

July 02, 2021

## Hero FinCorp Limited: Ratings reaffirmed

### 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
Long-term Fund Based	14,696.0	14,696.0	[ICRA]AA+ (Stable); reaffirmed
Long-term/Short-term Fund-based/Non-fund based^	1,304.0	1,304.0	[ICRA]AA+ (Stable)/ [ICRA]A1+; reaffirmed
<b>Total Bank Facilities</b>	<b>16,000.0</b>	<b>16,000.0</b>	

\*Instrument details are provided in Annexure-1

### 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 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, 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 March 31, 2021. 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.

ICRA has taken note of the company's increased portfolio vulnerability amid the challenging operating environment. The gross and net stage 3 ratios, at the consolidated level, increased to 7.0% and 4.3%, respectively, as on March 31, 2021 from 6.1% and 3.8%, respectively, as on March 31, 2020. Furthermore, ICRA takes cognizance of the large write-offs undertaken in FY2021 and the vulnerability in the asset quality data driven by the relief availed by borrowers through restructuring etc. Also, while the collection efficiency witnessed a swift recovery in H2 FY2021, the second wave of the Covid-19 pandemic has reversed the trajectory across industry players. In this regard, although the availability of an augmented provision buffer provides comfort (total provisions amounted to 4.7% of loan book as on March 31, 2021), it would be imperative for HFCL to control fresh slippages and recover from existing delinquent accounts in order to ease the current sustained pressure on the solvency metric. Nonetheless, ICRA draws comfort from the proposed equity-raising plan for FY2022, which will augment the capital buffer and strengthen the balance sheet to withstand the asset quality related shocks.

The ratings also factor in HFCL's track record of moderate profitability with the return on equity (RoE) remaining lower than peers; though, consolidated pre-provision profitability improved by ~75bps in FY2021. Particularly, the augmented portfolio vulnerability and the resultant spike in credit costs brought the profitability under further pressure in FY2021 despite the improvement in the pre-provision profitability. Going forward, the operating expenses at the consolidated level are likely to moderate further with no new product line expected to be launched and the achievement of scale by three product lines

in the retail segment. At the same time, credit costs could remain elevated over the medium term. 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>1</sup> and strategic importance to HMCL** – The ratings derive significant strength from the parentage of HFCL and HHFL with the Hero Group (HMCL, its individual promoters and their investment companies) holding a 79.5% stake in HFCL as on March 31, 2021. 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.

**Adequate capitalisation profile supported by regular equity infusions** – HFCL's capitalisation profile remains adequate with a standalone CRAR of 19.7% as of March 31, 2021 and a consolidated gearing of 4.9 times. 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 March 31, 2021, HHFL's financial profile was characterised by a CRAR of 27.5%. 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. In this regard, it is noted that HFCL's board recently approved a fund-raising plan of Rs. 1,500 crore for FY2022, which will further augment the capital and liquidity buffers.

**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 20% of the funding mix as on March 31, 2021). However, ICRA notes that the dependence on bank lines has increased considerably in the incremental borrowings of the Group during the past two years. At the same time, the Group has reduced its dependence on CP (with the share reducing to 11% as on March 31, 2021 from 24% two years ago). Its liquidity position remains strong with sufficient cash and liquid investments and sizeable sanctioned and unutilised working capital lines. As of March 31, 2021, the consolidated on-balance sheet liquidity was about Rs. 3,100 crore (13% of total borrowings), besides the availability of off-balance sheet liquidity of about Rs. 2,400 crore in the form of undrawn working capital lines and term lines.

### Credit challenges

**Weak asset quality** – Given the Covid-19-induced disruption and the resultant slowdown in the economy, alike broader industry, HFCL's portfolio vulnerability has increased. The gross and net stage 3 ratios, at the consolidated level, increased to 7.0% and 4.3%, respectively, as on March 31, 2021 from 6.1% and 3.8%, respectively, as on March 31, 2020, and 4.3%

<sup>1</sup> The Hero Group holds a stake of 79.5% in HFCL; On a standalone basis, HMCL held a stake of 41.2% as on March 31, 2021

and 2.9%, respectively, as on March 31, 2019. Furthermore, ICRA takes cognizance of the large write-offs (Rs. 1,030 crore) undertaken in FY2021 and the vulnerability in the asset quality data driven by relief availed by borrowers through restructuring etc. While 2.4% of the assets under management (AUM) stood restructured as on March 31, 2021, disbursements under the ECLGS aggregated 1% of the AUM. Also, while the collection efficiency witnessed a swift recovery in H2 FY2021 (107% in March 2021, including overdues), the second wave of the pandemic has reversed the trajectory. Thus, the evolving asset quality trajectory over the near term and the resultant impact on solvency and profitability will remain a monitorable.

ICRA notes that HFCL had previously 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 was on account of incremental slippages across segments, especially in the small and medium enterprise (SME) lending segment portfolio corresponding to loans originated prior to March 2017. ICRA also notes that HFCL's housing finance operations through HHFL have a limited track record, and delinquencies therein have also inched up with gross and net stage 3 ratios of 2.0% and 1.2%, respectively, as on March 31, 2021, compared to 0.1% and 0.1%, respectively, as on March 31, 2020.

The elevated level of stage 3 assets has adversely impacted the consolidated solvency metric with Net Stage 3/Adjusted Tier I of 24.9% as on March 31, 2021. While the availability of the augmented provision buffer (overall provision cover has increased to 4.7% from 2.4% two years ago) provides comfort, it would be imperative for the company to control fresh slippages and recover from existing delinquent accounts in order to ease the current sustained pressure on the solvency metric. In this regard, ICRA draws comfort from the proposed equity-raising plan for FY2022, which will augment the capital buffer and strengthen the balance sheet to withstand the asset quality related shocks.

**Modest profitability trajectory with further weakening in FY2021** – 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 has remained subdued. Particularly, the spike in credit costs (4.8% of average total assets (ATA) in FY2021) has brought the profitability under further pressure despite the improvement in the pre-provision profitability. The enhanced lending spreads and net interest margin (NIM) as well as operational efficiencies (operating expenses as a proportion of ATA improved to 3.8% in FY2021 from 4.5% in FY2020) led to the improvement in the pre-provision profitability. The company reported a consolidated RoE of 6.9% and 1.1% in FY2020 and FY2021, respectively.

As far as the housing finance subsidiary is concerned, its operating expenses are expected to remain high over the medium term, given 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

In the normal course of business, HFCL's standalone asset-liability maturity (ALM) profile 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 March 31, 2021, its ALM reflected debt maturities of Rs. 5,057 crore for the 6-month period ending September 30, 2021, against which its scheduled inflows from performing advances were Rs. 5,830 crore. Further, while the ongoing challenging environment is likely to lead to a moderation in collections vis-à-vis the scheduled levels, the company's liquidity position stood comfortable as on March 31, 2021 with sizeable on-balance sheet liquidity of Rs. 2,647 crore (12% of borrowings). The liquidity position is further supported by the availability of unutilised working capital lines of Rs. 1,761 crore and term lines of Rs. 400 crore as on March 31, 2021, thereby providing sufficient liquidity buffer to overcome the impact of low collections amid the lockdowns in various parts of the country. Further, the track record of regular support from the parent, in terms of equity infusions, provides comfort.

ICRA notes that HHFL's ALM profile is characterised by mismatches in the near-to-medium-term buckets (in the normal course of business) due to the longer tenure of the assets compared to the borrowings. As on March 31, 2021, HHFL's ALM reflected

debt maturities of Rs. 194 crore for the 6-month period ending September 30, 2021, against which its scheduled inflows from performing advances are Rs. 162 crore. Nevertheless, the higher on-balance sheet liquidity of about Rs. 432 crore as on March 31, 2021 is sufficient to plug the mismatches in the near-term buckets. The liquidity was bolstered by the capital infusion of Rs. 100 crore by HFCL in Q4 FY2021. 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 HMCL’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/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 sustained inability to improve the profitability from the currently modest levels will also be a credit negative.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<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>
Parent/Group Support	<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 March 31, 2021. 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>
Consolidation/Standalone	<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 (SMEs), loan against property (LAP), used car financing and personal loans. 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. 27,472 crore as on March 31, 2021 compared to Rs. 25,152 crore as on March 31, 2020. HHFL extends housing loans to retail borrowers and had a total loan book of Rs. 2,369 crore as on March 31, 2021 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 March 31, 2021. 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. 71 crore on a total gross asset base of Rs. 28,948 crore in FY2021 against a PAT of Rs. 310 crore on a total gross asset base of Rs. 26,517 crore in FY2020. As on March 31, 2021, the company had a net worth of Rs. 5,042 crore against Rs. 4,527 crore as on March 31, 2020 and capital adequacy of 19.7%. The gross and net non-performing assets stood at 7.4% and 4.6%, respectively, as on March 31, 2021 compared to 6.5% and 4.1%, respectively, as on March 31, 2020.

On a consolidated basis, HFCL reported a PAT of Rs. 52 crore on a total gross asset base of Rs. 31,276 crore in FY2021 against a PAT of Rs. 278 crore on a total gross asset base of Rs. 28,092 crore in FY2020. As on March 31, 2021, the company's consolidated loan portfolio comprised two-wheeler finance with a portfolio share of 33%, dealer inventory funding (4%), pre-owned car finance (6%), personal loans (13%), home loans (6%), retail SME loans (19%), and corporate loans (18%).

### Key financial indicators

HFCL	Standalone			Consolidated		
	FY2019	FY2020	FY2021	FY2019	FY2020	FY2021
	Audited	Audited	Audited	Audited	Audited	Audited
PAT	268	310	71	246	278	52
Net Worth	3,667	4,527	5,042	3,642	4,471	4,968
Assets under Management (AUM)*	19,692	23,359	25,103	20,254	25,152	27,472
Return on Average Assets	1.5%	1.3%	0.3%	1.4%	1.1%	0.2%
Return on Average Equity	9.1%	7.6%	1.5%	8.3%	6.9%	1.1%
Gearing (times)	4.5	4.6	4.4	4.7	5.0	4.9
Net Worth/AUM	19%	19%	20%	18%	18%	18%
CRAR	19.3%	19.6%	19.7%			
Gross Stage 3%	4.5%	6.5%	7.4%	4.3%	6.1%	7.0%
Net Stage 3 %	3.0%	4.1%	4.6%	2.9%	3.8%	4.3%
Net Stage 3/Net Worth	16%	21%	22%	16%	21%	23%
Net Stage 3/Adjusted Tier I				17%	22%	25%

**Source:** Financial statements of HFCL and HHFL; Amounts in Rs. Crore; \*Exclusive of loans and advances to employees

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2022)					Chronology of Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Jul 02, 2021	Apr 05, 2021	FY2021	FY2020		FY2019		
							Jan 08, 2021	Mar 23, 2020	Apr 02, 2019	Nov 22, 2018	Sep 25, 2018	Aug 03, 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+	[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)	[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)	[ICRA]AA+ (Stable)
4	LT Fund Based TL	LT	13,096	NA	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
5	LT Fund Based/CC	LT	1,600	NA	[ICRA]AA+ (Stable)	[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]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: ICRA research; \*As of March 31, 2021; <sup>^</sup>Unallocated

Note: LT - Long Term; ST - Short Term

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial Paper Programme	Very Simple
Subordinated Debt	Moderately Complex
Non-convertible Debentures	Simple
Long-term Fund Based	Simple
Long-term/Short-term Fund-based/Non-fund based	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: [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
INE957N07377	NCD	8-Jan-18	8.10%	8-Jul-21	80.00	[ICRA]AA+ (Stable)
INE957N07351	NCD	18-Aug-17	7.70%	18-Aug-22	85.00	[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)
INE957N07369^	NCD	8-Jan-18	8.10%	8-Apr-21	115.00	[ICRA]AA+ (Stable)
INE957N07146^	NCD	6-Jan-16	8.76%	10-Jun-21	12.00	[ICRA]AA+ (Stable)
INE957N07591	NCD	7-May-21	7.35%	7-May-31	25.00	[ICRA]AA+ (Stable)
NA	NCD*	NA	NA	NA	969.00	[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	3,540.00	[ICRA]A1+
INE957N14EE3	CP	9-Aug-20	NA	9-Jul-21	300.00	[ICRA]A1+
INE957N14EH6	CP	16-Oct-20	NA	11-Oct-21	150.00	[ICRA]A1+
INE957N14EJ2	CP	18-Nov-20	NA	18-Nov-21	200.00	[ICRA]A1+
INE957N14EJ2	CP	19-Nov-20	NA	18-Nov-21	100.00	[ICRA]A1+
INE957N14EK0	CP	19-Jan-21	NA	16-Jul-21	60.00	[ICRA]A1+
INE957N14EO2	CP	22-Feb-21	NA	18-Feb-22	200.00	[ICRA]A1+
INE957N14EP9	CP	18-Feb-21	NA	9-Feb-22	200.00	[ICRA]A1+
INE957N14EQ7	CP	17-Mar-21	NA	17-Mar-22	200.00	[ICRA]A1+
INE957N14ER5	CP	26-Mar-21	NA	11-Mar-22	100.00	[ICRA]A1+
INE957N14ES3	CP	26-Mar-21	NA	22-Sep-21	50.00	[ICRA]A1+
INE957N14ET1	CP	26-Mar-21	NA	25-Mar-22	150.00	[ICRA]A1+
INE957N14EU9	CP	26-Apr-21	NA	21-Jan-22	300.00	[ICRA]A1+
INE957N14EV7	CP	25-May-21	NA	17-Aug-21	100.00	[ICRA]A1+
INE957N14EW5	CP	21-May-21	NA	12-Aug-21	200.00	[ICRA]A1+
INE957N14EX3	CP	16-Jun-21	NA	16-Jun-22	150.00	[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)
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)

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
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)
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; \*Yet to be placed; ^redeemed

## 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

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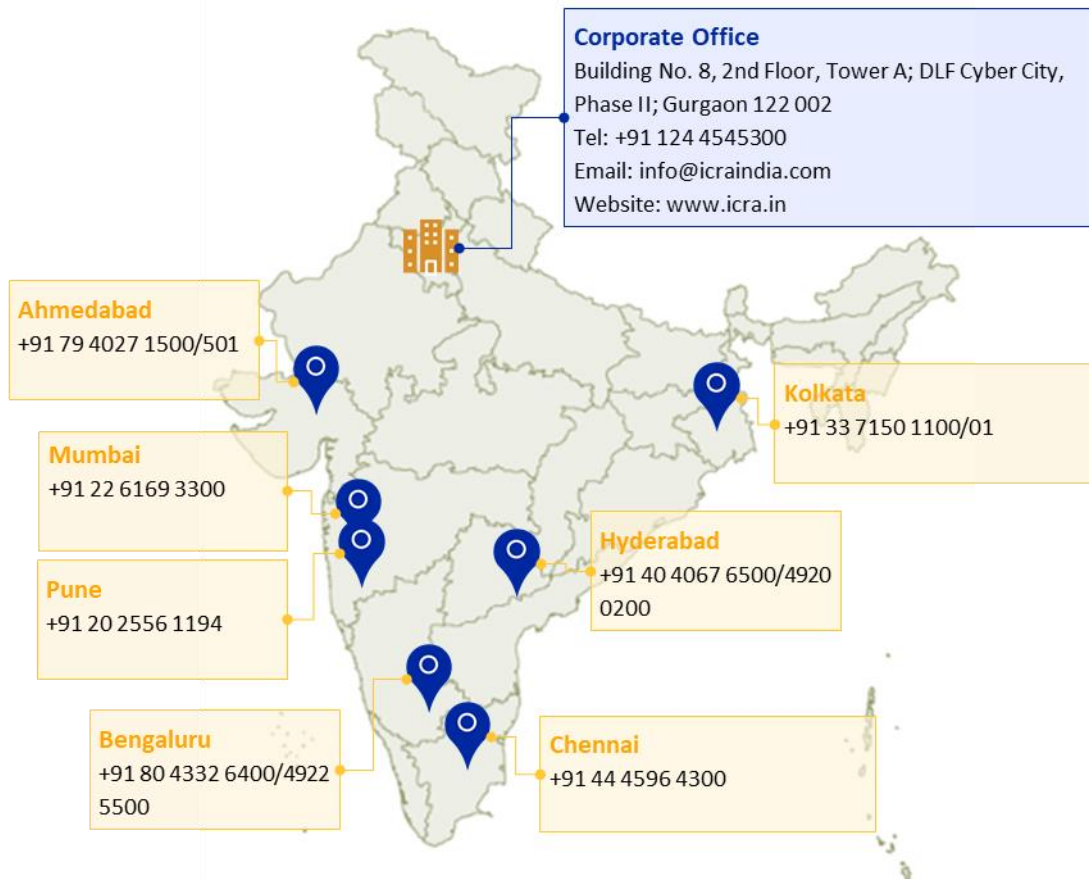
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### Branches



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