

May 31, 2024

Hero FinCorp Limited: [ICRA]AA (Stable) assigned to perpetual debt programme

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+; outstanding
Subordinated debt	1,700.0	1,700.0	[ICRA]AA+ (Stable); outstanding
Perpetual debt	150.0	150.0	[ICRA]AA (Stable); outstanding
Perpetual debt	0.0	300.0	[ICRA]AA (Stable); assigned
Non-convertible debentures	3,894.0	3,894.0	[ICRA]AA+ (Stable); outstanding
Long-term fund-based term loan	16,000.0	16,000.0	[ICRA]AA+ (Stable); outstanding
Long-term fund-based cash credit	1,600.0	1,600.0	[ICRA]AA+ (Stable); outstanding
Long-term short-term fund-based/Non-fund based – Others	4,200.0	4,200.0	[ICRA]AA+ (Stable)/[ICRA]A1+; outstanding
Total	33,544.0	33,844.0	

*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, i.e. members of the Munjal family and their investment companies (collectively referred to as the Hero BML Group), held a 79.6% stake in HFCL as on March 31, 2024. ICRA expects HMCL (41.2% stake in HFCL as on March 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 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 4.1% and 2.0%, respectively, as on March 31, 2024 (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 the high write-offs by the Group in FY2024. In line with this, the solvency metrics also improved with solvency (Net stage 3/Adjusted Tier I) and Net stage 3/Net worth at 13.7% and 12.0%, respectively, as on March 31, 2024 (16.2% and 14.4%, respectively, as on March 31, 2023). Going forward, the Group's ability to control fresh slippages and improve the asset quality from the current levels would be a key rating sensitivity.

HFCL's capitalisation profile remains adequate despite some reduction in the standalone capital-to-risk weighted assets ratio (CRAR) in 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 will need to raise capital during FY2025-FY2026 to support growth while maintaining prudent capitalisation levels. As for profitability, there was a marginal compression in the lending spreads and net interest margin (NIM) in 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 1.3% and 8.0%, respectively, in 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.

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 RBI for debt servicing (including principal repayments) in the event that the company reports a loss and is not liable to service the debt if it breaches the minimum regulatory capitalisation norms.

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 BML Group holding a 79.6% stake in HFCL as on March 31, 2024. ICRA expects HMCL to remain the single largest shareholder in HFCL and the Hero BML Group to be willing to extend financial support to HFCL and HHFL if needed, given the importance that the business holds 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 March 31, 2024, ~40% of the loan book had linkages to the Hero ecosystem through 2W finance (18%), personal loans (12%), housing loans (5%), retail small and medium-sized enterprise (SME) loans (3%), inventory funding (2%), and corporate loans (1%). In FY2024, 62% of HMCL's vehicle sales were financed (60% in FY2023), with 29% (percentage of total financed) 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 BML 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 81% {including 12% in the form of external commercial borrowings (ECBs)} as on March 31, 2024 (77% as on March 31, 2023, including ECBs of 13%) followed by a healthy share of debt market instruments (debentures at 9% and commercial paper (CP) at 9%) while other sources have a negligible share. 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. With the increase in the risk weights for bank lending to non-banking financial companies (NBFCs), HFCL's incremental borrowing costs could rise, but gradually.

Adequate capitalisation profile supported by regular capital infusions – HFCL’s capitalisation profile remains adequate with a standalone CRAR of 16.3% as on March 31, 2024 (20.6% as on March 31, 2023) and a consolidated gearing of 5.2x¹ as on March 31, 2024 (4.5x as on March 31, 2023). The reduction in the CRAR in FY2024 was due to 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 on March 31, 2024, of which Rs. 3,905 crore was infused by the promoter group. The company will need 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 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 Group’s asset quality profile remains moderate despite the improvement in the gross and net stage 3 ratios (as per new IRAC norms) to 4.1% and 2.0%, respectively, on a consolidated basis as on March 31, 2024 from 5.4% and 2.8%, respectively, as on March 31, 2023. The improvement was on account of the increased collection efficiency as well as the high write-offs in FY2024 (Rs. 1,742 crore (3.5% of the consolidated gross loan book) in FY2024 following write-offs of Rs. 1,196 crore (3.0%) in FY2023). Further, the standard restructured assets stood at 0.4% as on March 31, 2024 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 at 12.0% as on March 31, 2024 (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 3.2% as on March 31, 2024 (4.1% as on March 31, 2023).

Subdued, albeit improving, profitability – Even though incremental disbursements were driven by the high-yielding retail portfolio, HFCL’s lending spreads compressed to 9.9% in 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 FY2024 from 10.1% in FY2023. The moderation in operating expenses to 4.5% in FY2024 from 5.0% in FY2023, on the back of improved operating efficiency, was offset by the higher credit costs of 3.4% in FY2024 compared to 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 1.3% and 8.0%, respectively, in FY2024 (1.2% and 7.8%, 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 March 31, 2024, HFCL’s ALM reflected debt

¹ Consolidated net worth of Rs. 8,383 crore as on March 31, 2024. The consolidated net worth reported by the company (considering compulsorily convertible preference shares (CCPS) as sub-debt) stood at Rs. 5,772 crore with a consolidated gearing of 8.0x as on March 31, 2024

maturities of Rs. 7,689 crore for the 6-month period ending September 30, 2024 against which its scheduled inflows from performing advances were Rs. 11,213 crore. Further, the company's liquidity position was strong with on-balance sheet liquidity of Rs. 1,698 crore (4.3% of borrowings) as on March 31, 2024. The liquidity position is further supported by the availability of unutilised working capital lines of Rs. 1,385 crore and investment of ~Rs. 1,327 crore in Clearcorp Repo Order Matching System (CROMS) as on March 31, 2024. This provides sufficient liquidity buffer.

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	ICRA's credit rating methodology for non-banking finance companies
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 and their investment companies (collectively referred to as the Hero BML Group) holding a 79.6% stake in HFCL as on March 31, 2024. ICRA expects HMCL to remain the single largest shareholder in HFCL and the Hero BML Group to be willing to extend financial 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 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 assets under management (AUM) stood at Rs. 50,493 crore² (gross loan book of Rs. 50,158 crore) as on March 31, 2024 (Rs. 39,750 crore and Rs. 39,495 crore, respectively, as on March 31, 2023). As on March 31, 2024, HFCL's consolidated loan portfolio (excluding CROMS lending) comprised personal loans (31%), 2W finance (19%), LAP (13%), corporate loans (12%), SME loans (10%), home loans (7%), pre-owned car finance (6%), and dealer inventory funding (2%).

² Excluding CROMS lending of Rs. 1,327 crore as on March 31, 2024 (Rs. 2,001 crore as on March 31, 2023)

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 car financing, personal loans, LAP, etc.

HMCL and its promoter group (members of the Munjal family and their investment companies) together held a 79.6% stake in HFCL as of March 31, 2024, following the capital infusion in June 2022 (79.6% stake as of March 31, 2022). While 41.2% was held directly by HMCL, 38.4% 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) together held a 14.0% stake with the balance (6.4%) 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. 602 crore in FY2024 on a total gross asset base of Rs. 50,124 crore as on March 31, 2024 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 March 31, 2024, the company had a net worth of Rs. 8,387 crore and capital adequacy of 16.3% (Rs. 7,599 crore and 20.6%, respectively, as on March 31, 2023). The gross and net stage 3 stood at 4.4% and 2.1%, respectively, as on March 31, 2024, compared to 5.7% and 2.9%, respectively, as on March 31, 2023.

On a consolidated basis, HFCL reported a PAT⁴ of Rs. 637 crore in FY2024 on a total gross asset base of Rs. 54,811 crore as on March 31, 2024 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 March 31, 2024, the company had a net worth of Rs. 8,383 crore (Rs. 7,558 crore as on March 31, 2023). The gross and net stage 3 stood at 4.1% and 2.0%, respectively, as on March 31, 2024 compared to 5.4% and 2.8%, respectively, as on March 31, 2023.

Key financial indicators

	HFCL – Standalone				HFCL – Consolidated			
	FY2021	FY2022	FY2023	FY2024	FY2021	FY2022	FY2023	FY2024
Total income	4,092	4,491	5,731	7,458	4,334	4,782	6,125	8,000
PAT	71	-194	457	602	52	-192	480	637
Total assets	28,948	33,415	41,718	50,124	31,276	36,009	45,077	54,811
Return on average assets	0.3%	-0.6%	1.2%	1.3%	0.2%	-0.6%	1.2%	1.3%
Gearing (times)	4.4	5.4	4.1	4.7	4.9	6.0	4.5	5.2
Gross stage 3	7.4%	8.0%	5.7%	4.4%	7.0%	7.6%	5.4%	4.1%
CRAR	19.7%	15.6%	20.6%	16.3%				

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

³ The reported PAT was lower by Rs. 348.69 crore in FY2024 (Rs. 310.05 crore in FY2023) due to a non-cash non-payable accounting entry regarding CCPS valuation

⁴ The reported PAT was lower by Rs. 348.69 crore in FY2024 (Rs. 310.05 crore in FY2023) due to a non-cash non-payable accounting entry regarding CCPS valuation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years							
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	
				May 31, 2024	May 08, 2024	Dec 27, 2023	Sep 15, 2023	Sep 16, 2022	Jun 30, 2022	Jul 02, 2021	Apr 05, 2021
1 Commercial paper	ST	6,000.0	4,275.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2 Subordinated debt	LT	1,700.0	905.0	[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 Perpetual debt	LT	150.0	150.0	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	-	-	-	-	-
4 Perpetual debt	LT	300.0	0.0	[ICRA]AA (Stable)	-	-	-	-	-	-	-
5 Non-convertible debentures	LT	3,894.0	1,024.0	[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 Non-convertible debentures	LT	-	-	-	-	-	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
7 Non-convertible debentures	LT	-	-	-	-	-	-	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
8 Non-convertible debentures	LT	-	-	-	-	-	-	-	-	-	[ICRA]AA+ (Stable); withdrawn
9 LT fund-based term loan	LT	16,000.0	13,813.09	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
10 LT fund-based cash credit	LT	1,600.0	1,300.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
11 LT/ST fund-based/ Non-fund based – Others	LT/ST	4,200.0	1,654.23	[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+	[ICRA]AA+ (Stable)/ [ICRA]1+

Source: ICRA Research

Note: LT – Long term; ST – Short term

*As on May 27, 2024 for perpetual debt and as on April 30, 2024 for other instruments

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
INE957N14HE6	Commercial paper	May-19-2023	NA	May-17-2024	160.0	[ICRA]A1+
INE957N14HH9	Commercial paper	Jun-26-2023	NA	Jun-14-2024	100.0	[ICRA]A1+
INE957N14HJ5	Commercial paper	Jul-25-2023	NA	Jul-24-2024	200.0	[ICRA]A1+
INE957N14HM9	Commercial paper	Oct-27-2023	NA	Oct-25-2024	250.0	[ICRA]A1+
INE957N14HN7	Commercial paper	Nov-20-2023	NA	Nov-19-2024	40.0	[ICRA]A1+
INE957N14HS6	Commercial paper	Jan-23-2024	NA	Dec-13-2024	50.0	[ICRA]A1+
INE957N14HT4	Commercial paper	Feb-21-2024	NA	May-22-2024	200.0	[ICRA]A1+
INE957N14HU2	Commercial paper	Feb-21-2024	NA	Feb-18-2025	300.0	[ICRA]A1+
INE957N14HV0	Commercial paper	Feb-23-2024	NA	May-20-2024	150.0	[ICRA]A1+
INE957N14HX6	Commercial paper	Feb-26-2024	NA	May-24-2024	300.0	[ICRA]A1+
INE957N14HW8	Commercial paper	Feb-26-2024	NA	May-27-2024	200.0	[ICRA]A1+
INE957N14HW8	Commercial paper	Mar-04-2024	NA	May-27-2024	5.0	[ICRA]A1+
INE957N14HZ1	Commercial paper	Mar-04-2024	NA	May-30-2024	400.0	[ICRA]A1+
INE957N14HY4	Commercial paper	Mar-05-2024	NA	Mar-03-2025	250.0	[ICRA]A1+
INE957N14IA2	Commercial paper	Mar-06-2024	NA	Jun-03-2024	100.0	[ICRA]A1+
INE957N14IB0	Commercial paper	Mar-07-2024	NA	Mar-06-2025	400.0	[ICRA]A1+
INE957N14IC8	Commercial paper	Mar-19-2024	NA	Feb-27-2025	175.0	[ICRA]A1+
INE957N14ID6	Commercial paper	Mar-19-2024	NA	Mar-18-2025	75.0	[ICRA]A1+
INE957N14HS6	Commercial paper	Mar-20-2024	NA	Dec-13-2024	200.0	[ICRA]A1+
INE957N14IE4	Commercial paper	Mar-26-2024	NA	Jan-31-2025	50.0	[ICRA]A1+
INE957N14IF1	Commercial paper	Mar-28-2024	NA	Sep-24-2024	70.0	[ICRA]A1+
INE957N14IG9	Commercial paper	Apr-22-2024	NA	Jul-22-2024	300.0	[ICRA]A1+
INE957N14IG9	Commercial paper	Apr-23-2024	NA	Jul-22-2024	100.0	[ICRA]A1+
INE957N14HS6	Commercial paper	Apr-24-2024	NA	Dec-13-2024	50.0	[ICRA]A1+
INE957N14HN7	Commercial paper	Apr-26-2024	NA	Nov-19-2024	125.0	[ICRA]A1+
INE957N14IE4	Commercial paper	Apr-30-2024	NA	Jan-31-2025	25.0	[ICRA]A1+
NA	Commercial paper*	NA	NA	NA	1,725.0	[ICRA]A1+
INE957N08011	Sub-debt	Sep-15-2015	9.35%	Sep-15-2025	100.0	[ICRA]AA+ (Stable)
INE957N08029	Sub-debt	Aug-03-2016	8.98%	Aug-03-2026	100.0	[ICRA]AA+ (Stable)
INE957N08037	Sub-debt	Jun-20-2017	8.52%	Jun-18-2027	100.0	[ICRA]AA+ (Stable)
INE957N08045	Sub-debt	Dec-06-2018	9.81%	Nov-24-2028	125.0	[ICRA]AA+ (Stable)
INE957N08052	Sub-debt	Feb-05-2020	8.85%	Feb-05-2030	100.0	[ICRA]AA+ (Stable)
INE957N08060	Sub-debt	Mar-04-2020	8.49%	Mar-04-2030	25.0	[ICRA]AA+ (Stable)
INE957N08078	Sub-debt	Dec-11-2020	7.65%	Dec-11-2030	45.0	[ICRA]AA+ (Stable)
INE957N08086	Sub-debt	Jul-18-2022	8.65%	Jul-16-2032	100.0	[ICRA]AA+ (Stable)
INE957N08094	Sub-debt	Oct-21-2022	8.65%	Oct-21-2032	55.0	[ICRA]AA+ (Stable)
INE957N08102	Sub-debt	Dec-01-2022	8.65%	Dec-01-2032	100.0	[ICRA]AA+ (Stable)
INE957N08110	Sub-debt	Jan-05-2024	9.00%	Jan-05-2034	55.0	[ICRA]AA+ (Stable)
NA	Sub-debt*	NA	NA	NA	795.0	[ICRA]AA+ (Stable)
INE957N08128	Perpetual debt	May-17-2024	9.50%	Perpetual	150.0	[ICRA]AA (Stable)
NA	Perpetual debt*	NA	NA	NA	300.0	[ICRA]AA (Stable)
INE957N07591	NCD	May-07-2021	7.35%	May-07-2031	25.00	[ICRA]AA+ (Stable)
INE957N07633	NCD	Aug-03-2021	6.25%	Aug-02-2024	200.00	[ICRA]AA+ (Stable)
INE957N07641	NCD	Aug-11-2021	0.00%	Aug-09-2024	150.00	[ICRA]AA+ (Stable)
INE957N07682	NCD	Jul-29-2022	7.99%	Jul-29-2025	400.00	[ICRA]AA+ (Stable)
INE957N07724	NCD	Dec-13-2022	0.00%	Aug-13-2024	139.00	[ICRA]AA+ (Stable)
INE957N07740	NCD	Dec-30-2022	8.25%	Dec-30-2024	35.00	[ICRA]AA+ (Stable)
INE957N07757	NCD	May-12-2023	8.35%	May-12-2026	50.00	[ICRA]AA+ (Stable)
INE957N07773	NCD	Feb-02-2024	8.60%	Feb-02-2029	25.0	[ICRA]AA+ (Stable)
NA	NCD*	NA	NA	NA	2,870.0	[ICRA]AA+ (Stable)
NA	Term loan - 1	Mar-31-2021	NA	Mar-31-2025	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	Term loan - 2	Dec-30-2022	NA	Jan-15-2026	58.35	[ICRA]AA+ (Stable)
NA	Term loan - 3	Mar-29-2019	NA	Mar-29-2025	40.00	[ICRA]AA+ (Stable)
NA	Term loan - 4	Mar-19-2020	NA	Mar-19-2025	75.00	[ICRA]AA+ (Stable)
NA	Term loan - 5	Dec-18-2020	NA	Dec-31-2025	150.00	[ICRA]AA+ (Stable)
NA	Term loan - 6	Jun-30-2022	NA	Jun-30-2027	600.00	[ICRA]AA+ (Stable)
NA	Term loan - 7	Sep-26-2023	NA	Sep-30-2028	637.50	[ICRA]AA+ (Stable)
NA	Term loan - 8	Sep-30-2023	NA	Sep-30-2028	212.50	[ICRA]AA+ (Stable)
NA	Term loan - 9	30-03-2021	NA	Mar-30-2026	200.00	[ICRA]AA+ (Stable)
NA	Term loan - 10	Sep-17-2019	NA	Jul-17-2024	5.47	[ICRA]AA+ (Stable)
NA	Term loan - 11	Sep-14-2020	NA	Sep-14-2025	33.28	[ICRA]AA+ (Stable)
NA	Term loan - 12	Dec-09-2021	NA	Dec-08-2026	61.08	[ICRA]AA+ (Stable)
NA	Term loan - 13	30-09-2019	NA	Sep-30-2024	50.00	[ICRA]AA+ (Stable)
NA	Term loan - 14	Dec-30-2019	NA	Dec-30-2024	75.00	[ICRA]AA+ (Stable)
NA	Term loan - 15	Dec-16-2020	NA	Dec-16-2025	175.00	[ICRA]AA+ (Stable)
NA	Term loan - 16	Feb-04-2022	NA	Jan-31-2027	687.50	[ICRA]AA+ (Stable)
NA	Term loan - 17	20-09-2022	NA	Sep-30-2027	1,400.00	[ICRA]AA+ (Stable)
NA	Term loan - 18	Feb-06-2023	NA	Jun-30-2028	425.00	[ICRA]AA+ (Stable)
NA	Term loan - 19	Jun-14-2023	NA	Jun-30-2028	425.00	[ICRA]AA+ (Stable)
NA	Term loan - 20	Dec-22-2023	NA	Dec-31-2028	475.00	[ICRA]AA+ (Stable)
NA	Term loan - 21	Dec-24-2020	NA	Dec-24-2025	111.11	[ICRA]AA+ (Stable)
NA	Term loan - 22	Jun-28-2022	NA	Jul-28-2024	0.00	[ICRA]AA+ (Stable)
NA	Term loan - 23	Sep-30-2022	NA	Sep-30-2025	136.67	[ICRA]AA+ (Stable)
NA	Term loan - 24	Sep-21-2021	NA	Sep-21-2024	22.23	[ICRA]AA+ (Stable)
NA	Term loan - 25	Jun-07-2021	NA	Jun-06-2024	25.00	[ICRA]AA+ (Stable)
NA	Term loan - 26	Jun-24-2021	NA	Jun-06-2024	58.33	[ICRA]AA+ (Stable)
NA	Term loan - 27	Dec-29-2022	NA	Dec-29-2025	408.33	[ICRA]AA+ (Stable)
NA	Term loan - 28	Mar-27-2023	NA	Mar-27-2026	200.00	[ICRA]AA+ (Stable)
NA	Term loan - 29	Mar-29-2023	NA	Mar-29-2026	333.33	[ICRA]AA+ (Stable)
NA	Term loan - 30	Nov-28-2023	NA	Nov-28-2026	687.50	[ICRA]AA+ (Stable)
NA	Term loan - 31	Dec-30-2023	NA	Dec-30-2026	137.50	[ICRA]AA+ (Stable)
NA	Term loan - 32	Oct-25-2021	NA	Oct-25-2024	50.00	[ICRA]AA+ (Stable)
NA	Term loan - 33	Feb-25-2022	NA	Feb-25-2025	66.67	[ICRA]AA+ (Stable)
NA	Term loan - 34	Sep-22-2022	NA	Oct-22-2025	222.50	[ICRA]AA+ (Stable)
NA	Term loan - 35	Dec-29-2022	NA	Apr-29-2026	86.15	[ICRA]AA+ (Stable)
NA	Term loan - 36	Mar-29-2023	NA	Jun-30-2026	128.08	[ICRA]AA+ (Stable)
NA	Term loan - 37	Aug-11-2023	NA	Nov-11-2026	550.00	[ICRA]AA+ (Stable)
NA	Term loan - 38	Nov-26-2020	NA	Nov-26-2025	149.12	[ICRA]AA+ (Stable)
NA	Term loan - 39	Dec-31-2020	NA	Dec-30-2025	157.89	[ICRA]AA+ (Stable)
NA	Term loan - 40	Dec-09-2021	NA	Dec-09-2026	263.16	[ICRA]AA+ (Stable)
NA	Term loan - 41	Sep-29-2022	NA	Sep-29-2027	342.11	[ICRA]AA+ (Stable)
NA	Term loan - 42	Mar-29-2023	NA	Mar-28-2028	187.50	[ICRA]AA+ (Stable)
NA	Term loan - 43	Dec-29-2023	NA	Dec-28-2028	237.50	[ICRA]AA+ (Stable)
NA	Term loan - 44	Oct-15-2019	NA	Oct-15-2024	48.54	[ICRA]AA+ (Stable)
NA	Term loan - 45	31-08-2021	NA	Jun-30-2024	20.00	[ICRA]AA+ (Stable)
NA	Term loan - 46	Dec-31-2019	NA	Dec-31-2024	124.58	[ICRA]AA+ (Stable)
NA	Term loan - 47	Mar-31-2021	NA	Mar-31-2026	333.33	[ICRA]AA+ (Stable)
NA	Term loan - 48	Jun-26-2019	NA	Jun-26-2024	0.00	[ICRA]AA+ (Stable)
NA	Term loan - 49	Sep-29-2021	NA	Sep-29-2024	16.67	[ICRA]AA+ (Stable)
NA	Term loan - 50	Sep-24-2021	NA	Sep-23-2025	25.00	[ICRA]AA+ (Stable)
NA	Term loan - 51	Aug-12-2022	NA	Sep-30-2027	280.00	[ICRA]AA+ (Stable)
NA	Term loan - 52	Dec-29-2022	NA	Dec-31-2027	562.50	[ICRA]AA+ (Stable)
NA	Term loan - 53	Jan-31-2024	NA	Jan-31-2029	475.00	[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 - 54	Mar-09-2023	NA	Mar-31-2028	80.00	[ICRA]AA+ (Stable)
NA	Term loan - 55	Dec-24-2019	NA	Dec-24-2024	111.11	[ICRA]AA+ (Stable)
NA	Term loan - 56	Dec-28-2022	NA	Dec-28-2027	250.00	[ICRA]AA+ (Stable)
NA	Term loan - 57	Sep-05-2023	NA	Sep-05-2028	1,000.00	[ICRA]AA+ (Stable)
NA	Term loan - 58	Sep-27-2019	NA	Sep-27-2024	40.00	[ICRA]AA+ (Stable)
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	17-02-2023	NA	Oct-03-2026	1,654.23	[ICRA]AA+ (Stable)
NA	LT fund-based term loan*	NA	NA	NA	2,186.91	[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	2,545.77	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: ICRA Research; * Yet to be placed/Proposed; ^ As on May 27, 2024 for perpetual debt and as on April 30, 2024 for other instruments

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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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Branches



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