

May 27, 2024

## DMI Finance Private Limited: Rating withdrawn for PTCs backed by personal loan receivables securitisation transaction

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
PLUM II	PTC Series A1	77.27	18.88	0.00	[ICRA]AAA(SO); Withdrawn

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the ratings for Pass through certificates (PTCs) issued under personal loan receivables securitisation transaction originated by DMI Finance Private Limited (DMI/Originator) (rated [ICRA]AA(Stable)/[ICRA]A1+). All the payouts to the investors in the above-mentioned instrument has been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of the previous rating exercise is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the originator

DMI Finance Private Limited (DMI), 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, DMI predominantly works through front-end partnerships with other fintech companies, original equipment manufacturers and technology-driven aggregators.

On a standalone basis, as on March 31, 2023, consumer loans accounted for 79% (62% as on March 31, 2022) of the Rs. 7,511-crore loan book with the wholesale real estate lending book, accounting for a 16% share, with the non-real estate wholesale loan book accounting for the balance.

### Key financial indicators

	FY2021 (A)	FY2022 (A)	FY2023 (A)	9M FY2024 (Provisional)
Total income	773	920	1,662	1,877
Profit After Tax	27	59	320	310
Total managed assets	5,868	7,268	9,060	14,570
Gross Stage 3	3.9%	2.2%	3.4%	2.6%
CRAR	60%	61%	51%	44%

Source: ICRA Research; Amount in Rs. crore; KFI for FY2021, FY2022 and FY2023 are on a consolidated basis while KFI for 9M FY2024 are on a standalone basis

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the past 3 years				
		Initial 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 27, 2024	Nov 27, 2023	Jan 09, 2023	Jan 02, 2023	--
<b>PLUM II</b>	PTC Series A1	77.27	0.00	<b>[ICRA]AAA(SO); withdrawn</b>	[ICRA]AAA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	--

*\*Provisional rating assigned*

### Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
<b>PLUM II</b>	PTC Series A1	Moderately Complex

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, is available on ICRA's website [Click here](#)

**Annexure I: Instrument details**

ISIN	Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date*	Amount Rated (Rs. Crore)	Current Rating
INE00CQ15013	PLUM II	PTC Series A1	December 2022	9.20%	May 2025	0.00	[ICRA]AAA(SO); Withdrawn

\*Scheduled PTC maturity date at transaction initiation; may change on account of prepayments

Source: Company

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

Not Applicable

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