

April 28, 2025

DMI Finance Private Limited: Ratings reaffirmed for PTCs issued under personal loan securitisation transactions

Summary of rating action

Trust name	Instrument*	Initial rated Amount (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Amount O/s after Mar-25 payout (Rs. crore)	Rating action
PLUM 24-10	PTC Series A1	48.33	NA	17.10	[ICRA]AA+(SO); reaffirmed
PLUM 24-11	PTC Series A1	104.07	NA	34.48	[ICRA]AA+(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by pools of personal loan receivables originated by DMI Finance Private Limited (DMI/Originator; rated [ICRA]AA(Stable)/[ICRA]A1+). DMI is acting as the servicer for the transactions. The reaffirmation of ratings factor in the build-up of the credit enhancement over the future PTC payouts on account of high pool amortisation and moderate pool performance. The ratings also draw comfort from the fact that the breakeven collection efficiency is lower compared to the actual collection level observed in the pools till the March 2025 payout month.

Pool performance summary

Parameter	PLUM 24-10	PLUM 24-11
Payout month	March 2025	March 2025
Months post securitisation	11	12
Pool amortisation	56.9%	53.4%
PTC Series A1 amortisation	64.6%	66.9%
Cumulative collection efficiency ¹	100.3%	94.2%
Cumulative prepayment rate	18.4%	12.0%
Loss-cum-30+ (% of initial pool principal) ²	6.0%	10.1%
Loss-cum-90+ (% of initial pool principal) ³	4.4%	7.3%
Cumulative cash collateral (CC) utilisation	0.0%	0.0%
CC available (as % of balance pool)	18.6%	19.3%
Excess interest spread (EIS) over balance tenure (as % of balance pool)	15.5%	13.1%
Principal subordination (% of balance pool) PTC A1	27.8%	36.0%
Breakeven collection efficiency ⁴	48.1%	40.6%

¹ Cumulative collections till date including advance collections but excluding prepayments / Cumulative billings till date + Opening overdues

² POS on contracts aged 30+ dpd + overdues / Initial POS on the pool

³ POS on contracts aged 90+ dpd + overdues / Initial POS on the pool

⁴ It is the minimum collection efficiency required over the balance tenure to ensure all investor payouts are met: (Balance cash flows payable to investor – CC available) / Balance pool cash flows

Transaction structure

For PLUM 24-10:

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flows from the pool, after meeting the promised and expected payouts, will be flow back to the originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTC Series A1 principal.

For PLUM 24-11:

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flows from the pool, after meeting the promised and expected payouts, will be used for the prepayment of PTC Series A1 principal. Any prepayment in the pool would be used for the prepayment of the PTC Series A1 principal.

Key rating drivers and their description

Credit strengths

Build-up of credit enhancement – The rating reaffirmation factors in the build-up in the credit enhancement with cash collateral increasing to ~18.6% and ~19.3% of the balance pool for PLUM 24-10 and PLUM 24-11 respectively, compared to 8% and 9% at the time of initial rating exercise for PLUM 24-10 and PLUM 24-11 respectively. Further internal credit support is also available through principal subordination and EIS for both the pools. Also there has been nil CC utilization in the pool in any of the payouts for both the pools.

Adequate servicing capability of the originator – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a moderate track record of over 4 years of regular collections across a wide geography.

Credit challenges

Dip in collections leading to increase in delinquencies – The monthly collections have seen a dip in recent months for both the pools however for PLUM 24-11 pool there has been a higher increase in delinquencies. The loss cum 90+ dpd for the PLUM 24-11 transaction is at 7.3% as on Mar-25 payout which is higher than the loss estimated by ICRA. While there has been some roll forward into the 90+ bucket, there has been stabilisation of loss cum 0+ dpd in the PLUM 24-11 pool which is a positive.

Risks associated with lending business – The pool's performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. The pool is exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pools, ICRA has estimated the shortfall in principal collection and prepayments during the tenure as provided in the following table.

Transaction name	Estimated shortfall (% of initial pool principal)	Prepayment (p.a.)
PLUM 24-10	4.50%	5% - 18%
PLUM 24-11	7.25%	5% - 18%

Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instruments.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name	PLUM 24-10	PLUM 24-11
Originator	DMI Finance Private Limited	
Servicer	DMI Finance Private Limited	
Trustee	Catalyst Trusteeship Limited	
CC holding bank	DCB Bank	ICICI Bank
Collection and payout account bank	ICICI Bank	ICICI Bank

Liquidity position:

For PLUM 24-10:

The liquidity for PTC Series A1 is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be 5.0 times the estimated loss in the pool.

For PLUM 24-11:

The liquidity for PTC Series A1 is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be 4.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The ratings could be upgraded on the sustained strong collection performance of the underlying pools of contracts leading to lower-than-expected delinquency levels, and on an increase in the cover available for future investor payouts from the credit enhancement.

Negative factors – The ratings could be downgraded on the sustained weak collection performance of the underlying pools of contracts, leading to higher-than-expected delinquency levels and credit enhancement utilisation levels. Weakening in the credit profile of the servicer (DMI) could also exert pressure on the ratings.

Analytical approach

The rating action is based on the performance of the pools till March 2025 (payout month), the present delinquency profile of the pools, the credit enhancement available in the pools, and the performance expected over the balance tenure of these pools.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
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 its 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.

Key financial indicators (standalone)

Particular for	FY2023 (Audited)	FY2024 (Audited)	H1FY2025 (Unaudited)
Operating Income	1,222	2,024	1,236
Profit After Tax	324	417	138
Total managed assets	9,038	14,520	16,206
Gross Stage 3	3.4%	2.5%	2.6%
CRAR	51%	45%	44%

Source: ICRA Research; Amount in Rs. crore;

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr.no.	Trust name	Current rating (FY2026)				Chronology of rating history for the past 3 years		
		Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
					April 28, 2025	April 29, 2024	March 31, 2024	-
1	PLUM 24-10	PTC Series A1	48.33	17.10	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-

Sr.no.	Trust name	Current rating (FY2026)				Chronology of rating history for the past 3 years		
		Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
					April 28, 2025	April 08, 2024	March 31, 2024	-
2	PLUM 24-11	PTC Series A1	104.07	34.48	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
PLUM 24-10	PTC Series A1	Moderately Complex
PLUM 24-11	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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated Amount (Rs. crore)	Rating
NA	PLUM 24-10	PTC Series A1	March 28, 2024	9.20%	September 25, 2028	17.10	[ICRA]AA+(SO)
INE0UT815015	PLUM 24-11	PTC Series A1	March 30, 2024	9.20%	August 25, 2027	34.48	[ICRA]AA+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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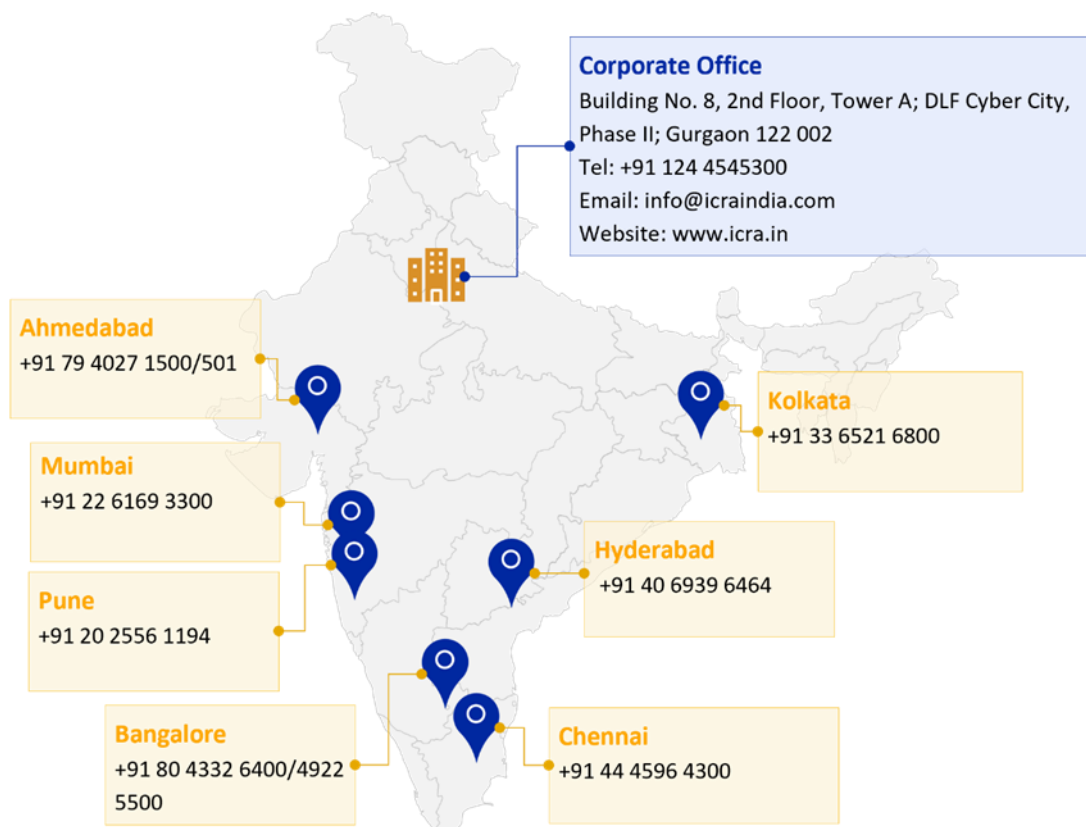


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