

December 31, 2025

DMI Housing Finance Private Limited: Provisional [ICRA]AAA(SO) assigned to PTC Series A1 and Provisional [ICRA]AA(SO) assigned to Equity Tranche PTC assigned to backed by home loan receivables issued by Apricot Trust 001

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Apricot Trust 001	PTC Series A1	56.04	Provisional [ICRA]AAA(SO); assigned
	Equity Tranche PTC	2.95	Provisional [ICRA]AA(SO); assigned

*Instrument details are provided in Annexure I

Rating in the absence of pending actions/documents	No ratings would have been assigned as it would not be meaningful
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Rationale

The pass-through certificates (PTCs) are backed by a pool of home loans (HL) loan receivables originated DMI Housing Finance Private Limited {DMI HFC/Originator; rated [ICRA]AA(Stable)} with an aggregate principal outstanding of Rs. 58.99 crore (pool receivables of Rs. 126.11 crore). DMI HFC would also be the servicer for the rated transaction.

The provisional ratings are based on the strength of the cash flows from the selected pool of contracts, the credit enhancement available in the structure as well as the integrity of the legal structure. The provisional ratings are subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout for PTC Series A1. The principal for PTC Series A1 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 passed on to the PTC Series A1 investors on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTC Series A1 principal. Equity Tranche PTC is subordinated to PTC Series A1 with no yield payable and entire principal promised on the final maturity date. All collections post payment of PTC Series A1 would be passed on to Equity Tranche PTC.

The credit enhancement available in the structure is in the form of (i) CC (Cash collateral) of 3.00% of the initial pool principal, amounting to Rs. 1.77 crore, provided by the Originator, (ii) subordination of 5.00% of the initial pool principal for PTC Series A1 in form of equity tranche PTC, and (iii) the EIS of 75.64% of the initial pool principal for PTC Series A1 and Equity Tranche PTC.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 310 contracts, with no single borrower exceeding 1.3% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

Seasoned contracts in the pool – The pool has moderate weighted average seasoning of ~19 months as on the cut-off date thereby reflecting repayment track record and buildup in borrower equity which is a credit positive.

Adequate servicing capability of the originator – The company has adequate processes for the servicing of the loan accounts in the securitised pool. It has demonstrated a track record of regular collections and recoveries across multiple geography.

Credit challenges

High geographical concentration – The pool has high geographical concentration with the top 3 states, viz. Uttar Pradesh, Delhi and Madhya Pradesh, contributing ~70% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

Risks associated with lending business – The pools' 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.

Exposed to basis rate risk – The transaction is exposed to basis risk as the yield for all the contracts in the pool is floating and linked to originator's internal benchmark rate whereas the yield on the PTCs is floating and linked to external benchmark.

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 based on 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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 5.25% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 6.0% to 20.0% per annum. 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 ratings for the instruments.

Liquidity position: Superior

The liquidity for both PTC Series A1 and Equity Tranche PTC is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is more than 10.0 times the estimated loss in the pool.

Rating sensitivities

Positive factors- NA for PTC Series A1. For Equity PTC the sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

Negative factors-The sustained weak collection performance of the underlying pool of contracts (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer (DMI HFC) could also exert pressure on the rating.

Analytical approach

The rating action is based on the analysis of the performance of DMI HFC's portfolio till September 2025, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the credit enhancement cover available in the transaction.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned ratings are provisional and would be converted into a final rating upon the execution of:

1. Trust deed
2. Assignment agreement
3. Servicing Agreement
4. Accounts Agreement
5. Power of Attorney
6. Legal opinion
7. Trustee letter
8. Chartered Accountant's know your customer (KYC) certificate
9. Any other documents executed for the transaction

Validity of the provisional rating

The Trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

About the originator

DMI Housing Finance Private Limited (DMI HFC/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. 1,850 crore as on March 31, 2025 (Rs. 1,549 crore as on March 31, 2024) with an average ticket size of about Rs. 10 lakh and a geographical footprint of nearly 50 branches across nine states (though three states, i.e. Uttar Pradesh, Rajasthan and Madhya Pradesh, account for about 50% of the portfolio). While home loans account for 80% of the loan book, the balance consists of LAP (20%). Although DHFPL used to be a subsidiary of DFPL (till FY2018), DMI Limited, Mauritius now directly holds 93.20% of the company (as on September 30, 2024).

DHFPL reported a profit after tax (PAT) of Rs. 71 crore in FY2025 on a total gross asset base of Rs. 2,334 crore as on March 31, 2025 (PAT of Rs. 53 crore in FY2024 on a total gross asset base of Rs. 1,908 crore as on March 31, 2024). Its CRAR was 60.5% on a net worth of Rs. 721 crore as on September 30, 2024 (63.5% and Rs. 705 crore, respectively, as on March 31, 2024).

Further, DHFPL reported gross and net stage 3 of 0.7% and 0.5%, respectively, as on March 31, 2025 (0.5% and 0.3%, respectively, as on March 31, 2024).

Key financial indicators

	FY2023	FY2024	FY2025
Total income	150	214	263
Profit after tax	36	53	71
Total gross assets	1,597	1,908	2,334
Gross stage 3	0.6%	0.5%	0.7%
CRAR	85.6%	63.5%	74.4%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; 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 Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
				December 31, 2025			
Apricot Trust 001	PTC Series A1	56.04	56.04	Provisional [ICRA]AAA(SO)	-	-	-
	Equity Tranche PTC	2.95	2.95	Provisional [ICRA]AA(SO)	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A1	Highly Complex
Equity Tranche PTC	Highly 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

Trust Name	Instrument	Date of Issuance/ Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Apricot Trust 001	PTC Series A1	December 30, 2025	7.60%*	July 15, 2055	56.04	Provisional [ICRA]AAA(SO)
	Equity Tranche PTC	December 30, 2025	-	July 15, 2055	2.95	Provisional [ICRA]AA(SO)

*floating linked to repo rate with a 3-month reset

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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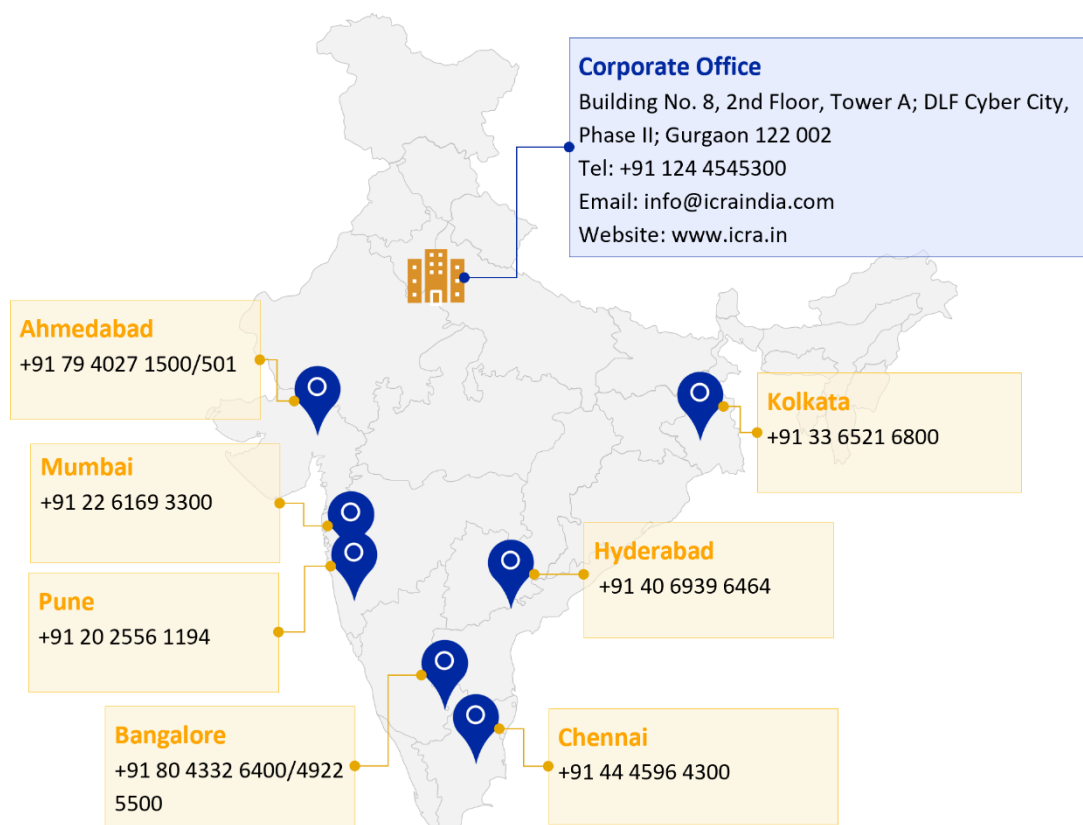


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