

April 05, 2021

## Hero FinCorp Limited: Ratings reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper	6,000.0	6,000.0	[ICRA]A1+; reaffirmed
Subordinated Debt	700.0	700.0	[ICRA]AA+ (Stable); reaffirmed
Non-convertible Debentures	1,846.0	1,846.0	[ICRA]AA+ (Stable); reaffirmed
Non-convertible Debentures	16.0	-	[ICRA]AA+ (Stable); reaffirmed and withdrawn <sup>#</sup>
Long-term Fund Based	12,889.5	14,696.0	[ICRA]AA+ (Stable); assigned/reaffirmed
Long-term Short-term Fund-based/Non-fund based <sup>^</sup>	110.5	1,304.0	[ICRA]AA+ (Stable)/ [ICRA]A1+; assigned/reaffirmed
<b>Total Bank Facilities</b>	<b>13,000.0</b>	<b>16,000.0</b>	

\*Instrument details are provided in Annexure-1; <sup>#</sup>Withdrawn as instruments/ISINs stand fully redeemed basis publicly available information and/or confirmation from the company

### 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, as HHFL is a wholly-owned subsidiary of HFCL and there are significant operational and business synergies between the two companies in addition to a shared name and management oversight.

The ratings continue to draw strength from HFCL's strong parentage, track record of adequate capitalisation with a strong ability to recapitalise as seen in regular equity infusions (about Rs. 2,253 crore over three years ending March 2021), fairly diversified borrowing profile with good financial flexibility, and strong liquidity position. Hero MotoCorp Limited (HMCL; rated [ICRA]AAA (Stable)/[ICRA]A1+), along with its individual promoters and their investment companies (collectively referred to as the Hero Group), held a 79.5% stake in HFCL as on December 31, 2020. As a part of the Hero Group, HFCL and HHFL enjoy good financial flexibility and have continued to maintain a diversified borrowing profile and raised funds at competitive costs despite the challenging operating environment. HFCL is a key company for the Group's foray into financial services and is strategically important to the Group as the captive financier<sup>1</sup> of the two-wheeler sales of HMCL. HFCL and HMCL also share a common name reflecting high reputational sensitivity of HFCL for the Hero Group. ICRA expects HMCL 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 and liquidity support.

HFCL's capitalisation profile remains adequate with a standalone CRAR of 19.1% as of December 31, 2020 and a consolidated adjusted gearing of 4.8 times (adjusted for the committed call of equity of Rs. 472 crore, which was subsequently infused in February 2021). The capitalisation level of HFCL's wholly-owned subsidiary, HHFL, also continues to be supported by regular equity support from HFCL. As of December 31, 2020, HHFL's financial profile was characterised by a CRAR of 22.4%. While ICRA

<sup>1</sup> Sizeable proportion of HMCL's bike sales are financed by HFCL

notes that HFCL and HHFL would continue to need equity infusions over the medium term to maintain prudent capitalisation levels while growing as per business plans, support from the parent group is expected to be forthcoming as and when required.

ICRA has taken note of the elevated asset quality indicators amid the challenging operating environment due to the Covid-19-induced disruption and the resultant slowdown in the economy. While the reported gross and net stage 3 ratios, at the consolidated level, improved to 2.7% and 1.6%, respectively, as on December 31, 2020 from 6.1% and 3.8%, respectively, as on March 31, 2020, it is noted that the proforma gross and net stage 3 ratios (without Supreme Court dispensation), at the consolidated level, stood elevated at 7.3% and 4.6%. Furthermore, restructuring of 0.6% of the outstanding loan book has been done as on December 31, 2020, as per the Covid related restructuring guidelines. Thus, the evolving asset quality trajectory over the near term and the resultant impact on solvency and profitability will remain a monitorable. Earlier, in FY2020, HFCL had witnessed a deterioration in the asset quality due to incremental slippages across segments, especially in the SME lending segment portfolio corresponding to loans originated prior to March 2017. However, subsequent originations showed a relatively better asset quality trajectory in FY2020, given the tightening in the credit processes and norms and the revamped collection infrastructure post March 2017. The elevated level of proforma stage 3 assets adversely impacts the consolidated solvency metric with Net Stage 3/Tier I of about 26% (after addition of equity capital of Rs. 472 crore, which was subsequently infused in February 2021). While the availability of additional contingent provisions aggregating Rs. 211 crore (0.8% of consolidated loan book) provides comfort, Covid-19 related asset quality pressures in the near term can keep the solvency metric under a sustained pressure. In this regard, a sustained deterioration in adjusted solvency ratio (Net Stage 3/Tier I adjusted for contingent provisions) beyond 25% and/or a cushion of less than 3% in the Tier I capital over the regulatory requirement could lead to a downward revision in the long-term rating. Adjusted solvency stands at about 22%, after adjusting for contingent provisions and Rs. 472 crore equity received in February 2021.

The ratings also factor in HFCL's track record of moderate profitability with the return on equity (RoE) remaining below average (6.9% in FY2020 and -2.8% in 9M FY2021). In 9MFY2021, the credit cost increased considerably with front loading of credit losses (provisions and write offs) amid the challenging operating environment. Going forward, the operating expenses at the consolidated level are likely to moderate (compared to the level seen in erstwhile years) with no new product line expected to be launched and the achievement of scale by three product lines under the retail segment. At the same time, credit costs could remain elevated given the volatility in the asset quality indicators. Meanwhile, HHFL's operating expenses are expected to remain high over the medium term, given the nascent stage of operations and the planned expansion of the scale and branch network. This, in turn, would keep the profitability indicators muted. Overall, 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.

## Key rating drivers and their description

### Credit strengths

**Strong parentage<sup>2</sup> and strategic importance to HMCL** – The ratings derive significant strength from the parentage of HFCL and HHFL with HMCL, its individual promoters and their investment companies (collectively referred to as the Hero Group) holding a 79.5% stake in HFCL as on December 31, 2020. ICRA expects HMCL to remain the single largest shareholder in HFCL, and the Hero Group to be willing to extend financial support to HFCL and HHFL, if needed, given the importance that the business holds for the Group. HFCL is a key company for the Group's foray into financial services and is strategically important to the Group as the captive financier of the two-wheeler sales of HMCL. HFCL, HHFL and HMCL also share a common name, which, in ICRA's opinion, would persuade the Group to provide financial support to HFCL to protect its reputation from the consequences of a Group entity's distress. Overall, ICRA expects HFCL and HHFL to continue to benefit from Group synergies in the form of branding, distribution network, management guidance, and capital and liquidity support. Also, it is noted that the company's management team is well experienced in the relevant lines of business.

---

<sup>2</sup>Hero Group holds a stake of ~79.5% in HFCL; HMCL, on a standalone basis, held a stake of 41.2% as on December 31, 2020

**Adequate capitalisation profile supported by regular equity infusions** – HFCL’s capitalisation profile remains adequate with a standalone CRAR of 19.1% as of December 31, 2020 and a consolidated adjusted gearing of 4.8 times (adjusted for the committed call of equity of Rs. 472 crore, which was subsequently infused in February 2021). The capitalisation level has been supported by timely and regular equity infusions by the existing promoters/investors (the company raised Rs. 1,178-crore equity in FY2019, followed by Rs. 603 crore in March 2020 and Rs. 472 crore in February 2021). The capitalisation level of HFCL’s wholly-owned subsidiary, HHFL, also continues to be supported by regular equity infusions from HFCL. As of December 31, 2020, HHFL’s financial profile was characterised by a CRAR of 22.4%. However, the subsidiary’s capital requirement is expected to remain high, given its growth plans and marginal internal capital generation. ICRA notes that although HFCL and HHFL would continue to need equity infusions over the medium term to maintain prudent capitalisation levels while growing as per business plans, support from the parent group is expected to be forthcoming as and when required.

**Diversified borrowing profile and good financial flexibility** – As a part of the Hero Group, HFCL and HHFL enjoy good financial flexibility and have continued to raise funds at competitive costs from diverse sources including a healthy share of debt market instruments (non-convertible debentures (NCDs) and commercial paper (CP) constituted 23% of the funding mix as on December 31, 2020). Though, ICRA notes that the share of bank lines has increased considerably in the incremental borrowings of the company during the past two years. Liquidity position of the Group remains strong with sufficient cash and liquid investments and sizeable sanctioned and unutilised working capital lines. As of December 31, 2020, the consolidated on-balance sheet liquidity was about Rs. 3,268 crore (14% of total borrowings), besides the availability of off-balance sheet liquidity of about Rs. 2,200 crore in the form of undrawn working capital lines and uncalled equity (subsequently infused in February 2021).

## Credit challenges

**Asset quality pressure** – Given the Covid-19-induced disruption and the resultant slowdown in the economy, alike broader industry, HFCL’s portfolio vulnerability has increased. While the reported gross and net stage 3 ratios, at the consolidated level, improved to 2.7% and 1.6%, respectively, as on December 31, 2020 from 6.1% and 3.8%, respectively, as on March 31, 2020, it is noted that the proforma gross and net stage 3 ratios (without Supreme Court dispensation), at the consolidated level, stood elevated at 7.3% and 4.6%. Furthermore, restructuring of 0.6% of the outstanding loan book has been done as on December 31, 2020, under the Covid related restructuring guidelines. Thus, the evolving asset quality trajectory over the near term and the resultant impact on solvency and profitability will remain a monitorable. Earlier ICRA notes that HFCL witnessed a deterioration in the asset quality in FY2020, whereby the reported gross and net stage 3 ratios, at the consolidated level, increased to 6.1% and 3.8%, respectively, as on March 31, 2020, from 4.3% and 2.9%, respectively, as on March 31, 2019. This trend in FY2020 resulted from incremental slippages across segments, especially in the SME lending segment portfolio corresponding to loans originated prior to March 2017. Nevertheless, subsequent originations showed a relatively better asset quality trajectory in FY2020, given the tightening in the credit processes and norms and the revamped collection infrastructure post March 2017. Also, while the share of retail loans continues to increase, the corporate loan book remains sizeable at 18% of the total loan book as on December 31, 2020 (notwithstanding the sharp decline in the past two years). The company is, however, curtailing the growth in this book as its focus is on the retail and housing segments, which are granular. ICRA also notes that HFCL’s housing finance operations through HHFL have a limited track record, though delinquencies have been under control.

The elevated level of proforma stage 3 assets adversely impacts the consolidated solvency metric with Net Stage 3/Tier I of about 26% (adjusted for uncalled equity capital of Rs. 472 crore, which was infused in February 2021). While the availability of additional contingent provisions aggregating Rs. 211 crore (0.8% of consolidated loan book) provides comfort, the inability to manage the asset quality pressures in the near to medium term can keep the solvency metric under a sustained pressure. Adjusted solvency stands at about 22%, after adjusting for contingent provisions and Rs. 472 crore equity received in February 2021.

**Modest profitability indicators** – As HFCL’s operations have been in expansion mode (notwithstanding the slowdown in growth due to the pandemic) and the asset quality is under pressure, the consolidated profitability remained subdued in FY2020 with

an RoE of 6.9%<sup>3</sup>. Moreover, the augmented asset quality pressure and spike in credit cost have brought the profitability under further pressure despite the cost rationalisation measures, as reflected by the net loss of Rs. 95 crore reported in 9MFY2021. While the yields, lending spread, and net interest margin (NIM) have improved in the past two years, the impact was offset by higher credit costs. HHFL's operating expenses are expected to remain high over the medium term, given the nascent stage of operations and the planned expansion of the scale and branch network. This, in turn, would keep the profitability indicators muted. Overall, 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. The sustained inability to improve the profitability from the currently modest levels will be a credit negative.

## Liquidity position: Strong

Despite the curtailed cash inflows in H1 FY2021 because of the moratorium extended to customers (monthly average for portfolio under moratorium during forbearance period was 28%), HFCL and HHFL have retained a strong liquidity position. As of December 31, 2020, the consolidated on-balance sheet liquidity was about Rs. 3,268 crore (14% of total borrowings), besides the availability of off-balance sheet liquidity of about Rs. 2,200 crore in the form of undrawn working capital lines and uncalled equity (subsequently infused in February 2021). The available liquidity as on December 31, 2020 was adequate to take care of the debt servicing obligations (principal + interest) falling due uptill May 2021. Additionally, HFCL has continued to tap debt/money markets and other borrowing opportunities with over Rs. 9,000 crore raised in 9M FY2021.

It is also noted that HFCL's standalone asset-liability maturity (ALM) profile, in the normal course of business, is characterised by positive cumulative mismatches in the buckets up to 1 year, given the sizeable proportion of the loan book with a residual tenor of up to 1 year. As on December 31, 2020, HFCL's ALM reflected debt maturities of Rs. 4,213 crore for the 6-month period ending June 30, 2021, against which its scheduled inflows were Rs. 6,029 crore. This, along with sufficient cash and liquid investments and sizeable sanctioned and unutilised working capital lines, augured well for the liquidity profile. Further, the track record of regular support from the parent, in terms of equity infusion, provides comfort.

ICRA is cognizant of HHFL's ALM profile being characterised by mismatches in the near-to-medium-term buckets due to the longer tenure of the assets compared to the borrowings. As on December 31, 2020, HHFL's ALM reflected debt maturities of Rs. 494 crore over the 12-month period ending December 31, 2021, against which its scheduled inflows are Rs. 245 crore. Nevertheless, cash and liquid investments of about Rs. 426 crore as on February 28, 2021 are sufficient to plug mismatches in the near-term buckets. The liquidity has been further bolstered by the recent capital infusion of Rs. 100 crore by HFCL. Also, ICRA notes that the company has been able to successfully raise funds owing to its long-standing relationships with a large network of banks, mutual funds and other financial institutions by virtue of being a part of the Hero Group, thereby providing additional comfort.

## Rating sensitivities

**Positive factors** – ICRA does not foresee the long-term rating being upgraded in the near term.

**Negative factors** – The ratings could be downgraded on a deterioration in HHFL's credit profile or lower-than-expected support from the parent group. Besides, a deterioration in the consolidated asset quality indicators and/or the capitalisation level with the solvency ratio (Net Stage 3/ Tier I) deteriorating beyond 25% and/or a cushion of less than 3% in the Tier I capital over the regulatory requirement on a sustained basis will be a trigger for a downward revision. The ratings could also come under pressure in case of a deterioration in the liquidity and/or the incremental borrowing profile of the company. The sustained inability to improve the profitability from the currently modest levels will also be a credit negative.

---

<sup>3</sup> 9.4% adjusted for the impact of Covid-19 provisioning; even higher if adjusted for equity infusion timing and investment made in HHFL

## Analytical approach

Analytical Approach	Comments
<b>Applicable Rating Methodologies</b>	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">ICRA's Credit Rating Methodology for Housing Finance Companies</a> <a href="#">Financial Consolidation and Rating Approach</a> <a href="#">Impact of Parent or Group Support on an Issuer's Credit Rating</a>
<b>Parent/Group Support</b>	<p>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 Group) holding a 79.5% stake in HFCL as on December 31, 2020. ICRA expects HMCL to remain the single largest shareholder in HFCL and the Hero Group to be willing to extend financial support to HFCL and HHFL, if needed, given the importance that the business holds for the Group. HFCL is a key company for the Group's foray into financial services and is strategically important to the Group as it is the captive financier of the two-wheeler sales of HMCL. HFCL, HHFL and HMCL also share a common name, which, in ICRA's opinion, would persuade the Group to provide financial support to HFCL to protect its reputation from the consequences of a Group entity's distress.</p>
<b>Consolidation/Standalone</b>	<p>Consolidation; while arriving at the ratings, ICRA has taken a consolidated view of the credit profiles of HFCL and HHFL, referred to as the Hero Fincorp Group, as HHFL is a wholly-owned subsidiary of HFCL and there are significant operational and business synergies between the two companies in addition to a shared name and management oversight.</p>

## About the company

HFCL is a non-banking financial company (NBFC) engaged in extending retail finance for the two-wheeler sales of HMCL (rated [ICRA]AAA (Stable)/[ICRA]A1+), bill discounting for HMCL's suppliers, loans to small and medium enterprises, loan against property (LAP), used car financing and personal loans<sup>4</sup>. Moreover, HFCL's subsidiary, HHFL, received a housing finance licence from National Housing Bank (NHB) in August 2017. On a consolidated basis, the assets under HFCL's management stood at Rs. 25,650 crore as on December 31, 2020 compared to Rs. 25,182 crore as on March 31, 2020. HHFL extends housing loans to retail borrowers and had a total loan book of Rs. 2,224 crore as on December 31, 2020 compared to Rs. 1,793 crore as on March 31, 2020.

HFCL was incorporated in December 1991 under the name Hero Honda FinLease Limited. Following a change in the ownership of its parent, Hero MotoCorp Limited (formerly Hero Honda Motors Limited), the company changed its name to Hero Fincorp Limited in July 2011. Until April 2013, HFCL extended term loans, machinery loans, and bill discounting facilities primarily to entities within the HMCL ecosystem. It subsequently expanded its operations to entities outside the HMCL ecosystem and started extending loans for HMCL's two-wheelers, used cars financing, personal loans, LAP, etc.

HMCL and its promoter group (members of the Munjal family and their investment companies) together held a 79.5% ownership stake in HFCL as of December 31, 2020. While 41.2% was directly held 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 as Apis, Credit Suisse (Singapore) and Otter Ltd (Chrys Capital) held a 14% stake with the balance 6.4% held by HMCL's dealers, employees, etc.

On a standalone basis, HFCL reported a profit after tax (PAT) of Rs. 310 crore on a total gross asset base of Rs. 26,517 crore in FY2020 against a PAT of Rs. 246 crore on a total gross asset base of Rs. 21,133 crore in FY2019. In 9MFY2021, the company reported a net loss of Rs. 73 crore led by sizeable provisioning in Q3FY2021. As on December 31, 2020, the company had a net

<sup>4</sup> Cross-sell loans extended to two-wheeler customers with a good track record and no overdues in the initial nine-month period

worth of Rs. 4,425 crore against Rs. 4,527 crore as on March 31, 2020 and capital adequacy of 19.1%. The gross and net non-performing assets stood at 7.8% and 5.0%, respectively, as on December 31, 2020 (2.9% and 1.8% respectively with SC dispensation) compared to 6.5% and 4.1%, respectively, as on March 31, 2020.

On a consolidated basis, HFCL reported a PAT of Rs. 278 crore on a total gross asset base of Rs. 28,092 crore in FY2020 against a PAT of Rs. 246 crore on a total gross asset base of Rs. 21,551 crore in FY2019. In 9MFY2021, the company reported a net loss of Rs. 95 crore. As on December 31, 2020, the company's consolidated loan portfolio comprised of 2-wheeler finance with a portfolio share of 35%, dealer inventory funding with portfolio share of 2%, pre-owned car finance (7%), personal loans (11%), home loans (6%), retail SME loans (21%), and corporate loans with portfolio share of 18%.

### Key financial indicators

Amounts in Rs. crore	Standalone			Consolidated		
	FY2019	FY2020	9M FY21	FY2019	FY2020	9M FY21
	Audited	Audited	Provisional	Audited	Audited	Provisional
PAT	268	310	(73)	246	278	(95)
Adjusted Net Worth	3,667	4,527	4,897*	3,642	4,471	4,821*
Assets under Management (AUM)	19,692	23,359	23,425	20,254	25,152	25,625
Return on Average Assets	1.5%	1.3%	-0.4%	1.4%	1.1%	-0.5%
Return on Average Equity	9.1%	7.6%	-2.1%	8.3%	6.9%	-2.8%
Gearing (times)	4.5	4.6	4.3	4.7	5.0	4.8
Net Worth/ AUM	19%	19%	21%	18%	18%	19%
CRAR	19.3%	19.6%	19.1%			
Proforma Gross NPAs%	4.5%	6.5%	7.8%	4.3%	6.1%	7.3%
Proforma Net NPAs %	3.0%	4.1%	5.0%	2.9%	3.8%	4.6%
Proforma Net NPA/ Adjusted Net Worth	16%	21%	23.9%	16%	21%	24%

**Source:** Financial statements of HFCL and HHFL; Amounts in Rs. Crore; \* including uncalled equity of Rs. 472 crore which was subsequently infused in Feb 2021 as per expected schedule

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2022)				Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Apr 05, 2021	FY2021 Jan 08, 2021	FY2020 Mar 23, 2020		FY2019 Nov 22, 2018		
1	Commercial Paper	ST	6,000	2,660 <sup>^</sup>	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Sub-debt	LT	700	595 <sup>^</sup>	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
3	NCD	LT	1,846	852 <sup>^</sup>	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
4	NCD	LT	16.0	- <sup>^</sup>	Rating Withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
5	LT Fund Based	LT	14,696	NA	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
6	LT/ST Fund Based/Non-fund Based <sup>^</sup>	LT/ST	1,304	- <sup>^</sup>	[ICRA]AA+ (Stable)/ [ICRA]1+	[ICRA]AA+ (Stable)/ [ICRA]1+	[ICRA]AA+ (Stable)/ [ICRA]1+	[ICRA]AA+ (Stable)/ [ICRA]1+	[ICRA]AA+ (Stable)/ [ICRA]1+	[ICRA]AA+ (Stable)/ [ICRA]1+	[ICRA]AA+ (Stable)/ [ICRA]1+

Source: ICRA research; \*As of March 31, 2021; <sup>^</sup>unallocated  
Note: LT - Long Term; ST - Short Term

## Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

**Annexure-1: Instrument details**

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE957N07104	NCD	24-Sep-15	8.93%	18-Feb-21	16.00	Rating Withdrawn
INE957N07146	NCD	6-Jan-16	8.76%	10-Jun-21	12.00	[ICRA]AA+ (Stable)
INE957N07351	NCD	18-Aug-17	7.70%	18-Aug-22	85.00	[ICRA]AA+ (Stable)
INE957N07369	NCD	8-Jan-18	8.10%	8-Apr-21	115.00	[ICRA]AA+ (Stable)
INE957N07377	NCD	8-Jan-18	8.10%	8-Jul-21	80.00	[ICRA]AA+ (Stable)
INE957N07468	NCD	20-Jun-19	8.41%	20-Jun-22	110.00	[ICRA]AA+ (Stable)
INE957N07484	NCD	20-Dec-19	7.75%	20-Dec-22	100.00	[ICRA]AA+ (Stable)
INE957N07492	NCD	27-Apr-20	7.85%	27-Apr-23	350.00	[ICRA]AA+ (Stable)
NA	NCD*	NA	NA	NA	994.00	[ICRA]AA+ (Stable)
INE957N08011	Sub-Debt	15-Sep-15	9.35%	15-Sep-25	100.00	[ICRA]AA+ (Stable)
INE957N08029	Sub-Debt	3-Aug-16	8.98%	3-Aug-26	100.00	[ICRA]AA+ (Stable)
INE957N08037	Sub-Debt	20-Jun-17	8.52%	18-Jun-27	100.00	[ICRA]AA+ (Stable)
INE957N08045	Sub-Debt	6-Dec-18	9.81%	24-Nov-28	125.00	[ICRA]AA+ (Stable)
INE957N08052	Sub-Debt	5-Feb-20	8.85%	5-Feb-30	100.00	[ICRA]AA+ (Stable)
INE957N08060	Sub-Debt	4-Mar-20	8.49%	4-Mar-30	25.00	[ICRA]AA+ (Stable)
INE957N08078	Sub-Debt	11-Dec-20	7.65%	11-Dec-30	45.00	[ICRA]AA+ (Stable)
NA	Sub-Debt*	NA	NA	NA	105.00	[ICRA]AA+ (Stable)
NA	CP*	-	-	7-365 Days	3,340.00	[ICRA]A1+
INE957N14EC7	CP	24-Aug-20	4.75%	25-Jun-21	50.00	[ICRA]A1+
INE957N14EE3	CP	8-Sep-20	4.85%	7-Sep-21	200.00	[ICRA]A1+
INE957N14EE3	CP	8-Sep-20	4.85%	7-Sep-21	100.00	[ICRA]A1+
INE957N14EF0	CP	15-Oct-20	4.20%	17-May-21	100.00	[ICRA]A1+
INE957N14EF0	CP	15-Oct-20	4.20%	17-May-21	100.00	[ICRA]A1+
INE957N14EG8	CP	15-Oct-20	4.20%	18-Jun-21	150.00	[ICRA]A1+
INE957N14EH6	CP	16-Oct-20	4.60%	11-Oct-21	150.00	[ICRA]A1+
INE957N14EJ2	CP	18-Nov-20	4.40%	18-Nov-21	200.00	[ICRA]A1+
INE957N14EJ2	CP	19-Nov-20	4.40%	18-Nov-21	100.00	[ICRA]A1+
INE957N14EK0	CP	19-Jan-21	3.95%	16-Jul-21	60.00	[ICRA]A1+
INE957N14EL8	CP	10-Feb-21	3.85%	10-May-21	100.00	[ICRA]A1+
INE957N14EM6	CP	11-Feb-21	3.85%	11-May-21	200.00	[ICRA]A1+
INE957N14EN4	CP	11-Feb-21	3.80%	30-Apr-21	250.00	[ICRA]A1+
INE957N14EP9	CP	18-Feb-21	4.93%	9-Feb-22	100.00	[ICRA]A1+
INE957N14EP9	CP	18-Feb-21	4.93%	9-Feb-22	75.00	[ICRA]A1+
INE957N14EP9	CP	18-Feb-21	4.93%	9-Feb-22	25.00	[ICRA]A1+
INE957N14EO2	CP	22-Feb-21	4.93%	18-Feb-22	50.00	[ICRA]A1+
INE957N14EO2	CP	22-Feb-21	4.93%	18-Feb-22	50.00	[ICRA]A1+
INE957N14EO2	CP	22-Feb-21	4.93%	18-Feb-22	25.00	[ICRA]A1+
INE957N14EO2	CP	22-Feb-21	4.93%	18-Feb-22	50.00	[ICRA]A1+
INE957N14EO2	CP	22-Feb-21	4.93%	18-Feb-22	25.00	[ICRA]A1+
INE957N14EQ7	CP	17-Mar—21	4.75%	17-Mar-22	200.00	[ICRA]A1+
INE957N14ET1	CP	26-Mar-21	4.75%	25-Mar-22	100.00	[ICRA]A1+
INE957N14ER5	CP	26-Mar-21	4.75%	11-Mar-22	100.00	[ICRA]A1+
INE957N14ES3	CP	26-Mar-21	4.10%	22-Sep-21	50.00	[ICRA]A1+
INE957N14ET1	CP	26-Mar-21	4.75%	25-Mar-22	50.00	[ICRA]A1+
NA	Cash Credit 1	-	-	-	50.00	[ICRA]AA+ (Stable)
NA	Cash Credit 2	-	-	-	50.00	[ICRA]AA+ (Stable)
NA	Cash Credit 3	-	-	-	200.00	[ICRA]AA+ (Stable)
NA	Cash Credit 4	-	-	-	100.00	[ICRA]AA+ (Stable)

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit 5	-	-	-	300.00	[ICRA]AA+ (Stable)
NA	Cash Credit 6	-	-	-	200.00	[ICRA]AA+ (Stable)
NA	Cash Credit 7	-	-	-	100.00	[ICRA]AA+ (Stable)
NA	Cash Credit 8	-	-	-	200.00	[ICRA]AA+ (Stable)
NA	Cash Credit 9	-	-	-	300.00	[ICRA]AA+ (Stable)
NA	Cash Credit 10	-	-	-	100.00	[ICRA]AA+ (Stable)
NA	Term Loan 1	NA	NA	NA	180.00	[ICRA]AA+ (Stable)
NA	Term Loan 2	NA	NA	NA	400.00	[ICRA]AA+ (Stable)
NA	Term Loan 3	NA	NA	NA	500.00	[ICRA]AA+ (Stable)
NA	Term Loan 4	NA	NA	NA	400.00	[ICRA]AA+ (Stable)
NA	Term Loan 5	NA	NA	NA	79.00	[ICRA]AA+ (Stable)
NA	Term Loan 6	NA	NA	NA	100.00	[ICRA]AA+ (Stable)
NA	Term Loan 7	NA	NA	NA	75.00	[ICRA]AA+ (Stable)
NA	Term Loan 8	NA	NA	NA	37.50	[ICRA]AA+ (Stable)
NA	Term Loan 9	NA	NA	NA	160.00	[ICRA]AA+ (Stable)
NA	Term Loan 10	NA	NA	NA	100.00	[ICRA]AA+ (Stable)
NA	Term Loan 11	NA	NA	NA	150.00	[ICRA]AA+ (Stable)
NA	Term Loan 12	NA	NA	NA	25.00	[ICRA]AA+ (Stable)
NA	Term Loan 13	NA	NA	NA	750.00	[ICRA]AA+ (Stable)
NA	Term Loan 14	NA	NA	NA	500.00	[ICRA]AA+ (Stable)
NA	Term Loan 15	NA	NA	NA	38.00	[ICRA]AA+ (Stable)
NA	Term Loan 16	NA	NA	NA	250.00	[ICRA]AA+ (Stable)
NA	Term Loan 17	NA	NA	NA	200.00	[ICRA]AA+ (Stable)
NA	Term Loan 18	NA	NA	NA	450.00	[ICRA]AA+ (Stable)
NA	Term Loan 19	NA	NA	NA	667.00	[ICRA]AA+ (Stable)
NA	Term Loan 20	NA	NA	NA	175.00	[ICRA]AA+ (Stable)
NA	Term Loan 21	NA	NA	NA	1,000.00	[ICRA]AA+ (Stable)
NA	Term Loan 22	NA	NA	NA	500.00	[ICRA]AA+ (Stable)
NA	Term Loan 23	NA	NA	NA	184.00	[ICRA]AA+ (Stable)
NA	Term Loan 24	NA	NA	NA	150.00	[ICRA]AA+ (Stable)
NA	Term Loan 25	NA	NA	NA	60.00	[ICRA]AA+ (Stable)
NA	Term Loan 26	NA	NA	NA	260.00	[ICRA]AA+ (Stable)
NA	Term Loan 27	NA	NA	NA	375.00	[ICRA]AA+ (Stable)
NA	Term Loan 28	NA	NA	NA	400.00	[ICRA]AA+ (Stable)
NA	Term Loan 29	NA	NA	NA	475.00	[ICRA]AA+ (Stable)
NA	Term Loan 30	NA	NA	NA	417.00	[ICRA]AA+ (Stable)
NA	Term Loan 31	NA	NA	NA	917.00	[ICRA]AA+ (Stable)
NA	Term Loan 32	NA	NA	NA	37.50	[ICRA]AA+ (Stable)
NA	Term Loan 33	NA	NA	NA	75.00	[ICRA]AA+ (Stable)
NA	Term Loan 34	NA	NA	NA	100.00	[ICRA]AA+ (Stable)
NA	Term Loan 35	NA	NA	NA	88.00	[ICRA]AA+ (Stable)
NA	Term Loan 36	NA	NA	NA	445.00	[ICRA]AA+ (Stable)
NA	Term Loan 37	NA	NA	NA	92.00	[ICRA]AA+ (Stable)
NA	Term Loan 38	NA	NA	NA	500.00	[ICRA]AA+ (Stable)
NA	Term Loan 39	NA	NA	NA	250.00	[ICRA]AA+ (Stable)
NA	Term Loan 40	NA	NA	NA	500.00	[ICRA]AA+ (Stable)
NA	Term Loan 41	NA	NA	NA	500.00	[ICRA]AA+ (Stable)
NA	Term Loan 42	NA	NA	NA	100.00	[ICRA]AA+ (Stable)
NA	Term Loan 43	NA	NA	NA	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 44	NA	NA	NA	234.00	[ICRA]AA+ (Stable)
NA	Proposed/ Unallocated LoC	NA	NA	NA	1,304.0	[ICRA]AA+ (Stable)/ [ICRA]A1+

*Source: ICRA research; Amount in Rs. crore; \*Yet to be placed*

#### Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Hero Fincorp Limited	Rated Entity	Full Consolidation
Hero Housing Finance Limited	Subsidiary	Full Consolidation

## ANALYST CONTACTS

### **Karthik Srinivasan**

+91-22-6114 3444  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

### **Manushree Saggar**

+91-124-4545316  
[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

### **Deep Inder Singh**

+91-124-4545830  
[deep.singh@icraindia.com](mailto:deep.singh@icraindia.com)

## RELATIONSHIP CONTACT

### **L. Shivakumar**

+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

### **Ms. Naznin Prodhani**

Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

### **Helpline for business queries**

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## **About ICRA Limited:**

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50



### Branches



© Copyright, 2021 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.