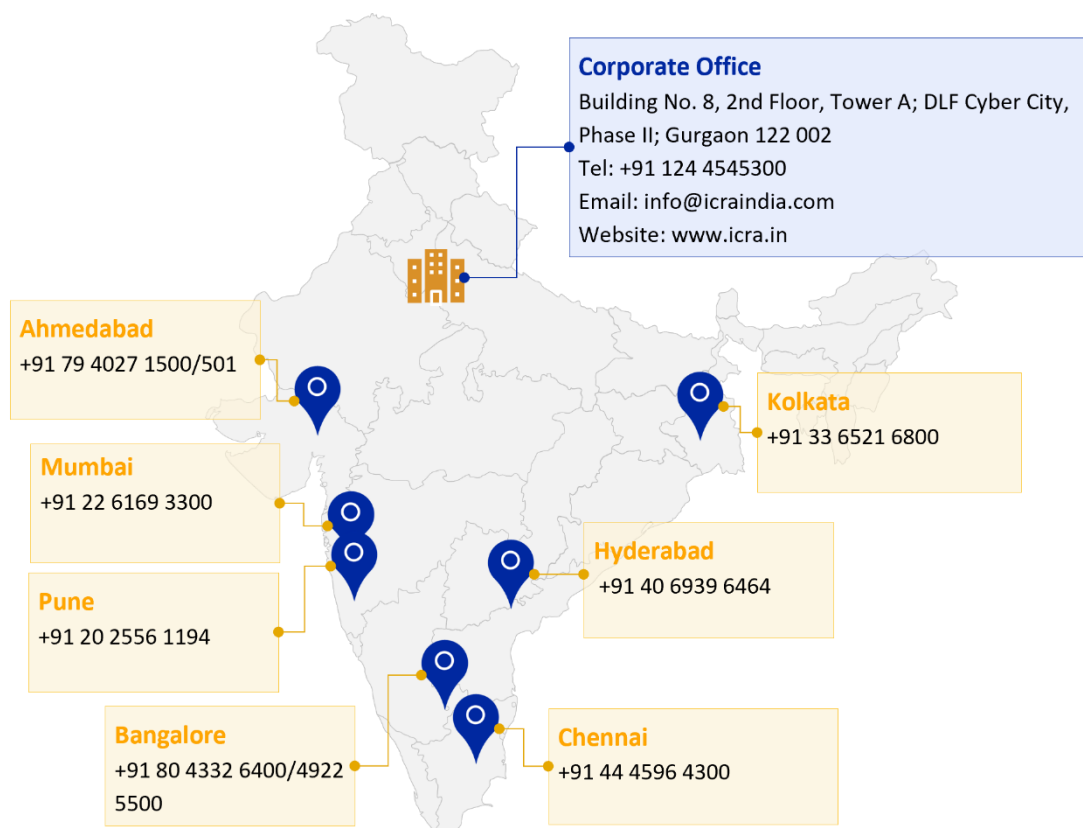


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