

December 20, 2024

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

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based term loan	16,000.00	16,000.00	[ICRA]AA+ (Stable); reaffirmed
Long-term fund-based cash credit	1,600.00	1,600.00	[ICRA]AA+ (Stable); reaffirmed
Long-term short-term fund-based/Non-fund based – Others	4,200.00	4,200.00	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed
Non-convertible debentures	3,405.00	3,405.00	[ICRA]AA+ (Stable); reaffirmed
Non-convertible debentures	489.00	0.00	[ICRA]AA+ (Stable); reaffirmed and withdrawn
Subordinated debt	1,700.00	1,700.00	[ICRA]AA+ (Stable); reaffirmed
Subordinated debt	0.00	200.00	[ICRA]AA+ (Stable); assigned
Perpetual debt	450.00	450.00	[ICRA]AA (Stable); reaffirmed
Perpetual debt	0.00	100.00	[ICRA]AA (Stable); assigned
Commercial paper	6,000.00	6,000.00	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>33,844.0</b>	<b>33,655.00</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 majority-owned subsidiary of HFCL and the companies have significant operational and business synergies in addition to a shared name and management oversight.

The ratings for the Hero FinCorp Group draw 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 79.54% stake in HFCL as on September 30, 2024. ICRA expects HMCL (41.19% stake in HFCL as on September 30, 2024) to remain the single largest shareholder in HFCL, which will continue to benefit from Group synergies in the form of branding, distribution network, management guidance, and capital support.

The ratings factor in the moderate asset quality indicators with the consolidated gross and net stage 3 ratios (as per the new Income Recognition and Asset Classification (IRAC) norms) at 4.5% and 2.2%, respectively, as on September 30, 2024 (4.1% and 2.1%, respectively, as on March 31, 2024). The deterioration was on account of high slippages in the personal loan book, resulting in elevated write-offs in H1 FY2025. In line with the weakening in the reported asset quality indicators, the solvency metrics deteriorated with Net stage 3/Net worth at 13.3% as on September 30, 2024 (12.0% as on March 31, 2024).

HFCL's capitalisation profile remains adequate with a marginal improvement in the standalone capital-to-risk weighted assets ratio (CRAR) in H1 FY2025 due to the perpetual debt issuances and Tier-II eligible subordinated debt issuances during this period. In ICRA's view, HFCL will need to raise capital during FY2025-FY2026 to support growth and provide growth capital to HHFL while maintaining prudent capitalisation levels. As for profitability (consolidated basis), the lending spreads compressed in H1 FY2025 because of the reduction in the share of high-yielding personal loans in incremental disbursements, elevated

systemic interest rates and increase in the risk weights for bank lending to non-banking financial companies (NBFCs). Further, the net interest margin (NIM; consolidated basis) in relation to average managed assets moderated in H1 FY2025 because of the higher gearing. While operating expenses remained stable, the increase in credit costs due to higher write-offs led to further weakening in the already subdued profitability indicators of the company, with a return on managed assets (RoMA) 0.3% in H1 FY2025 vis-à-vis 1.3% in FY2024. Keeping control over the asset quality and improving the profitability would be critical from a rating perspective.

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

ICRA has reaffirmed and withdrawn the rating assigned to the Rs. 489-crore non-convertible debenture (NCD) programme as no amount is outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

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

## Key rating drivers and their description

### Credit strengths

**Strong parentage and strategic importance to HMCL** – The ratings for the Hero FinCorp Group derive significant strength from the parentage with the Hero BML Group holding a 79.54% stake in HFCL as on September 30, 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 of the business for the Hero BML Group. HFCL is a key company for the Hero BML Group's foray into financial services and is strategically important to the Hero BML Group as it plays a vital role in HMCL's sales by financing its two-wheelers (2Ws). As on September 30, 2024, ~36% of the loan book had linkages to the Hero ecosystem through 2W finance (16%), personal loans (9%), housing loans (8%), and unsecured micro, small and medium-sized enterprise (MSME) loans (3%). In H1 FY2025, 62% of HMCL's total vehicle sales were financed (62% in FY2024), of which 28% (% of total financed) were financed by HFCL (29% in FY2024).

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

**Diversified borrowing profile and good financial flexibility** – As a part of the Hero BML Group, HFCL and HHFL enjoy good financial flexibility and have continued to raise funds at competitive costs. HFCL's consolidated borrowing profile is diversified, with bank borrowings accounting for the majority of the funding mix at 80.2% (including 13.0% share of external commercial borrowings and 1.0% share of National Housing Bank {NHB} refinance) as on September 30, 2024 (81.2% as on March 31, 2024), followed by debt market instruments (debentures at 9.0% and commercial paper (CP) at 8.0%), direct assignment (DA; 2.6%) and others (0.2%). ICRA notes that the company's dependence on bank lines has increased in the incremental borrowings during the past three years as a part of its portfolio is eligible for priority sector lending.

**Adequate capitalisation profile supported by regular capital infusions** – HFCL’s capitalisation profile remains adequate with a standalone CRAR of 16.7% as on September 30, 2024 (16.3% as on March 31, 2024) and a consolidated managed gearing of 5.7x<sup>1</sup> (5.3x as on March 31, 2024). The marginal improvement in the CRAR in H1 FY2025 was due to the perpetual debt issuances and Tier-II eligible subordinated debt issuances during the period by HFCL. The capitalisation level was previously supported by regular equity infusions by the existing promoters/investors. Overall, Rs. 6,080-crore equity was raised by HFCL over the past 11 years, of which Rs. 3,905 crore was infused by the promoter group. HFCL will need to raise capital during FY2025-FY2026 to support growth and provide growth capital to HHFL while maintaining prudent capitalisation levels. In ICRA’s opinion, prudent capitalisation is a key mitigant against the credit risks associated with the business and it expects HFCL to maintain prudent steady-state leverage, going forward. ICRA expects support from the promoter to be forthcoming, as and when required.

## Credit challenges

**Moderate asset quality indicators** – The Hero FinCorp Group’s asset quality profile remains moderate with gross and net stage 3 ratios (as per new IRAC norms) of 4.5% and 2.2%, respectively, on a consolidated basis as on September 30, 2024 compared with 4.1% and 2.1%, respectively, as on March 31, 2024. The deterioration was on account of high slippages in the personal loan book, resulting in elevated write-offs in H1 FY2025 (Rs. 1,194 crore or 4.6% of the consolidated gross loan book on annualised basis), following write-offs of Rs. 1,742 crore (3.5% of the consolidated gross loan book) in FY2024. Further, the standard restructured assets stood at 0.3% as on September 30, 2024 compared to 0.4% as on March 31, 2024. In line with the weakening in the reported asset quality indicators, the solvency metrics deteriorated with Net stage 3/Net worth at 13.3% as on September 30, 2024 (12.0% as on March 31, 2024). The Hero FinCorp Group’s ability to control fresh slippages and improve the asset quality from the current level, considering the high share of unsecured loans, would be a key monitorable. In this regard, it is noted that the overall provision cover on the consolidated loan book stood at 3.5% as on September 30, 2024 (3.2% as on March 31, 2024).

**Subdued profitability** – HFCL’s yields (consolidated basis) moderated marginally to 16.2% in H1 FY2025 from 16.4% in FY2024 on account of the reduction in the share of high-yielding personal loans in incremental disbursements. Further, the weighted average cost of funds increased marginally to 8.1% in H1 FY2025 from 8.0% in FY2024. This was due to the rise in the cost of incremental borrowings on account of elevated systemic interest rates and increase in the risk weights for bank lending to NBFCs. This led to a compression in the lending spreads to 8.1% in FY2024 from 8.4% in FY2024. HFCL’s NIMs (consolidated basis) moderated to 8.5% of average managed assets in H1 FY2025 from 8.8% in FY2024 because of the higher gearing. While operating expenses remained stable at 4.5% in H1 FY2025 (4.5% in FY2024), credit costs increased to 5.0% in H1 FY2025 from 3.4% in FY2024 because of higher write-offs on account of increased slippages and the change in the write-off policy for unsecured loans. Overall, the profitability (consolidated basis) has weakened and remained subdued with RoMA of 0.3% in H1 FY2025 compared to 1.3% in FY2024.

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

## Liquidity position: Strong

As on September 30, 2024, HFCL’s ALM reflected debt maturities of Rs. 9,732 crore for the 6-month period ending March 31, 2025 against which its scheduled inflows from performing advances were Rs. 12,013 crore. Further, the company’s liquidity position is strong with on-balance sheet liquidity of Rs. 4,298 crore, including investment of ~Rs. 2,000 crore in Clearcorp Repo Order Matching System (CROMS; 10.2% of its on-balance sheet borrowings) as on September 30, 2024. The liquidity position

<sup>1</sup> Consolidated net worth of Rs. 8,457 crore as on September 30, 2024. The consolidated net worth reported by the company (considering compulsory convertible preference shares (CCPS) as sub-debt) stood at Rs. 5,731 crore with a consolidated managed gearing of 8.9x as on September 30, 2024

is further supported by the availability of unutilised working capital lines of Rs. 2,652 crore as on September 30, 2024. This provides sufficient liquidity buffer.

HFCL's standalone borrowing profile consists of bank borrowings, which accounted for the majority of the borrowing mix at 80.2% (including 14.2% share of external commercial borrowings) as on September 30, 2024 (81.0% as on March 31, 2024), followed by debt market instruments (debentures at 9.3% and CP at 8.5%), DA (1.8%) and others (0.2%).

## Rating sensitivities

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

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

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-banking Finance Companies</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	The ratings derive significant strength from the strong parentage of HFCL and HHFL with HMCL, its individual promoters and their investment companies (collectively referred to as the Hero BML Group) holding a 79.5% stake in HFCL as on September 30, 2024. ICRA expects HMCL to remain the single largest shareholder in HFCL and the Hero BML Group to be willing to extend capital support to HFCL and HHFL if needed, given the importance that the business holds for the Hero BML Group.
Consolidation/Standalone	Consolidation

## About the company

HFCL is a non-banking financial company (NBFC) extending retail finance for the two-wheeler (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. 53,642<sup>2</sup> as on September 30, 2024. As on September 30, 2024, HFCL's consolidated AUM (excluding Clearcorp Repo Order Matching System (CROMS) lending) comprised personal loans (30.7%), 2W finance (16.9%), secured small and medium-sized enterprise (MSME) loans (12.9%), unsecured MSME loans (11.2%), corporate loans (9.7%), pre-owned car finance (7.3%), home loans (6.7%), and LAP and others (4.7%).

HFCL was incorporated in December 1991 as Hero Honda FinLease Limited. Following a change in the ownership of its parent, i.e. HMCL (formerly Hero Honda Motors Limited), the company 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

<sup>2</sup> Excluding CROMS lending of Rs. 2,000 crore as on September 30, 2024

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 79.54% stake in HFCL as on September 30, 2024. While 41.19% was held directly by HMCL, 38.35% 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 14.03% stake with the balance (6.43%) 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)<sup>3</sup> of Rs. 66 crore in H1 FY2025 on a managed asset base of Rs. 54,055 crore as on September 30, 2024 compared to Rs. 602 crore in FY2024 on a managed asset base of Rs. 50,124 crore as on March 31, 2024. As on September 30, 2024, the company had a net worth of Rs. 8,441 crore and capital adequacy of 16.7% (Rs. 8,387 crore and 16.3% as on March 31, 2024). The gross and net stage 3 stood at 4.8% and 2.3%, respectively, as on September 30, 2024 compared to 4.4% and 2.1%, respectively, as on March 31, 2024.

On a consolidated basis, HFCL reported a PAT<sup>4</sup> of Rs. 87 crore in H1 FY2025 on a managed asset base of Rs. 59,755 crore as on September 30, 2024 compared to Rs. 637 crore in FY2024 on a managed asset base of Rs. 55,144 crore as on March 31, 2024. As on September 30, 2024, the company had a net worth of Rs. 8,457 crore (Rs. 8,383 crore March 31, 2024). The gross and net stage 3 stood at 4.5% and 2.2%, respectively, as on September 30, 2024 compared to 4.1% and 2.1%, respectively, as on March 31, 2024.

#### Key financial indicators

	HFCL – Standalone			HFCL – Consolidated		
	FY2023	FY2024	H1 FY2025	FY2023	FY2024	H1 FY2025
Total income	5,731	7,458	4,373	6,148	8,021	4,732
PAT	457	602	66	480	637	87
Total managed assets	41,718	50,124	54,055	45,331	55,144	59,755
Return on managed assets	1.2%	1.3%	0.3%	1.2%	1.3%	0.3%
Managed gearing (times)	4.1	4.7	5.1	4.6	5.3	5.7
Gross stage 3	5.7%	4.4%	4.8%	5.4%	4.1%	4.5%
CRAR	20.6%	16.3%	16.7%	NA	NA	NA

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

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

#### Any other information:

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

<sup>3</sup> The reported PAT was lower by Rs. 174.64 crore in H1 FY2025 (Rs. 348.69 crore in FY2024) due to a non-cash non-payable accounting entry regarding CCPS valuation

<sup>4</sup> The reported PAT was lower by Rs. 174.64 crore in H1 FY2025 (Rs. 348.69 crore in FY2024) due to a non-cash non-payable accounting entry regarding CCPS valuation

## Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	20-DEC-2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Perpetual debt	Long term	450.00	[ICRA]AA (Stable)	08-MAY-2024	[ICRA]AA (Stable)	-	-	-	-	-	-
				31-MAY-2024	[ICRA]AA (Stable)	-	-	-	-	-	-
				31-MAY-2024	[ICRA]AA (Stable)	-	-	-	-	-	-
Perpetual debt	Long term	100.00	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
Subordinated bonds/debt	Long term	200.00	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
Subordinated debt	Long term	1,700.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
				-	-	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	-	-
Non-convertible debenture	Long term	3,405.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
				-	-	-	-	16-SEP-2022	[ICRA]AA+ (Stable)	-	-
Long term-fund based term loan	Long term	16,000.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	20-DEC-2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long term-fund based cash credit	Long term	1,600.00	[ICRA]AA+ (Stable)	08-MAY-2024	[ICRA]AA+ (Stable)	15-SEP-2023	[ICRA]AA+ (Stable)	30-JUN-2022	[ICRA]AA+ (Stable)	05-APR-2021	[ICRA]AA+ (Stable)
				31-MAY-2024	[ICRA]AA+ (Stable)	27-DEC-2023	[ICRA]AA+ (Stable)	16-SEP-2022	[ICRA]AA+ (Stable)	02-JUL-2021	[ICRA]AA+ (Stable)
Long-term/Short-term fund based/Non-fund based – Others	Long term/Short term	4,200.00	[ICRA]AA+ (Stable)/[ICRA]A1+	08-MAY-2024	[ICRA]AA+ (Stable)/[ICRA]A1+	15-SEP-2023	[ICRA]AA+ (Stable)/[ICRA]A1+	30-JUN-2022	[ICRA]AA+ (Stable)/[ICRA]A1+	05-APR-2021	[ICRA]AA+ (Stable)/[ICRA]A1+
				31-MAY-2024	[ICRA]AA+ (Stable)/[ICRA]A1+	27-DEC-2023	[ICRA]AA+ (Stable)/[ICRA]A1+	16-SEP-2022	[ICRA]AA+ (Stable)/[ICRA]A1+	02-JUL-2021	[ICRA]AA+ (Stable)/[ICRA]A1+
Commercial paper	Short term	6,000.00	[ICRA]A1+	08-MAY-2024	[ICRA]A1+	15-SEP-2023	[ICRA]A1+	30-JUN-2022	[ICRA]A1+	05-APR-2021	[ICRA]A1+
				31-MAY-2024	[ICRA]A1+	27-DEC-2023	[ICRA]A1+	16-SEP-2022	[ICRA]A1+	02-JUL-2021	[ICRA]A1+

Source: ICRA Research

## Complexity level of the rated instruments

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

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



**Annexure I: Instrument details^**

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE957N14HS6	Commercial paper	Jan-23-2024	8.7400%	Dec-13-2024	300.0	[ICRA]A1+
INE957N14HU2	Commercial paper	Feb-21-2024	8.9299%	Feb-18-2025	300.0	[ICRA]A1+
INE957N14HY4	Commercial paper	Mar-05-2024	8.6700%	Mar-03-2025	250.0	[ICRA]A1+
INE957N14IB0	Commercial paper	Mar-07-2024	8.6600%	Mar-06-2025	400.0	[ICRA]A1+
INE957N14IC8	Commercial paper	Mar-19-2024	8.5800%	Feb-27-2025	175.0	[ICRA]A1+
INE957N14ID6	Commercial paper	Mar-19-2024	8.5800%	Mar-18-2025	75.0	[ICRA]A1+
INE957N14IE4	Commercial paper	Mar-26-2024	8.5800%	Jan-31-2025	300.0	[ICRA]A1+
INE957N14IIS	Commercial paper	May-21-2024	8.4200%	May-21-2025	130.0	[ICRA]A1+
INE957N14IM7	Commercial paper	Jun-24-2024	8.3001%	Dec-06-2024	100.0	[ICRA]A1+
INE957N14IQ8	Commercial paper	Jul-08-2024	8.0501%	Jan-07-2025	25.0	[ICRA]A1+
INE957N14IR6	Commercial paper	Jul-29-2024	8.1500%	Feb-07-2025	300.0	[ICRA]A1+
INE957N14IS4	Commercial paper	Jul-29-2024	8.1499%	Jan-24-2025	190.0	[ICRA]A1+
INE957N14IT2	Commercial paper	Aug-08-2024	8.1499%	Jan-13-2025	75.0	[ICRA]A1+
INE957N14IU0	Commercial paper	Sep-13-2024	8.2000%	Jun-16-2025	50.0	[ICRA]A1+
INE957N14IV8	Commercial paper	Sep-26-2024	7.7902%	Dec-26-2024	300.0	[ICRA]A1+
INE957N14IW6	Commercial paper	Nov-14-2024	7.7201%	Feb-13-2025	200.0	[ICRA]A1+
INE957N14IX4	Commercial paper	Nov-13-2024	7.7201%	Feb-12-2025	200.0	[ICRA]A1+
INE957N14IY2	Commercial paper	Nov-21-2024	8.1500%	Nov-21-2025	40.0	[ICRA]A1+
NA	Commercial paper*	NA	NA	NA	2,590.0	[ICRA]A1+
INE957N08011	Sub-debt	Sep-15-2015	9.3500%	Sep-15-2025	100.0	[ICRA]AA+ (Stable)
INE957N08029	Sub-debt	Aug-03-2016	8.9800%	Aug-03-2026	100.0	[ICRA]AA+ (Stable)
INE957N08037	Sub-debt	Jun-20-2017	8.5200%	Jun-18-2027	100.0	[ICRA]AA+ (Stable)
INE957N08045	Sub-debt	Dec-06-2018	9.8100%	Nov-24-2028	125.0	[ICRA]AA+ (Stable)
INE957N08052	Sub-debt	Feb-05-2020	8.8500%	Feb-05-2030	100.0	[ICRA]AA+ (Stable)
INE957N08060	Sub-debt	Mar-04-2020	8.4900%	Mar-04-2030	25.0	[ICRA]AA+ (Stable)
INE957N08078	Sub-debt	Dec-11-2020	7.6500%	Dec-11-2030	45.0	[ICRA]AA+ (Stable)
INE957N08086	Sub-debt	Jul-18-2022	8.6500%	Jul-16-2032	100.0	[ICRA]AA+ (Stable)
INE957N08094	Sub-debt	Oct-21-2022	8.6500%	Oct-21-2032	55.0	[ICRA]AA+ (Stable)
INE957N08102	Sub-debt	Dec-01-2022	8.6500%	Dec-01-2032	100.0	[ICRA]AA+ (Stable)
INE957N08110	Sub-debt	Jan-05-2024	9.0000%	Jan-05-2034	55.0	[ICRA]AA+ (Stable)
INE957N08151	Sub-debt	Sep-27-2024	9.2000%	May-27-2030	200.0	[ICRA]AA+ (Stable)
NA	Sub-debt#	Aug-31-2024	NA	Apr-30-2030	200.0	[ICRA]AA+ (Stable)
NA	Sub-debt*	NA	NA	NA	595.0	[ICRA]AA+ (Stable)
INE957N08128	Perpetual debt	May-17-2024	9.5000%	Perpetual	150.0	[ICRA]AA (Stable)
INE957N08136	Perpetual debt	Jun-04-2024	9.6000%	Perpetual	75.0	[ICRA]AA (Stable)
INE957N08144	Perpetual debt	Aug-28-2024	9.5000%	Perpetual	25.0	[ICRA]AA (Stable)
INE957N08144 (Re-issue)	Perpetual debt	Sep-06-2024	9.5000%	Perpetual	60.0	[ICRA]AA (Stable)
INE957N08169	Perpetual debt	Oct-15-2024	9.5000%	Perpetual	55.0	[ICRA]AA (Stable)
INE957N08177	Perpetual debt	Nov-25-2024	9.5000%	Perpetual	50.0	[ICRA]AA (Stable)
NA	Perpetual debt*	NA	NA	NA	135.0	[ICRA]AA (Stable)
INE957N07633	NCD	Aug-03-2021	6.25%	Aug-02-2024	200.00	[ICRA]AA+ (Stable); withdrawn
INE957N07641	NCD	Aug-11-2021	0.00%	Aug-09-2024	150.00	[ICRA]AA+ (Stable); withdrawn
INE957N07724	NCD	Dec-13-2022	0.00%	Aug-13-2024	139.00	[ICRA]AA+ (Stable); withdrawn
INE957N07740	NCD	Dec-30-2022	8.25%	Dec-30-2024	35.00	[ICRA]AA+ (Stable)
INE957N07682	NCD	Jul-29-2022	7.99%	Jul-29-2025	400.00	[ICRA]AA+ (Stable)
INE957N07757	NCD	May-12-2023	8.35%	May-12-2026	50.00	[ICRA]AA+ (Stable)
INE957N07773	NCD	Feb-02-2024	8.60%	Feb-02-2029	25.0	[ICRA]AA+ (Stable)
INE957N07591	NCD	May-07-2021	7.35%	May-07-2031	25.00	[ICRA]AA+ (Stable)
NA	NCD*	NA	NA	NA	2,870.0	[ICRA]AA+ (Stable)
NA	Term loan - 1	Mar-31-2021	NA	Mar-31-2025	50.00	[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	41.69	[ICRA]AA+ (Stable)
NA	Term loan - 3	Mar-29-2019	NA	Mar-29-2025	20.00	[ICRA]AA+ (Stable)
NA	Term loan - 4	Mar-19-2020	NA	Mar-19-2025	25.00	[ICRA]AA+ (Stable)
NA	Term loan - 5	Dec-18-2020	NA	Dec-31-2025	100.00	[ICRA]AA+ (Stable)
NA	Term loan - 6	Jun-30-2022	NA	Jun-30-2027	500.00	[ICRA]AA+ (Stable)
NA	Term loan - 7	Sep-26-2023	NA	Sep-30-2028	562.50	[ICRA]AA+ (Stable)
NA	Term loan - 8	Sep-30-2023	NA	Sep-30-2028	187.50	[ICRA]AA+ (Stable)
NA	Term loan - 9	30-03-2021/2	NA	Mar-30-2026	200.00	[ICRA]AA+ (Stable)
NA	Term loan - 10	Sep-14-2020	NA	Sep-14-2025	16.60	[ICRA]AA+ (Stable)
NA	Term loan - 11	Dec-09-2021	NA	Dec-08-2026	44.40	[ICRA]AA+ (Stable)
NA	Term loan - 12	Mar-30-2024	NA	Mar-31-2029	225.00	[ICRA]AA+ (Stable)
NA	Term loan - 13	Mar-30-2024	NA	Mar-31-2029	135.00	[ICRA]AA+ (Stable)
NA	Term loan - 14	Mar-30-2024	NA	Mar-31-2029	90.00	[ICRA]AA+ (Stable)
NA	Term loan - 15	Dec-16-2020	NA	Dec-16-2025	125.00	[ICRA]AA+ (Stable)
NA	Term loan - 16	Feb-04-2022	NA	Jan-31-2027	562.50	[ICRA]AA+ (Stable)
NA	Term loan - 17	20-09-2022/2	NA	Sep-30-2027	1,200.00	[ICRA]AA+ (Stable)
NA	Term loan - 18	Feb-06-2023	NA	Jun-30-2028	375.00	[ICRA]AA+ (Stable)
NA	Term loan - 19	Jun-14-2023	NA	Jun-30-2028	375.00	[ICRA]AA+ (Stable)
NA	Term loan - 20	Dec-22-2023	NA	Dec-31-2028	425.00	[ICRA]AA+ (Stable)
NA	Term loan - 21	Sep-26-2024	NA	Sep-26-2029	500.00	[ICRA]AA+ (Stable)
NA	Term loan - 22	Sep-30-2022	NA	Sep-30-2025	91.11	[ICRA]AA+ (Stable)
NA	Term loan - 23	Dec-29-2022	NA	Dec-29-2025	291.67	[ICRA]AA+ (Stable)
NA	Term loan - 24	Mar-27-2023	NA	Mar-27-2026	150.00	[ICRA]AA+ (Stable)
NA	Term loan - 25	Mar-29-2023	NA	Mar-29-2026	250.00	[ICRA]AA+ (Stable)
NA	Term loan - 26	Nov-28-2023	NA	Nov-28-2026	500.00	[ICRA]AA+ (Stable)
NA	Term loan - 27	Dec-30-2023	NA	Dec-30-2026	112.50	[ICRA]AA+ (Stable)
NA	Term loan - 28	Sep-30-2024	NA	Sep-27-2027	1,000.00	[ICRA]AA+ (Stable)
NA	Term loan - 29	Aug-11-2023	NA	Nov-11-2026	400.00	[ICRA]AA+ (Stable)
NA	Term loan - 30	Jun-21-2024	NA	Dec-21-2026	90.00	[ICRA]AA+ (Stable)
NA	Term loan - 31	Jun-25-2024	NA	Dec-25-2026	175.50	[ICRA]AA+ (Stable)
NA	Term loan - 32	Aug-27-2024	NA	Feb-27-2027	265.50	[ICRA]AA+ (Stable)
NA	Term loan - 33	Feb-25-2022	NA	Feb-25-2025	16.67	[ICRA]AA+ (Stable)
NA	Term loan - 34	Sep-22-2022	NA	Oct-22-2025	148.33	[ICRA]AA+ (Stable)
NA	Term loan - 35	Dec-29-2022	NA	Apr-29-2026	64.62	[ICRA]AA+ (Stable)
NA	Term loan - 36	Mar-29-2023	NA	Jun-30-2026	99.62	[ICRA]AA+ (Stable)
NA	Term loan - 37	Mar-29-2023	NA	Mar-28-2028	162.50	[ICRA]AA+ (Stable)
NA	Term loan - 38	Dec-29-2023	NA	Dec-28-2028	212.50	[ICRA]AA+ (Stable)
NA	Term loan - 39	Mar-30-2024	NA	Mar-29-2029	225.00	[ICRA]AA+ (Stable)
NA	Term loan - 40	Nov-26-2020	NA	Nov-26-2025	96.49	[ICRA]AA+ (Stable)
NA	Term loan - 41	Dec-31-2020	NA	Dec-30-2025	105.26	[ICRA]AA+ (Stable)
NA	Term loan - 42	Dec-09-2021	NA	Dec-09-2026	210.53	[ICRA]AA+ (Stable)
NA	Term loan - 43	Sep-29-2022	NA	Sep-29-2027	289.47	[ICRA]AA+ (Stable)
NA	Term loan - 44	Mar-22-2024	NA	Mar-22-2028	650.00	[ICRA]AA+ (Stable)
NA	Term loan - 45	Mar-31-2021	NA	Mar-31-2026	250.00	[ICRA]AA+ (Stable)
NA	Term loan - 46	Sep-24-2021	NA	Sep-23-2025	12.50	[ICRA]AA+ (Stable)
NA	Term loan - 47	Aug-12-2022	NA	Sep-30-2027	240.00	[ICRA]AA+ (Stable)
NA	Term loan - 48	Dec-29-2022	NA	Dec-31-2027	487.50	[ICRA]AA+ (Stable)
NA	Term loan - 49	Jan-31-2024	NA	Jan-31-2029	425.00	[ICRA]AA+ (Stable)
NA	Term loan - 50	Jul-31-2024	NA	Jul-31-2029	475.00	[ICRA]AA+ (Stable)
NA	Term loan - 51	Mar-09-2023	NA	Mar-31-2028	65.00	[ICRA]AA+ (Stable)
NA	Term loan - 52	Dec-28-2022	NA	Dec-28-2027	187.50	[ICRA]AA+ (Stable)
NA	Term loan - 53	Sep-05-2023	NA	Sep-04-2028	833.33	[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	Jun-28-2024	NA	Jun-28-2029	1,000.00	[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	NA	NA	NA	1,654.23	[ICRA]AA+ (Stable)
NA	LT fund-based term loan*	NA	NA	NA	656.71	[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; # Subordinated Tier-II term loan; \* Yet to be placed/Proposed; ^ As on November 30, 2024

[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 FinCorp Limited (HFCL)	Rated Entity	Full Consolidation
Hero Housing Finance Limited (HHFL)	Subsidiary	Full Consolidation

## ANALYST CONTACTS

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

**Manushree Saggar**  
+91 124 4545 316  
[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Mishi Yadav**  
+91 124 4545 311  
[mishi.yadav@icraindia.com](mailto:mishi.yadav@icraindia.com)

**A M Karthik**  
+91 44 4596 4308  
[a.karthik@icraindia.com](mailto:a.karthik@icraindia.com)

**Rajat Kher**  
+91 124 4545 833  
[rajat.kher@icraindia.com](mailto:rajat.kher@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

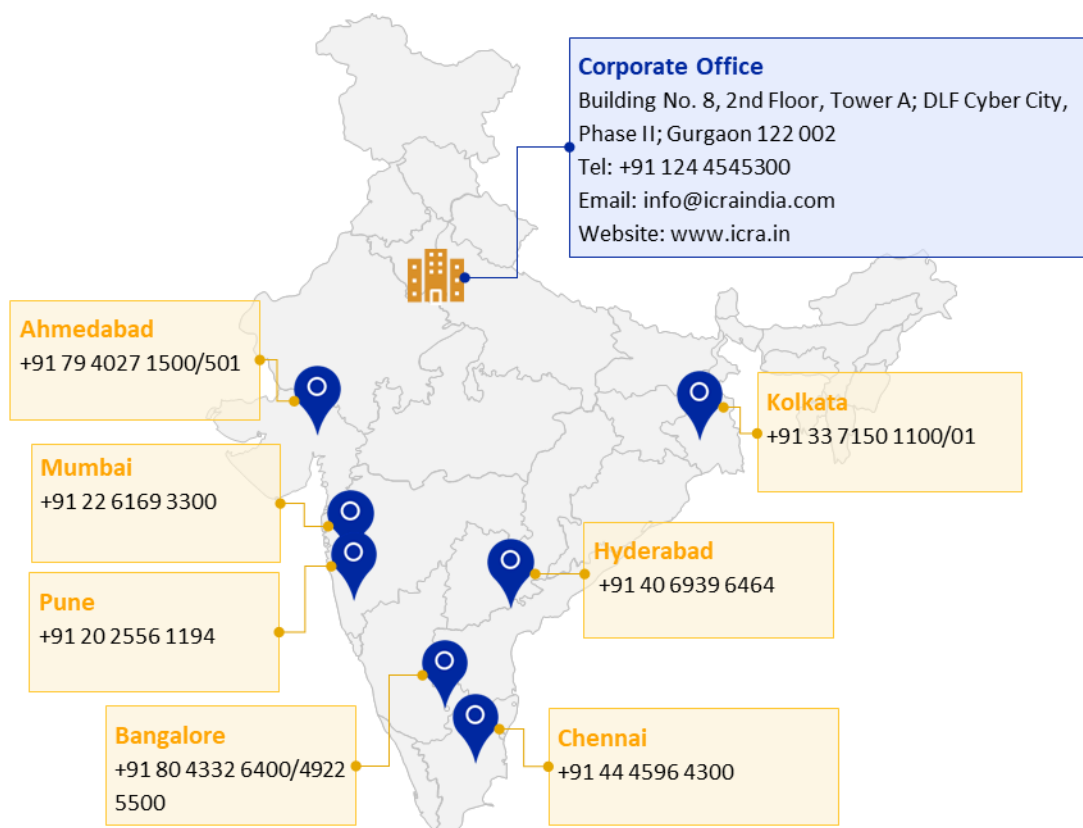


### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2024 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.