

March 01, 2024

## Hero Housing Finance 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	150.0	150.0	[ICRA]A1+; reaffirmed
Subordinated debt	200.0	200.0	[ICRA]AA+ (Stable); reaffirmed
Non-convertible debentures	100.0	100.0	[ICRA]AA+ (Stable); reaffirmed
Long-term/Short-term fund based/Non-fund based	800.0	1,165.0	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed/assigned
<b>Total</b>	<b>1,250.0</b>	<b>1,615.0</b>	

\*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 wholly-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 significant 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, members of the Munjal family and their investment companies (collectively referred to as the Hero Group), held a 73.0% stake (fully-diluted basis) in HFCL as on December 31, 2023. ICRA expects HMCL (39.8% stake in HFCL as on December 31, 2023) 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 moderate but improving asset quality indicators with the consolidated gross and net stage 3 ratios (as per the new Income Recognition and Asset Classification (IRAC) norms) at 4.7% and 2.3%, respectively, on a consolidated basis as on December 31, 2023 (5.4% and 2.8%, respectively, as on March 31, 2023). The improvement was on account of the increase in the collection efficiency as well as high write-offs by the Group in 9M FY2024. In line with the improvement in the asset quality indicators, the solvency metrics improved with solvency (Net stage 3/Adjusted Tier I) and Net stage 3/Net worth at 14.8% and 13.0% as on December 31, 2023 (16.2% and 14.4%, respectively, as on March 31, 2023). The Group's ability to control fresh slippages and improve the asset quality from the current levels would be a key rating sensitivity, going forward.

HFCL's capitalisation profile remains adequate despite some reduction in the standalone capital-to-risk weighted assets ratio (CRAR) in 9M FY2024, which was due to the increase in the risk weights for consumer credit by the Reserve Bank of India (RBI) and the portfolio growth. The company is expected to raise capital during FY2025-FY2026 to support growth while maintaining prudent capitalisation levels. As for profitability, there was marginal compression in the lending spreads and net interest margin (NIM) in 9M FY2024. While the operating expenses moderated with the improved operating efficiency, the impact was offset by the higher credit costs due to the increased provision cover on non-performing advances (NPAs) and higher write-offs. This led to subdued, albeit improving, profitability with a return on assets (RoA) and a return on

equity (RoE) of 1.4% and 8.5%, respectively, in 9M FY2024 (1.2% and 7.8%, respectively, in FY2023). Overall, keeping control over the asset quality and improving the profitability would be critical from a rating perspective.

## Key rating drivers and their description

### Credit strengths

**Strong parentage and strategic importance to HMCL** – The ratings derive significant strength from the parentage of HFCL and HHFL with the Hero Group holding a 73.0% stake (fully-diluted basis) in HFCL as on December 31, 2023. 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 Hero Group. HFCL is a key company for the Hero Group's foray into financial services and is strategically important to the Hero Group as the captive financier of the two-wheeler (2W) sales of HMCL. As on December 31, 2023, ~39% of the loan book had linkages to the Hero ecosystem through 2W finance (20%), inventory funding (1%), personal loans (11%), retail small and medium-sized enterprise (SME) loans (2%), corporate loans (1%) and housing loans (5%). In 9M FY2024, 63% of HMCL's vehicle sales was financed (60% in FY2023), of which 29% (percentage of total financed) was financed by HFCL (32% in FY2023).

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.

**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. HFCL's standalone borrowing profile is diversified with bank borrowings accounting for the majority of the funding mix at 83% (including 11% share of external commercial borrowings (ECBs)) as on December 31, 2023 (77% as on March 31, 2023 including 13% share of ECBs) followed by a healthy share of debt market instruments (debentures at 10% and commercial paper (CP) at 7%) while other sources have a negligible share. ICRA notes that the dependence on bank lines has increased in the incremental borrowings of the company during the past three years. With the increase in the risk weights for bank lending to non-banking financial companies (NBFCs), HFCL's incremental borrowing costs could rise, albeit gradually.

HHFL also raises funds at competitive costs from diverse sources with bank lines continuing to dominate the borrowing mix at 87% (including 14% share of National Housing Bank (NHB) refinance) as on December 31, 2023 (83% as on March 31, 2023 including 2% share of NHB refinance) while the balance is accounted for by NCDs and CPs at 12% (17% as on March 31, 2023) and others at 1% (negligible share as on March 31, 2023).

**Adequate capitalisation profile supported by regular capital infusions** – HFCL's capitalisation profile remains adequate with a standalone CRAR of 16.7% as on December 31, 2023 (20.6% as on March 31, 2023) and a consolidated gearing of 5.0x<sup>1</sup> as on December 31, 2023 (4.5x as on March 31, 2023). The reduction in the CRAR in 9M FY2024 was because of the increase in the risk weights for consumer credit by the RBI and the portfolio growth. 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 as of December 31, 2023, of which Rs. 3,905 crore was infused by the promoter group. Further, the company is expected to raise capital during FY2025-FY2026 to support growth 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 the company

<sup>1</sup> Consolidated net worth of Rs. 8,124 crore as on December 31, 2023. The consolidated net worth reported by the company (considering compulsorily convertible preference shares (CCPS) as sub-debt) stood at Rs. 5,628 crore with a consolidated gearing of 7.7x as on December 31, 2023

to maintain steady-state leverage of less than 6x, going forward. ICRA expects support from the promoter to be forthcoming, as and when required.

HHFL's capitalisation level continues to be supported by regular equity infusions from the parent – HFCL. HHFL's capitalisation profile was characterised by a CRAR of 22.1% as on December 31, 2023 (30.2% as on March 31, 2023). Its gearing increased to 5.1x as on December 31, 2023 from 4.3x as on March 31, 2023 with incremental portfolio growth being funded from fresh borrowings. Its net worth stood at Rs. 789 crore as on December 31, 2023 (Rs. 759 crore as on March 31, 2023). Given the Group's focus on the housing finance segment, the loan book growth is expected to remain strong over the medium term and, hence, the subsidiary's capital requirement is likely to remain high. Nonetheless, ICRA expects support from the parent group to be forthcoming, as and when required, for maintaining a prudent capitalisation level.

### Credit challenges

**Moderate asset quality indicators** – The Group's asset quality profile remains moderate despite the improvement in the gross and net stage 3 ratios (as per new IRAC norms) to 4.7% and 2.3%, respectively, on a consolidated basis as on December 31, 2023 from 5.4% and 2.8%, respectively, as on March 31, 2023. The improvement was on account of the increased collection efficiency (to pre-Covid-19 pandemic level of about 96% in 9M FY2024) as well as the high write-offs in 9M FY2024 (Rs. 1,176 crore and 3.4% of the consolidated gross loan book on annualised basis in 9M FY2024 following write-offs of Rs. 1,196 crore (3.0%) in FY2023). Further, the standard restructured assets stood at 0.4% as on December 31, 2023 compared to 0.8% as on March 31, 2023.

In line with the improvement in the reported asset quality indicators, the solvency metrics improved with Net stage 3/Net worth of 13.0% as on December 31, 2023 (14.4% as on March 31, 2023). The Hero FinCorp Group's ability to control fresh slippages and improve the asset quality from the current level, considering the rising share of unsecured loans, would be a key rating sensitivity, going forward. In this regard, it is noted that the overall provision cover on the consolidated loan book stood at 3.6% as on December 31, 2023 (4.1% as on March 31, 2023).

ICRA also notes that HHFL's asset quality indicators improved with gross and net stage 3 ratios of 2.1% and 1.4%, respectively, as on December 31, 2023, compared to 2.4% and 1.7%, respectively, as March 31, 2023. Going forward, the asset quality indicators are expected to remain under control because of the stringent credit underwriting norms.

**Subdued, albeit improving, profitability** – Even though incremental disbursements were driven by the high-yielding retail portfolio, HFCL's lending spreads compressed marginally to 10.0% in 9M FY2024 from 10.3% in FY2023. This was due to the increase in the weighted average cost of funds following the repricing of loans. Consequently, the NIMs (on a consolidated basis) moderated marginally to 10.0% in 9M FY2024 from 10.1% in FY2023. The moderation in operating expenses to 4.5% in 9M FY2024 from 5.0% in FY2023, on the back of improved operating efficiency, was offset by the higher credit costs of 3.4% compared with 3.0% in FY2023. Credit costs rose as the Group increased the provision cover on NPAs and undertook higher write-offs on account of the change in the write-off policy for unsecured loans. Overall, the profitability (on a consolidated basis) remained subdued, but improved marginally, with RoA and RoE of 1.4% and 8.5%, respectively, in 9M FY2024 (1.2% and 7.8%, respectively, in FY2023).

HHFL's lending spreads remained stable at 3.9% in 9M FY2024 (compared to 3.9% in FY2023) as it passed on the rate hike to its customers following the increase in the cost of funds, post the rise in systemic interest rates. Nevertheless, the NIMs improved marginally to 4.5% in 9M FY2024 from 4.3% in FY2023, supported by incremental disbursements at higher rates despite the rise in gearing. Driven by improved operating efficiency, operating expenses moderated to 4.5% (5.0% in FY2023) but are expected to remain high over the medium term due to the expansion in the scale and branch network.

While credit costs remained range-bound at 0.3% in 9M FY2024 (0.2% in FY2023), income from assignment transactions remained stable at 0.5% in 9M FY2024 (0.6% in FY2023), supporting the overall earnings. The profitability improved marginally with RoA and RoE of 0.9% and 5.0%, respectively, in 9M FY2024 (0.6% and 3.8%, respectively, in FY2023).

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

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 and long-term borrowings with a tenor of more than 1 year. As on December 31, 2023, HFCL's ALM reflected debt maturities of Rs. 6,914 crore for the 6-month period ending June 30, 2024, against which its scheduled inflows from performing advances were Rs. 10,294 crore. Further, the company's liquidity position is strong with on-balance sheet liquidity of Rs. 1,542 crore (4.2% of borrowings) as on December 31, 2023. The liquidity position is further supported by the availability of unutilised working capital lines of Rs. 1,394 crore and investment of ~Rs. 211 crore in corporate bonds and ~Rs. 2,101 crore in Clearcorp Repo Order Matching System (CROMS) as on December 31, 2023. This provides sufficient liquidity buffer.

Typical to the affordable housing finance (AHFC) business, HHFL's ALM profile, in the normal course of business, is characterised by positive cumulative mismatches in the buckets up to 6 months due to sufficient cash and liquid investment compared to long-term borrowings. As on December 31, 2023, the ALM reflected debt maturities of Rs. 496 crore over the 6-month period ending June 30, 2024, against which scheduled inflows from performing advances are Rs. 420 crore. Nevertheless, on-balance sheet liquidity of Rs. 308 crore (7.7% of the borrowings) and the availability of unutilised working capital lines of Rs. 71 crore as on December 31, 2023 are sufficient to plug mismatches in the near-term buckets. The liquidity position is further supported by the investment of ~Rs. 26 crore in corporate bonds as on December 31, 2023. Also, ICRA notes that the company has been able to raise funds successfully 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** – 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. 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>
Parent/Group support	The ratings derive significant strength from the strong parentage of Hero FinCorp Limited (HFCL) and Hero Housing Finance Limited (HHFL) with Hero MotoCorp Limited (HMCL), its individual promoters

Analytical Approach	Comments
	and their investment companies (collectively referred to as the Hero Group) holding a 73.0% stake (fully-diluted basis) in HFCL as on December 31, 2023. 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 Hero Group.
<b>Consolidation/Standalone</b>	Consolidation

## About the company

HHFL, incorporated in June 2016 as a wholly-owned subsidiary of HFCL, is a non-deposit taking housing finance company. It undertakes housing finance operations in 12 states/Union Territories, including Delhi NCR, Haryana, Punjab, Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Tamil Nadu, Puducherry, etc. The company plans to leverage the experience and network of its parent along with the strong brand recall of the Hero Group to scale up the loan book, largely in the mid-housing segment with some focus on the affordable segment.

HHFL extends housing loans and loan against property (LAP) to retail borrowers and had assets under management (AUM) of Rs. 4,814 crore (gross loan book of Rs. 4,502 crore) as on December 31, 2023 compared with Rs. 3,951 crore (gross loan book of Rs. 3,697 crore) as on March 31, 2023. As on December 31, 2023, home loans constituted the largest share of HHFL's AUM at 64% followed by LAP (32%) and construction finance and others (4%).

HHFL reported a profit after tax (PAT) of Rs. 29 crore in 9M FY2024 on a total gross asset base of Rs. 4,966 crore as on December 31, 2023 compared to Rs. 23 crore in FY2023 on a total gross asset base of Rs. 4,159 crore as on March 31, 2023. As on December 31, 2023, the company had a net worth of Rs. 789 crore and capital adequacy of 22.1% (Rs. 759 crore and 30.2%, respectively, as on March 31, 2023). The gross and net stage 3 stood at 2.1% and 1.4%, respectively, as on December 31, 2023 compared to 2.4% and 1.7%, respectively, as on March 31, 2023.

## Key financial indicators

	HHFL			
	FY2021	FY2022	FY2023	9M FY2024
<b>Total income</b>	243	296	397	394
<b>PAT</b>	-19	2	23	29
<b>Total assets</b>	2,828	3,094	4,159	4,966
<b>Return on average assets</b>	-0.8%	0.1%	0.6%	0.9%
<b>Gearing (times)</b>	5.2	5.7	4.3	5.1
<b>Gross stage 3</b>	2.0%	3.1%	2.4%	2.1%
<b>CRAR</b>	27.5%	24.4%	30.2%	22.1%

Source: HHFL, ICRA Research; Amount in Rs. crore

## Hero FinCorp Limited

HFCL is a non-banking financial company (NBFC) extending retail finance for the 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 National Housing Bank (NHB) in August 2017. On a consolidated basis, HFCL's AUM stood at Rs. 47,026 crore (gross loan book of Rs. 46,711 crore) as on December 31, 2023 (Rs. 39,750 crore and Rs. 39,495 crore, respectively, as on March 31, 2023). As on December 31, 2023, HFCL's consolidated loan portfolio (excluding CROMS lending) comprised 2W finance (21%), dealer inventory funding (1%), pre-owned car finance (6%), personal loans (32%), home loans (7%), LAP (13%), SME loans (9%), and corporate loans (11%).

HFCL was incorporated in December 1991 as Hero Honda FinLease Limited. Following a change in the ownership of its parent, HMCL (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 2Ws, used cars financing, personal loans, LAP, etc.

HMCL and its promoter group (members of the Munjal family and their investment companies) together held a 73.0% stake (fully-diluted basis) in HFCL as of December 31, 2023, post the capital infusion in June 2022, compared to 79.6% as of March 31, 2022. While 39.8% was held directly by HMCL, 33.2% 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), Otter Ltd (Chrys Capital), Apollo Global and JM Financial Group together held a 22.0% stake (fully-diluted basis) with the balance 5.0% held by HMCL's dealers, employees, etc.

On a standalone basis, HFCL reported a PAT<sup>2</sup> of Rs. 473 crore in 9M FY2024 on a total gross asset base Rs. 48,003 crore as on December 31, 2023 compared to Rs. 457 crore in FY2023 on a total gross asset base of Rs. 41,718 crore as on March 31, 2023. As on December 31, 2023, the company had a net worth of Rs. 8,135 crore and capital adequacy of 16.7% (Rs. 7,599 crore and 20.6%, respectively, as on March 31, 2023). The gross and net stage 3 stood at 5.0% and 2.4%, respectively, as on December 31, 2023 compared to 5.7% and 2.9%, respectively, as on March 31, 2023.

On a consolidated basis, HFCL reported a PAT<sup>3</sup> of Rs. 502 crore in 9M FY2024 on a total gross asset base Rs. 52,168 crore as on December 31, 2023 compared to Rs. 480 crore in FY2023 on a total gross asset base of Rs. 45,077 crore as on March 31, 2023. As on December 31, 2023, the company had a net worth of Rs. 8,124 crore (Rs. 7,558 crore as on March 31, 2023). The gross and net stage 3 stood at 4.7% and 2.3%, respectively, as on December 31, 2023 compared to 5.4% and 2.8%, respectively, as on March 31, 2023.

#### Key financial indicators

	HFCL – Standalone				HFCL – Consolidated			
	FY2021	FY2022	FY2023	9M FY2024	FY2021	FY2022	FY2023	9M FY2024
<b>Total income</b>	4,092	4,491	5,731	5,456	4,334	4,782	6,125	5,848
<b>PAT</b>	71	-194	457	473	52	-192	480	502
<b>Total assets</b>	28,948	33,415	41,718	48,003	31,276	36,009	45,077	52,168
<b>Return on average assets</b>	0.3%	-0.6%	1.2%	1.4%	0.2%	-0.6%	1.2%	1.4%
<b>Gearing (times)</b>	4.4	5.4	4.1	4.5	4.9	6.0	4.5	5.0
<b>Gross stage 3</b>	7.4%	8.0%	5.7%	5.0%	7.0%	7.6%	5.4%	4.7%
<b>CRAR</b>	19.7%	15.6%	20.6%	16.7%				

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

#### Status of non-cooperation with previous CRA: Not applicable

#### Any other information: None

<sup>2</sup> The reported PAT is lower by Rs. 233.44 crore (December 31, 2023) and Rs. 302.05 crore (March 31, 2023) due to a non-cash non payable accounting entry regarding CCPS valuation

<sup>3</sup> The reported PAT is lower by Rs. 233.44 crore (December 31, 2023) and Rs. 302.05 crore (March 31, 2023) due to a non-cash non payable accounting entry regarding CCPS valuation

### Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	Current Rating (FY2024)		Chronology of Rating History for the Past 3 Years					
				Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022		Date & Rating in FY2021	
				Mar 01, 2024	Sep 15, 2023	Sep 16, 2022	Jun 30, 2022	Jul 02, 2021	Apr 05, 2021	Jun 23, 2020	
1	Commercial paper	150.00	25.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Sub-debt	200.00	75.00	[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	Non-convertible debentures	100.00	25.00	[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	Non-convertible debentures	-	-	-	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
5	Long-term/Short-term fund based/Non-fund based	1,165.00	1,153.79	[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

Note: LT – Long term; ST – Short term; \*As on January 31, 2024

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper programme	Very simple
Subordinated debt	Very simple
Non-convertible debentures	Very 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: [Click Here](#)

**Annexure I: Instrument details (as on January 31, 2024)**

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE800X14127	Commercial paper	Mar-17-2023	NA	Mar-15-2024	25.00	[ICRA]A1+
NA	Commercial paper*	NA	NA	NA	125.00	[ICRA]A1+
INE800X08012	Sub-debt	Dec-28-2018	9.50%	Dec-28-2028	25.00	[ICRA]AA+ (Stable)
INE800X08020	Sub-debt	Mar-05-2021	7.85%	Mar-05-2031	25.00	[ICRA]AA+ (Stable)
INE800X08038	Sub-debt	Nov-25-2022	8.75%	Nov-25-2032	25.00	[ICRA]AA+ (Stable)
NA	Sub-debt*	NA	NA	NA	125.00	[ICRA]AA+ (Stable)
INE800X07055	NCD	Feb-15-2023	8.50%	Feb-15-2033	25.00	[ICRA]AA+ (Stable)
NA	NCD*	NA	NA	NA	75.00	[ICRA]AA+ (Stable)
NA	Bank line 1	Oct-11-2019	NA	Oct-11-2026	58.93	[ICRA]AA+ (Stable)
NA	Bank line 2	Nov-28-2019	NA	Nov-30-2024	28.57	[ICRA]AA+ (Stable)
NA	Bank line 3	May-09-2022	NA	May-09-2029	121.15	[ICRA]AA+ (Stable)
NA	Bank line 4	Feb-10-2023	NA	Jan-31-2030	85.71	[ICRA]AA+ (Stable)
NA	Bank line 5	Dec-16-2019	NA	Jan-01-2027	69.23	[ICRA]AA+ (Stable)
NA	Bank line 6	Jul-15-2020	NA	Jul-15-2026	75.00	[ICRA]AA+ (Stable)
NA	Bank line 7	Jun-30-2023	NA	Jun-30-2029	64.17	[ICRA]AA+ (Stable)
NA	Bank line 8	Sep-29-2023	NA	Dec-29-2029	76.80	[ICRA]AA+ (Stable)
NA	Bank line 9	Dec-08-2023	NA	Dec-08-2029	30.00	[ICRA]AA+ (Stable)
NA	Bank line 10	Dec-27-2023	NA	Dec-27-2030	100.00	[ICRA]AA+ (Stable)
NA	Bank line 11	Jan-11-2024	NA	Jan-11-2031	200.00	[ICRA]AA+ (Stable)
NA	Bank line 12	Mar-31-2023	NA	Jan-01-2033	44.23	[ICRA]AA+ (Stable)
NA	Bank line 13	Oct-30-2023	NA	Oct-01-2033	80.00	[ICRA]AA+ (Stable)
NA	Bank line 14	Dec-27-2023	NA	Oct-01-2033	120.00	[ICRA]AA+ (Stable)
NA	LT/ST fund based/ Non-fund based*	NA	NA	NA	11.21	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: ICRA Research; \* Yet to be placed/ Proposed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

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

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