November 17, 2023

DMI Finance Private Limited: Ratings reaffirmed; rated amount enhanced and [ICRA]AA (Stable) assigned

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	100.0	100.0	[ICRA]AA (Stable); reaffirmed
Non-convertible debentures	-	300.0	[ICRA]AA (Stable); assigned
Long-term market linked debentures	150.0	150.0	PP-MLD[ICRA]AA (Stable); reaffirmed
Long-term fund-based term loan	3,450.0	3,450.0	[ICRA]AA (Stable); reaffirmed
Long-term fund-based cash credit	450.0	450.0	[ICRA]AA (Stable); reaffirmed
Long-term fund-based others	62.0	2,062.0	[ICRA]AA (Stable); reaffirmed/assigned
Commercial paper	300.0	600.0	[ICRA]A1+; reaffirmed/assigned
Total	**4,512.0**	**7,112.0**	

**Instrument details are provided in Annexure I*

Rationale

To arrive at the ratings, ICRA has taken a consolidated view of DMI Finance Private Limited (DFPL) and DMI Housing Finance Private Limited (DHFPL), collectively referred to as the DMI Group, given the operational linkages between the companies in addition to the common promoter, shared name, and management oversight.

The ratings factor in the DMI Group's strong capitalisation and improved investor profile, post the capital infusion in April 2023. The Group successfully closed a $400-million equity investment round, which included primary and secondary transactions. The round was led by Mitsubishi UFJ Financial Group (MUFG), Inc. through its consolidated subsidiary – MUFG Bank, along with participation from Sumitomo Mitsui Trust Bank Limited (SMTB) and other investors. Following the receipt of capital in Q1 FY2024, the Group's net worth (DFPL (standalone) + DHFPL) stood at about Rs. 7,262 crore with a gearing of 0.8x as on September 30, 2023. The improvement in the investor profile is also expected to support the Group's financial flexibility with access to funds from diverse sources and at competitive rates. The ratings also draw comfort from the Group's track record of strong liquidity. A considerable portion of the loan book has a residual tenor of up to one year, which supports the overall liquidity profile. The available on-balance sheet liquidity of about Rs. 823 crore as on September 30, 2023 (Rs. 602 crore in DFPL (standalone) and Rs. 221 crore in DHFPL) is more than sufficient to take care of the debt-servicing obligations falling due in the next six months. ICRA notes that the Group plans to maintain prudent capitalisation with a peak gearing of 2x over the longer term.

ICRA has taken cognizance of the Group's improving profitability indicators and the rising share of unsecured digital loans (small-ticket personal/consumption retail loans) in the overall portfolio mix. The foray into digital loans and affordable housing loans has led to improved granularity of the portfolio, which was previously characterised by concentrated wholesale exposures primarily to real estate builders. As on September 30, 2023, digital loans constituted 80% of the Group's consolidated loan book of Rs. 12,638 crore[1], followed by affordable housing finance loans (11%) and wholesale loans (9%). While a higher proportion of digital/retail loans is a positive from a concentration risk perspective, the risks

[1] *Including pass-through certificates (PTCs) of Rs. 331 crore for DFPL and Rs. 122 crore for DHFPL as on September 30, 2023*

associated with the target borrower profile and the nature of the loans increases the portfolio vulnerability. Further, the Group focusses on increasing the share of digital loans that are not backed by first loss default guarantee (FLDG) arrangements with its partners. Nevertheless, ICRA expects the Group to maintain good systems and processes, which would help it to report good risk-adjusted returns over the medium term.

As for DHFPL, ICRA notes that the company's scale of operations is modest on a standalone basis with assets under management of Rs. 1,501 crore[2] as on September 30, 2023 (Rs. 1,307 crore as on March 31, 2023). Nonetheless, given the good market potential in the affordable housing finance segment and the company's satisfactory, albeit short, track record of operations, ICRA expects it to grow as per the business plans with good asset quality and return indicators over the medium term.

Key rating drivers and their description

Credit strengths

Strong capitalisation and improvement in investor profile – The DMI Group's capitalisation has consistently remained strong, aided by regular equity infusions in the past by the promoter, i.e. DMI Limited, Mauritius, and a recent capital infusion from MUFG Bank, SMTB and other investors. In December 2021, DFPL had raised a $47-million equity investment from SMTB and others. Prior to this, the Group concluded an equity raise in April 2020, whereby about Rs. 942 crore was infused by South Korea's Nexon Co through DMI Limited, Mauritius. During the six-year period ending March 2022, the Group had concluded an equity infusion of about Rs. 2,950 crore. As a result, its net worth (DFPL (consolidated) + DHFPL) stood at Rs. 4,868 crore as on March 31, 2023 with a gearing of 1.0x compared to Rs. 4,479 crore as on March 31, 2022 with a gearing of 0.7x. As for DFPL (consolidated), the net worth stood at Rs. 4,220 crore as on March 31, 2023 with a gearing of 1.0x.

DFPL successfully closed a $400-million equity investment round, which included primary and secondary transactions. The round was led by MUFG, Inc. through its consolidated subsidiary – MUFG Bank, along with participation from SMTB and other investors. Following the receipt of capital in Q1 FY2024, the Group's net worth (DFPL (standalone) + DHFPL) increased to Rs. 7,262 crore as on September 30, 2023 with a gearing of 0.8x. As for DFPL (standalone), the net worth increased to Rs. 6,598 crore as on September 30, 2023 with a gearing of 0.8x. Further, ICRA notes the improvement in the investor profile, following the recent capital infusion from MUFG Bank. While the existing capital base is sufficient to support the growth plans for the near to medium term, ICRA notes that the Group may need incremental capital to maintain a prudent capitalisation level over the longer term, especially given its growth plans for the digital lending and housing finance segments. Nevertheless, given the track record of the existing investors in extending support to the Group, ICRA expects support from existing investors to be forthcoming as and when required. Further, ICRA notes that the Group plans to maintain prudent capitalisation over the longer term with a maximum gearing of 2x.

Strong liquidity profile; financial flexibility expected to improve – DFPL's asset-liability management (ALM) profile is characterised by positive cumulative mismatches in the near-and-medium-term buckets, given the low leverage and the significant proportion of the loan book with a residual tenor of up to 1 year. This, along with sizeable cash and liquid investments of Rs. 602 crore at the standalone level (equivalent to ~12% of borrowings; as on September 30, 2023), augurs well for the liquidity profile. Typical to affordable housing finance (AHFC) business, DHFPL's ALM profile is characterised by cumulative mismatches in some buckets up to 12 months despite the low leverage and sizeable on-balance sheet liquidity (about Rs. 221 crore as on September 30, 2023). Further, the track record of support from the promoter and MUFG Bank, in terms of equity infusions, provides comfort. Moreover, while the Group is currently maintaining enhanced on-balance sheet liquidity, it endeavours to always keep on-balance sheet liquidity equivalent to six months of the total outflows.

[2] Including off-book portfolio of Rs. 48 crore and PTCs of Rs. 122 crore as September 30, 2023 (Rs. 38 crore and Rs. 127 crore, respectively, as on March 31, 2023)

As for the borrowing mix, the Group's borrowing profile, as on September 30, 2023, included bank borrowings (63.43%), debentures (27.23%), securitisation (8.40%) and others (0.94%). ICRA notes that the Group intends to diversify its borrowing profile by raising incremental funds through capital market products and the securitisation market in addition to bank borrowings in order to meet its growth targets going forward as well. In this regard, ICRA expects DFPL's financial flexibility to improve, given the recent capital infusion from MUFG Bank.

Credit challenges

Rising share of unsecured digital retail loans; high portfolio vulnerability could keep asset quality volatile – Till FY2018, the Group was mainly engaged in secured corporate lending, largely to real estate builders. However, it subsequently shifted its focus to the small-ticket personal/consumption retail loan and affordable housing finance segments with a sharp growth recorded since then. The Group's overall loan book (DFPL (standalone) + DHFPL), as on September 30, 2023, was about Rs. 12,638 crore[3] with digital lending accounting for 80% of the total mix, affordable housing finance loans for 11% and wholesale loans for the remaining 9%. The digital lending business is completely technology-driven with API-based origination, underwriting and loan management systems. The underwriting is based on an algorithm, which uses certain data points for arriving at the loan eligibility with minimum manual intervention and deviations. While such algorithms are regularly updated based on the past performance of the loans with new variables added from time to time, the assumptions for parameters like default rates are critical for the underwriting of loans with expected credit losses, which, in turn, affect the asset quality, credit costs and profitability. Also, while a higher proportion of digital/retail loans is a positive from a concentration risk perspective, the inherent vulnerability associated with the target borrower profile and the nature of the loans augment the portfolio vulnerability. While consumption loans are expected to be secured in nature going forward, the track record of actual recoveries from delinquent accounts of such secured products is yet to be established. Nevertheless, ICRA draws comfort from the Group's systems and processes and expects it to grow the business volumes while maintaining control on the credit costs.

Going forward, the Group's ability to demonstrate the sustained effectiveness of its credit underwriting policies and partnerships and keep the asset quality indicators under control will be imperative. Despite the improvement in the operating environment, the reported gross stage 3 (DFPL (consolidated) + DHFPL) weakened to 3.0% as on March 31, 2023 from 2.0% as on March 31, 2022 as two large accounts in the corporate segment moved into stage 3. As on March 31, 2023, 2.5% of the Group's loan book (DFPL (consolidated) + DHFPL) was restructured (mainly in the corporate segment). As on September 30, 2023, the Group's reported gross stage 3 (DFPL (standalone) + DHFPL) remained elevated at 3.5% (owing to lumpy slippages in the corporate segment despite high write-offs) while the standard restructured book was negligible at 0.2% (entirely in the consumer and housing segment). ICRA takes comfort from the high granularity of this portfolio due to the smaller ticket sizes. This enables risk diversification while the high yields earned help mitigate the inherent risk in the target segment. Also, DFPL has shifted its focus towards the consumer segment and is consciously reducing the wholesale book.

As for DHFPL at the standalone level, the loan book stood at Rs. 1,452 crore[4] as on September 30, 2023, with an average ticket size of about Rs. 9-10 lakh. While home loans accounted for 82% of the loan book as on September 30, 2023, loan against property (LAP; 18%) comprised the balance. Herein, the reported gross stage 3 stood comfortable at 0.7% as on September 30, 2023 (compared to 0.5% as on March 31, 2023 and 1.0% as on March 31, 2022). However, while the Group has demonstrated good control over the asset quality in the affordable housing finance segment, this loan book remains relatively less seasoned.

Improving profitability trajectory; sustenance of the same with improvement in scale imperative for maintaining credit profile – Given the product and target borrower profile and the incremental growth driven by high-yielding digital loans, the average yield on loans (DFPL consolidated + DHFPL) improved to 22.5% in FY2023 from 16.4% in FY2022. Further, the blended cost of funds for the Group (DFPL consolidated + DHFPL) increased to 8.4% in FY2023 from 8.0% in FY2022 because

[3] Including PTCs of Rs. 331 crore for DFPL and Rs. 122 crore for DHFPL as on September 30, 2023

[4] Including PTCs of Rs. 122 crore as on September 30, 2023

of the rise in systemic interest rates, sizeable existing long-term borrowings and fresh bank lines raised in FY2023. As the loan book witnessed a growth of 45% in FY2023 (driven by high disbursements in digital lending book), the net interest margin (NIM) improved to 14.8% (DFPL consolidated + DHFPL) from 8.8% in FY2022 and was higher than the pre-Covid-19 pandemic level. As the Group's digital lending and affordable housing finance operations are in the ramp-up phase, the operating expenses remain high. The Group's operating cost, as a proportion of average total assets (ATA), increased to 6.1% (DFPL consolidated + DHFPL) in FY2023 from 4.6% in FY2022. Further, the credit cost (DFPL consolidated + DHFPL) moderated to 4.2% in FY2023 from 4.5% in FY2022 because of lower provisions on standard assets despite high write-offs during the year. Although the Group's (DFPL consolidated + DHFPL) profitability improved with a return on assets (RoA) and a return on equity (RoE) of 3.7% and 7.6%, respectively, in FY2023 (1.0% and 1.8%, respectively, in FY2022), it remains modest.

The Group's (DFPL standalone + DHFPL) NIM improved to 16.1% in H1 FY2024 with the reduction in the gearing. While the operating expenses, as a proportion of ATA, moderated to 5.8% in H1 FY2024 (DFPL standalone + DHFPL), the credit cost increased to 5.8% because of high write-offs in the corporate book. Overall, the profitability (DFPL standalone + DHFPL) was modest and in line with FY2023 with RoA and RoE of 3.8% and 7.8%, respectively, in H1 FY2024. As the operating expenses stabilise with economies of scale, the profitability is expected to improve, provided the company is able to keep good control on slippages.

Liquidity position: Strong

DFPL's ALM profile is characterised by positive cumulative mismatches in the near-and-medium-term buckets, given the low leverage and the sizeable proportion of the loan book with a residual tenor of up to 1 year. As on September 30, 2023, the company's ALM reflected debt maturities of Rs. 3,217 crore for the 12-month period ending September 30, 2024 against which its expected inflows from performing advances are Rs. 7,348 crore. This, along with sizeable cash and liquid investments of Rs. 602 crore at the standalone level (equivalent to ~12% of borrowings; as on September 30, 2023) and unutilised working capital lines of about Rs. 215 crore as on September 30, 2023, augurs well for the liquidity profile. Further, the track record of regular support from the promoter, in terms of equity infusions, provides comfort.

Typical to affordable housing finance (AHFC) business, DHFPL's ALM profile is characterised by cumulative mismatches in some buckets up to 12 months despite the low leverage and sizeable on-balance sheet liquidity. As on September 30, 2023, the company's ALM reflected debt maturities of Rs. 518 crore for the 12-month period ending September 30, 2024 against which its scheduled inflows from performing advances are Rs. 222 crore. This, along with sizeable cash and liquid investments of about Rs. 221 crore (equivalent to 22% of borrowings; as on September 30, 2023) and unutilised working capital lines of Rs. 34 crore, augurs well for the liquidity profile.

Rating sensitivities

Positive factors – A significant increase in the scale while sustaining the current approach towards leverage and liquidity, along with a well-established track record of strong profitability and good control on the asset quality, will remain imperative for a rating upgrade in the medium to long term.

Negative factors – The ratings could come under pressure if the consolidated gearing increases beyond 2x or the pressure on the asset quality adversely impacts the company's earnings profile on a sustained basis. Pressure on the ratings could also emerge if the liquidity profile weakens or on lower-than-expected support from investors.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Financial Consolidation and Rating Approach
Parent/Group support	-
Consolidation/Standalone	Consolidation; to arrive at the ratings, ICRA has taken a consolidated view of DFPL and DHFPL, referred to as the DMI Group, given the operational linkages between the companies in addition to the common promoter, shared name and management oversight

About the company

DFPL, incorporated in 2008, is a private financial services company registered as a non-banking financial company (NBFC) with the Reserve Bank of India (RBI). While it was mainly engaged in secured corporate lending (largely to real estate builders) till a few years ago, it has shifted focus to digital lending wherein it provides consumption loans, personal loans and micro, small and medium enterprise (MSME) loans. This is a completely digital technology-driven business with API-based origination, underwriting and loan management systems. Herein, DFPL predominantly works through front-end partnerships with other fintech companies, original equipment manufacturers (OEMs) and technology-driven aggregators.

On a standalone basis, as on March 31, 2023, consumer loans accounted for 80% of the Rs. 7,864-crore[5] loan book (62% as on March 31, 2022) with the wholesale real estate lending book accounting for 15% and the non-real estate wholesale loan book accounting for 3%. As of September 30, 2023, the share of consumer loans increased to 90% of the Rs. 11,186-crore[6] loan book with the share of the wholesale real estate lending book reducing to 7% and the non-real estate wholesale loan book reducing to 3%.

DMI Limited, Mauritius holds a 72.08% stake in DFPL (as on September 30, 2023). DMI Limited, Mauritius is, in turn, backed by New Investment Solution (NIS), a Liechtenstein-based alternative asset manager with over $2 billion of deployed capital. NIS is led by Takashi Sato, who was the Head of Private Wealth and Asset Management at Nomura Bank (Europe). The fund focusses on Japanese equities, US asset-backed debt and emerging market debt. DFPL's other major shareholders are NIS Ganesha (stake of 10.13% as on September 30, 2023) and MUFG Bank.

On a consolidated basis, DFPL reported a profit after tax (PAT) of Rs. 320 crore in FY2023 on a total gross asset base of Rs. 9,060 crore as on March 31, 2023 compared to a PAT of Rs. 59 crore in FY2022 on a total gross asset base of Rs. 7,268 crore as on March 31, 2022. As on March 31, 2023, DFPL's capital adequacy (CRAR) was 51% on a net worth of Rs. 4,220 crore (61% and Rs. 3,872 crore, respectively, as on March 31, 2022). Further, DFPL (on a consolidated basis) reported gross and net stage 3 of 3.4% and 1.4%, respectively, as on March 31, 2023 compared to 2.2% and 0.3%, respectively, as on March 31, 2022. In H1 FY2024, DFPL (standalone) reported a PAT of Rs. 214 crore on a total gross asset base of Rs. 12,453 crore as on September 30, 2023. Its CRAR (standalone) was 58% on a net worth of Rs. 6,598 crore as on September 30, 2023. Further, DFPL (standalone) reported gross and net stage 3 of 3.8% and 1.9%, respectively, as on September 30, 2023.

DMI Housing Finance Private Limited

DHFPL, incorporated in 2011, is a private financial services company registered as a housing finance company (HFC). It started lending operations in FY2014 and primarily focusses on providing home loans and LAP to borrowers seeking affordable housing. The company's loan book stood at Rs. 1,452 crore[7] as on September 30, 2023 compared to Rs. 1,269 crore as on March 31, 2023 (Rs. 862 crore as on March 31, 2022) with an average ticket size of about Rs. 9-10 lakh and a geographical footprint of about 46 branches across nine states/Union Territories (though three states, namely Uttar Pradesh, Rajasthan and Madhya Pradesh, accounted for about 57% of the portfolio as on September 30, 2023). Home loans accounted for 82% of the loan book

[5] *Including PTC of Rs. 352 crore as on March 31, 2023*
[6] *Including PTC of Rs. 331 crore as on September 30, 2023*
[7] *Including PTC of Rs. 122 crore as September 30, 2023 (Rs. 127 crore as on March 31, 2023)*

as on September 30, 2023, followed by LAP (18%) while corporate loans were negligible. DHFPL used to be a subsidiary of DFPL till FY2018. However, following the restructuring within the Group, DMI Limited, Mauritius now directly holds a 94.74% stake in the company (as on September 30, 2023).

DHFPL reported a PAT of Rs. 36 crore in FY2023 on a total gross asset base of Rs. 1,597 crore as on March 31, 2023 compared to a PAT of Rs. 19 crore in FY2022 on a total gross asset base of Rs. 1,166 crore as on March 31, 2022. As on March 31, 2023, DHFPL's capital adequacy (CRAR) was 86% on a net worth of Rs. 647 crore (87% and Rs. 607 crore, respectively, as on March 31, 2022). Further, DHFPL reported gross and net stage 3 of 0.5% and 0.4%, respectively, as on March 31, 2023 compared to 1.0% and 0.6%, respectively, as on March 31, 2022. In H1 FY2024, DHFPL reported a PAT of Rs. 21 crore on a total gross asset base of Rs. 1,745 crore as on September 30, 2023. The CRAR was 68% on a net worth of Rs. 663 crore as on September 30, 2023. Further, DHFPL reported gross and net stage 3 of 0.7% and 0.5%, respectively, as on September 30, 2023.

Key financial indicators – DFPL + DHFPL

	DFPL^				DFPL^ + DHFPL			
	FY2021	FY2022	FY2023	H1 FY2024*	FY2021	FY2022	FY2023	H1 FY2024*
Total income	773	920	1,662	1,152	885	1,038	1,812	1,252
Profit after tax	27	59	320	214	53	78	355	235
Net worth	3,506	3,872	4,220	6,598	4,092	4,479	4,868	7,262
Gross loan book[!]	3,656	5,432	7,864	11,186	4,425	6,294	9,132	12,638
Total gross assets	5,868	7,268	9,060	12,453	7,044	8,434	10,657	14,198
Return on average assets	0.5%	0.9%	3.9%	4.0%	0.8%	1.0%	3.7%	3.8%
Return on average net worth	0.9%	1.6%	7.9%	7.9%	1.5%	1.8%	7.6%	7.8%
Gearing (times)	0.6	0.7	1.0	0.8	0.6	0.7	1.0	0.8
CRAR	60%	61%	51%	58%	NA	NA	NA	NA
Gross stage 3	3.9%	2.2%	3.4%	3.8%	3.3%	2.0%	3.0%	3.5%
Net stage 3	1.5%	0.3%	1.4%	1.9%	1.3%	0.4%	1.3%	1.7%
Net stage 3/Net worth	1.5%	0.4%	2.6%	3.2%	1.4%	0.5%	2.4%	3.0%

*Source: DFPL, DHFPL, ICRA Research; Amount in Rs. crore; * Key financial indicators (KFIs) for H1 FY2024 are based on provisional financials; ^ KFIs for FY2021, FY2022 and FY2023 are for DFPL on a consolidated basis while KFIs for H1 FY2024 are for DFPL on a standalone basis; [!] Includes PTCs*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current rating (FY2024)					Chronology of rating history for the past 3 years						
		Type	Amount rated (Rs. crore)	Amount outstanding* (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023				Date & rating in FY2022	Date & rating in FY2021	
					Nov 17, 2023	Sep 29, 2023	Feb 24, 2023	Oct 18, 2022	Sep 02, 2022	Apr 18, 2022	Apr 20, 2021	Mar 31, 2021	Jul 10, 2020
1	Commercial paper	Short term	600.0	0.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Non-convertible debentures	Long term	100.0	0.0	[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	Long term	300.0	0.0	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-
4	Long-term market linked debentures	Long term	150.0	150.0	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA- (Stable)	PP-MLD [ICRA]AA- (Stable)	-	-	-	-	-
5	Long-term market linked debentures	Long term	-	-	-	PP-MLD [ICRA]AA (Stable); withdrawn	PP-MLD [ICRA]AA- (Stable)	PP-MLD [ICRA]AA- (Stable)	-	-	-	-	-
6	Long-term fund-based TL	Long term	3,450.0	3,387.10	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-	-
7	Long-term fund-based CC	Long term	450.0	328.75	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-	-
8	Long-term fund-based unallocated	Long term	-	-	-	-	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-	-
9	Long-term fund-based others	Long term	2,062.0	600.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	-	-	-	-	-	-

Source: ICRA Research
*Note: TL – Term loan, CC – Cash credit; *As on October 31, 2023*

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-convertible debentures	Simple
Commercial paper	Very Simple
Long-term market linked debentures	Complex
Long-term fund-based TL	Simple
Long-term fund-based CC	Simple
Long-term fund-based others	Simple
Long-term fund-based unallocated	Not applicable

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 October 31, 2023)

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Commercial paper*	NA	NA	NA	600.0	[ICRA]A1+
NA	NCD*	NA	NA	NA	100.0	[ICRA]AA (Stable)
NA	NCD*	NA	NA	NA	300.0	[ICRA]AA (Stable)
INE604O07167	Long-term MLD	Oct-21-2022	8.75%	Oct-21-2024	150.0	PP-MLD[ICRA]AA (Stable)
NA	Term loan - 1	Mar-26-2021	NA	Mar-31-2025	18.75	[ICRA]AA (Stable)
NA	Term loan - 2	Mar-09-2022	NA	Mar-31-2026	31.25	[ICRA]AA (Stable)
NA	Term loan - 3	Sep-23-2022	NA	Sep-30-2025	66.67	[ICRA]AA (Stable)
NA	Term loan - 4	Mar-09-2023	NA	Mar-24-2026	83.33	[ICRA]AA (Stable)
NA	Term loan - 5	Jun-08-2021	NA	Apr-30-2024	3.51	[ICRA]AA (Stable)
NA	Term loan - 6	Jun-14-2021	NA	Jun-30-2025	23.81	[ICRA]AA (Stable)
NA	Term loan - 7	Jun-29-2022	NA	Jun-30-2026	152.33	[ICRA]AA (Stable)
NA	Term loan - 8	Jul-24-2023	NA	Aug-21-2026	200.00	[ICRA]AA (Stable)
NA	Term loan - 9	Mar-16-2022	NA	Mar-26-2024	20.00	[ICRA]AA (Stable)
NA	Term loan - 10	Jul-05-2022	NA	Jul-18-2024	37.50	[ICRA]AA (Stable)
NA	Term loan - 11	Nov-19-2022	NA	May-25-2024	50.00	[ICRA]AA (Stable)
NA	Term loan - 12	Mar-30-2023	NA	Mar-31-2025	150.00	[ICRA]AA (Stable)
NA	Term loan - 13	Aug-29-2023	NA	Aug-30-2026	300.00	[ICRA]AA (Stable)
NA	Term loan - 14	Apr-27-2021	NA	Jul-31-2025	46.67	[ICRA]AA (Stable)
NA	Term loan - 15	Sep-22-2021	NA	Jun-30-2024	2.90	[ICRA]AA (Stable)
NA	Term loan - 16	Oct-22-2021	NA	Dec-15-2023	3.33	[ICRA]AA (Stable)
NA	Term loan - 17	Jan-04-2022	NA	Feb-28-2025	24.90	[ICRA]AA (Stable)
NA	Term loan - 18	Dec-27-2022	NA	Mar-02-2026	41.60	[ICRA]AA (Stable)
NA	Term loan - 19	Sep-25-2023	NA	Sep-29-2026	300.00	[ICRA]AA (Stable)
NA	Term loan - 20	Feb-18-2022	NA	Jan-31-2025	21.27	[ICRA]AA (Stable)
NA	Term loan - 21	Feb-19-2022	NA	Mar-11-2026	33.11	[ICRA]AA (Stable)
NA	Term loan - 22	Mar-21-2022	NA	Mar-31-2026	42.19	[ICRA]AA (Stable)
NA	Term loan - 23	Mar-21-2023	NA	Mar-29-2026	45.37	[ICRA]AA (Stable)
NA	Term loan - 24	Mar-25-2022	NA	Mar-28-2026	133.33	[ICRA]AA (Stable)
NA	Term loan - 25	May-19-2022	NA	Mar-31-2025	27.13	[ICRA]AA (Stable)
NA	Term loan - 26	May-26-2022	NA	Jun-01-2024	25.00	[ICRA]AA (Stable)
NA	Term loan - 27	Jun-27-2022	NA	Jun-28-2025	28.99	[ICRA]AA (Stable)
NA	Term loan - 28	Aug-29-2023	NA	Aug-31-2026	24.97	[ICRA]AA (Stable)
NA	Term loan - 29	Nov-01-2022	NA	Oct-31-2025	18.12	[ICRA]AA (Stable)
NA	Term loan - 30	Dec-17-2022	NA	Dec-29-2026	41.56	[ICRA]AA (Stable)
NA	Term loan - 31	Dec-17-2022	NA	Dec-29-2026	1.78	[ICRA]AA (Stable)
NA	Term loan - 32	Dec-28-2022	NA	Jan-25-2026	21.89	[ICRA]AA (Stable)
NA	Term loan - 33	Jan-09-2023	NA	Jan-31-2027	173.33	[ICRA]AA (Stable)
NA	Term loan - 34	Jan-19-2023	NA	Mar-29-2027	49.93	[ICRA]AA (Stable)
NA	Term loan - 35	Jun-22-2023	NA	Jun-28-2025	85.23	[ICRA]AA (Stable)
NA	Term loan - 36	Jun-21-2023	NA	Jun-27-2027	99.93	[ICRA]AA (Stable)
NA	Term loan - 37	Apr-21-2023	NA	Jun-30-2025	87.39	[ICRA]AA (Stable)
NA	Term loan - 38	Jun-26-2023	NA	Jul-05-2026	45.83	[ICRA]AA (Stable)
NA	Term loan - 39	Jul-24-2023	NA	Jul-31-2027	49.95	[ICRA]AA (Stable)
NA	Term loan - 40	Aug-10-2023	NA	Jul-20-2026	24.25	[ICRA]AA (Stable)
NA	Term loan - 41	Oct-12-2023	NA	Oct-31-2026	750.00	[ICRA]AA (Stable)
NA	Cash credit - 1	Dec-14-2020	NA	NA	20.00	[ICRA]AA (Stable)
NA	Cash credit - 2	Mar-16-2022	NA	NA	45.00	[ICRA]AA (Stable)
NA	Cash credit - 3	Jan-16-2023	NA	NA	123.00	[ICRA]AA (Stable)
NA	Cash credit - 4	Mar-12-2018	NA	NA	5.00	[ICRA]AA (Stable)
NA	Cash credit - 5	Jan-16-2023	NA	NA	77.00	[ICRA]AA (Stable)
NA	Cash credit - 6	Jan-04-2022	NA	NA	25.00	[ICRA]AA (Stable)

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit - 7	Mar-21-2022	NA	NA	25.00	[ICRA]AA (Stable)
NA	Cash credit - 8	Feb-14-2022	NA	NA	5.00	[ICRA]AA (Stable)
NA	Cash credit - 9	Mar-24-2023	NA	NA	0.25	[ICRA]AA (Stable)
NA	Cash credit - 10	Mar-21-2023	NA	NA	1.00	[ICRA]AA (Stable)
NA	Cash credit - 11	Jan-09-2023	NA	NA	0.50	[ICRA]AA (Stable)
NA	Cash credit - 12	Jun-18-2021	NA	NA	1.00	[ICRA]AA (Stable)
NA	Cash credit - 13	Jun-21-2021	NA	NA	1.00	[ICRA]AA (Stable)
NA	Bank line - 1	Oct-30-2023	NA	Sep-30-2027	100.00	[ICRA]AA (Stable)
NA	Bank line - 2	Mar-10-2023	NA	NA	100.00	[ICRA]AA (Stable)
NA	Bank line - 3	Sep-12-2023	NA	Mar-11-2024	400.00	[ICRA]AA (Stable)
NA	Long-term fund-based term loan – Proposed	NA	NA	NA	62.90	[ICRA]AA (Stable)
NA	Long-term fund-based cash credit – Proposed	NA	NA	NA	121.25	[ICRA]AA (Stable)
NA	Long-term fund-based others	NA	NA	NA	1,462.00	[ICRA]AA (Stable)

*Source: ICRA Research, DFPL; * Yet to be placed*

[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
DMI Finance Private Limited (DFPL)	Rated Entity	Full Consolidation
DMI Housing Finance Private Limited (DHFPL)	Fellow Subsidiary	Full Consolidation
DMI Management Private Limited (DMPL)	100% Subsidiary	Full Consolidation
DMI Capital Private Limited (DCPL)	100% Subsidiary	Full Consolidation
DMI Alternatives Private Limited (DAPL)	49% Subsidiary	Full Consolidation
Appnit Technologies Private Limited	94% Subsidiary	Full Consolidation

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