

July 28, 2025

DMI Finance Private Limited: Ratings reaffirmed for PTCs issued under two 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
PLUM 25-2	PTC Series A1	83.25	NA	21.59	[ICRA]AA+(SO); Reaffirmed
PLUM25-3	PTC Series A1	60.19	NA	23.75	[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 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 June 2025 payout month.

Pool performance summary

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

Parameter	PLUM 25-2	PLUM25-3
Months post securitisation	11	11
Pool amortisation	57.96%	47.89%
PTC Series A1 amortisation	74.07%	60.53%
Cumulative collection efficiency ¹	103.92%	107.34%
Cumulative prepayment rate	16.96%	12.27%
Loss-cum-30+ (% of initial pool principal) ²	8.02%	7.76%
Loss-cum-90+ (% of initial pool principal) ³	5.38%	5.42%
Cumulative cash collateral (CC) utilisation	0.00%	0.00%
CC available (as % of balance pool)	19.03%	17.27%
Excess interest spread (EIS) over balance tenure (as % of balance pool) for PTC Series A1	15.10%	12.84%
Principal subordination (% of balance pool) PTC Series A1	45.73%	31.84%
Breakeven collection efficiency ⁴ for PTC Series A1	31.64%	46.40%

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 PTC investor – CC available) / Balance pool cash flows

Transaction structure

For PLUM 25-2 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. 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 PTC Series A1 principal.

For PLUM25-3 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. 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 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 ~19.0% and ~17.3% of the balance pool for Plum 25-2 and Plum25-3 respectively, compared to 8% and 9% at the time of initial rating exercise for Plum 25-2 and Plum25-3 respectively. Further internal credit support is also available through principal subordination and excess interest spread (EIS) for both the pools. Further 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 five years of regular collections across a wide geography.

Credit challenges

Exposed to interest rate risk – The PLUM25-3 transaction is exposed to interest rate risk as the underlying pool has fixed rate loans while the yield on the PTCs is floating (linked to Kotak Mahindra Bank 3-month MCLR with semi-annual reset).

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	PLUM 25-2	5.50%	5% - 18.0% p.a.
2	PLUM25-3	6.25%	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	PLUM 25- 2	PLUM25-3
Originator	DMI Finance Private Limited	DMI Finance Private Limited
Servicer	DMI Finance Private Limited	DMI Finance Private Limited
Trustee	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited
CC holding bank	DCB Bank Limited	ICICI Bank Limited
Collection and payout account bank	ICICI Bank Limited	Kotak Mahindra Bank

Liquidity position

For PLUM 25-2:

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 around 6 times the estimated loss in the pool.

For PLUM25-3:

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 around 5 times the estimated loss in the pool.

Rating sensitivities

For both the transactions

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 May 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)	FY2025 (Unaudited)
Operating Income	1,222	2,024	2,816
Profit After Tax	324	417	5
Total managed assets	9,038	14,520	12,239
Gross Stage 3	3.4%	2.5%	4.7%
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
				Jul 28, 2025	Jul 29, 2024	Jun 26, 2024	-	-
PLUM 25-2	PTC Series A1	83.25	21.59	[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
				Jul 28, 2025	Jul 08, 2024	Jul 01, 2024	-	-
PLUM25-3	PTC Series A1	60.19	23.75	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
PLUM 25-2	PTC Series A1	Moderately Complex
PLUM25-3	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
NA	PLUM 25-2	PTC Series A1	June 26, 2024	9.30%	December 25, 2027	21.59	[ICRA]AA+(SO)
INE0YNM15018	PLUM25-3	PTC Series A1	June 28, 2024	9.15%^	December 25, 2026	23.75	[ICRA]AA+(SO)

^3 month Kotak Mahindra Bank MCLR

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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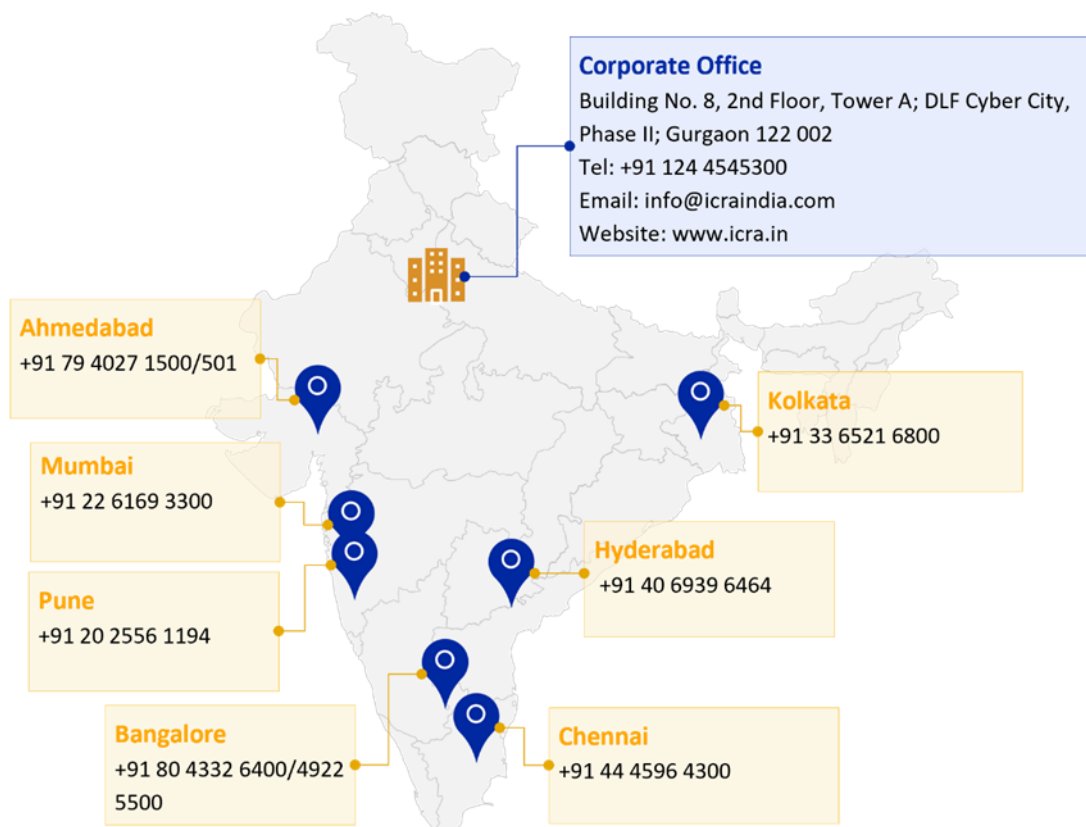


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