

May 28, 2025

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

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
PLUM24-8	PTC Series A1	199.64	NA	39.01	[ICRA]AAA(SO); Reaffirmed
	PTC Series A2	15.88	NA	15.88	[ICRA]AA+(SO); Reaffirmed
PLUM 24-9	PTC Series A1	146.00	NA	32.42	[ICRA]AA(SO); Reaffirmed
PLUM25-1	PTC Series A1	216.31	NA	92.40	[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 moderate to 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 April 2025 payout month.

Pool performance summary

A summary of the performance of the pool till the March 2025 collection month (April 2025 payout) has been tabulated below.

Parameter	PLUM24-8	PLUM 24-9	PLUM25-1
Months post securitisation	12	12	10
Pool amortisation	60.04%	69.98%	49.98%
PTC Series A1 amortisation	74.53%	77.79%	57.28%
PTC Series A2 amortisation	0.00%	NA	NA
Cumulative collection efficiency ¹	100.38%	97.51%	100.10%
Cumulative prepayment rate	15.12%	17.88%	11.13%
Loss-cum-30+ (% of initial pool principal) ²	7.20%	10.04%	8.16%
Loss-cum-90+ (% of initial pool principal) ³	5.48%	7.55%	5.82%
Cumulative cash collateral (CC) utilisation	0.00%	0.00%	0.00%
CC available (as % of balance pool)	30.03%	25.35%	10.00%
Excess interest spread (EIS) over balance tenure (as % of balance pool) for PTC Series A1	12.71%	11.67%	11.14%
EIS over balance tenure (as % of balance pool) for PTC Series A2	11.91%	NA	NA
Principal subordination (% of balance pool) PTC Series A1	59.42%	35.20%	25.70%
Principal subordination (% of balance pool) PTC Series A2	42.90%	NA	NA

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

Parameter	PLUM24-8	PLUM 24-9	PLUM25-1
Breakeven collection efficiency ⁴ for PTC Series A1	9.94%	36.37%	59.09%
Breakeven collection efficiency for PTC Series A2	25.21%	-	-

Transaction structure

For PLUM24-8 transaction:

As per the transaction structure, PTC Series A2 payouts are completely subordinated to PTC Series A1. The collections from the pool, after making the promised interest payouts to PTC Series A1, will be used to make the expected principal payouts to PTC Series A1, followed by expected interest payout to PTC Series A2. The entire principal repayment to PTC Series A1 is promised on the scheduled maturity date. Post the maturity of PTC Series A1, interest payouts will be promised to PTC Series A2 and all excess cashflows, after meeting the promised interest PTC Series A2 payouts, will be passed on for expected PTC Series A2 principal payout. The entire principal repayment to PTC Series A2 is promised on the scheduled maturity date. The EIS available after meeting the expected and promised PTC payments will be used for accelerated amortisation of PTCs (PTC Series A1 first and PTC Series A2 after maturity of PTC Series A1). The CC would be utilised by the trustee to meet any shortfall for the monthly promised interest and to the extent of 83% of the monthly billed principal for PTC Series A1. On maturity of PTC Series A1, CC would be utilised by the trustee to meet any shortfall for the monthly promised interest for PTC Series A2.

For PLUM 24-9 transaction:

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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will follow the waterfall mechanism as stated in the transaction legal documents. Any prepayment in the pool would be used for the prepayment of PTC Series A1 principal.

For PLUM25-1 transaction:

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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the equity tranche investor (in this case the Originator) on a monthly basis. Any prepayment in the pool would be used for the prepayment of 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 CC increasing to ~30%, ~25% and ~10% of the balance pool for PLUM24-8, PLUM 24-9 and PLUM25-1 respectively, compared to 12%, 7.6% and 5% at the time of initial rating exercise for PLUM24-8, PLUM 24-9 and PLUM25-1 respectively. Further internal credit support is also available through principal subordination and EIS for all the pools. Further there has been nil CC utilization in the pool in any of the payouts in all 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 – While all the pools have seen a dip in recent months in monthly collections however for PLUM 24-9 pool has seen lower collections leading to higher delinquencies. The loss cum 90+ dpd has

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

been increasing in all the pools as roll forward of delinquencies is seen while roll back is lower given the unsecured nature of loans. The loss cum 90+ dpd for the PLUM 24-9 transaction is higher than ICRA's base expectations at 7.55% as on Apr-25 payout while for the other pools have loss cum 90+ dpd of between 5.5-6%.

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.

After making these adjustments, the expected mean shortfall in principal collection and prepayments during the balance tenure of the pools are provided in the following table.

S. No.	Transaction Name	Expected Loss (% of initial pool principal)	Prepayment
1	PLUM24-8	5.75%	5% - 18.0% p.a.
2	PLUM 24-9	7.50%	5% - 18.0% p.a.
3	PLUM25-1	5.75%	5% - 18.0% p.a.

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 instrument.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name	PLUM24- 8	PLUM 24-9	PLUM25-1
Originator	DMI Finance Private Limited	DMI Finance Private Limited	DMI Finance Private Limited
Servicer	DMI Finance Private Limited	DMI Finance Private Limited	DMI Finance Private Limited
Trustee	IDBI Trusteeship Services Limited	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited
CC holding bank	SMBC Bank (India)	ICICI Bank	DCB Bank
Collection and payout account bank	Citi Bank	ICICI Bank	ICICI Bank

Liquidity position

For PLUM24-8:

Superior for PTC Series A1

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be more than 7 times the estimated loss in the pool.

Strong for PTC Series A2

The liquidity for PTC Series A2 is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be 5.75 times the estimated loss in the pool.

For PLUM 24-9:

Adequate for PTC Series A1

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 2.5 times the estimated loss in the pool.

For PLUM25-1:

Strong for PTC Series A1

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 3.5 times the estimated loss in the pool.

Rating sensitivities

For PLUM24-8

Positive factors – NA for PTC Series A1. The rating of PTC Series A2 could be upgraded on the sustained strong collection performance of the underlying pool 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 pool 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 rating.

For PLUM 24-9 and PLUM25-1

Positive factors – The ratings could be upgraded on the sustained strong collection performance of the underlying pool 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 pool 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 rating.

Analytical approach

The rating actions are based on the performance of the pools till March 2025 (collection month), the present delinquency profile of the pools, the credit enhancement available in the pools, and the performance expected over the balance tenure of the 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

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
				May 28, 2025	May 24, 2024	Apr 08, 2024	-	-
PLUM24-8	PTC Series A1	199.64	39.01	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	-
	PTC Series A2	15.88	15.88	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-

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
				May 28, 2025	Jun 03, 2024	Apr 12, 2024	-	-
PLUM 24-9	PTC Series A1	146.00	32.42	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-	-

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
				May 28, 2025	Jun 26, 2024	Jun 18, 2024	-	-
PLUM25-1	PTC Series A1	216.31	92.40	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
PLUM24-8	PTC Series A1	Moderately Complex
	PTC Series A2	Moderately Complex
PLUM 24-9	PTC Series A1	Moderately Complex
PLUM25-1	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 Type	Date of Issuance	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	PLUM24-8	PTC Series A1	April 12, 2024	9.15%	September 20, 2027	39.01	[ICRA]AAA(SO)
NA		PTC Series A2	April 12, 2024	10.90%	September 20, 2027	15.88	[ICRA]AA+(SO)
NA	PLUM 24-9	PTC Series A1	April 18, 2024	9.45%	September 25, 2027	32.42	[ICRA]AA(SO)
INE0Y3215015	PLUM25-1	PTC Series A1	June 19, 2024	9.42%	October 20, 2027	92.40	[ICRA]AA(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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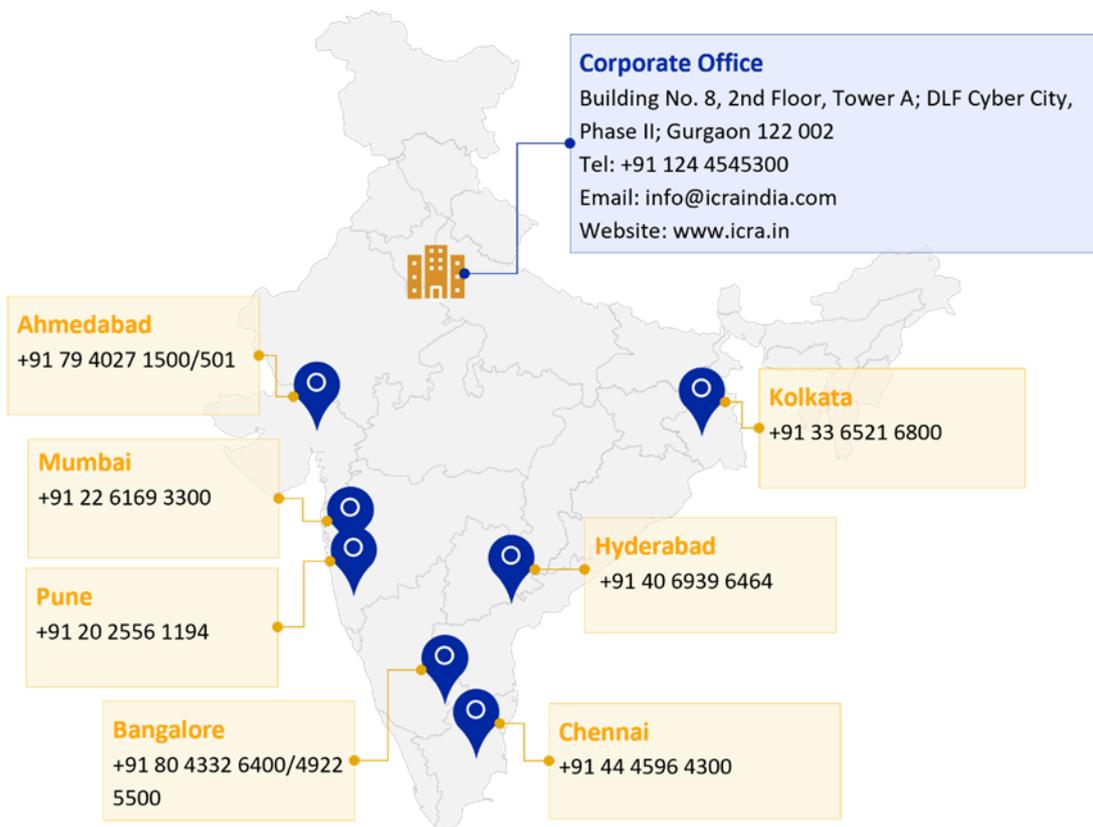
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