March 16, 2026

DMI Housing Finance Private Limited: Provisional [ICRA]AAA(SO) assigned to SN Series A1 backed by mortgage loan receivables issued by Peach Trust 001

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Peach Trust 001	SN Series A1	52.62	Provisional [ICRA]AAA(SO); assigned

**Instrument details are provided in Annexure I*

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

Rationale

The Securitsation Notes (SNs) are backed by a pool of home loans (HL) receivables originated DMI Housing Finance Private Limited {DMI HFC/Originator; rated [ICRA]AA(Stable)} with an aggregate principal outstanding of Rs. 55.39 crore (pool receivables of Rs. 125.53 crore). DMI HFC would also be the servicer for the rated transaction.

The provisional rating is 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 rating is 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 and promised principal payout (to the extent of 95% of the pool principal billed). The balance principal (5% of the pool principal billed) is expected to be paid on a monthly basis until the maturity of SN Series A1. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of SN Series A1 principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 3.00% of the initial pool principal, amounting to Rs. 1.66 crore, to be provided by the Originator, (ii) principal subordination of 5.00% of the initial pool principal for SN Series A1 and (iii) the EIS of 49.6% of the initial pool principal for SN Series A1.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 357 contracts, with no single borrower exceeding ~1.1% 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 SN payouts.

Seasoned contracts in the pool – The pool has moderate weighted average seasoning of ~21 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. Delhi, Rajasthan and Madhya Pradesh contributing ~72% 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.

Exposed to basis risk – The transaction is exposed to basis risk as the underlying pool has floating rate loans linked to DMI HFC's lending rate, whereas yield on SN Series A1 is floating and linked to an external benchmark namely SBI 1 year MCLR.

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.

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 5.50% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 8.0% to 24.0% 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 SN Series A1 is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is more than 6 times the estimated loss in the pool.

Rating sensitivities

Positive factors- Not Applicable

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 December 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. Power of Attorney
4. Legal opinion
5. Trustee letter
6. Other key or important 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

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. 2,069 crore as on September 30, 2025 (Rs. 1,868 crore as on March 31, 2025) with a geographical footprint of 47 branches across eight states (though three states, i.e., Uttar Pradesh, Rajasthan and Madhya Pradesh, account for about 48% of the portfolio). While home loans account for 71.8% of the loan book, the balance consists of LAP (27.9%) and others (0.3%). Although DHFPL used to be a subsidiary of DFPL (till FY2018), DMI Limited, Mauritius now directly holds 81.44% in DHFPL as on September 30, 2025, followed by DMI Income Fund Pte Ltd (12.67%).

Key financial indicators

	FY2024	FY2025	H1 FY2026*
Total income	222	296	156
Profit after tax	53	71	35
Total gross assets	2,041	2,728	2,739
Gross stage 3	0.5%	0.7%	1.1%
CRAR	63.5%	74.4%	78.4%

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; ** Based on provisional financials*

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
				March 16, 2026	-	-	-
Peach Trust 001	SN Series A1	52.62	52.62	**Provisional [ICRA]AAA(SO)**	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
SN Series A1	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
Peach Trust 001	SN Series A1	March 05, 2026	7.85%*	September 17, 2055	52.62	Provisional [ICRA]AAA(SO)

*Source: Company; *floating linked to 1 year SBI MCLR*

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Saggar
+91 124 4545 316
manushrees@icraindia.com

Sachin Joglekar
+91 22 6114 3470
sachin.joglekar@icraindia.com

Gaurav Mashalkar
+91 22 6114 3431
gaurav.mashalkar@icraindia.com

Ritu Rita
+91 22 6114 3409
ritu.rita@icraindia.com

Harsh Lohia
+91 22 6114 3404
harsh.lohia@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 6114 3304
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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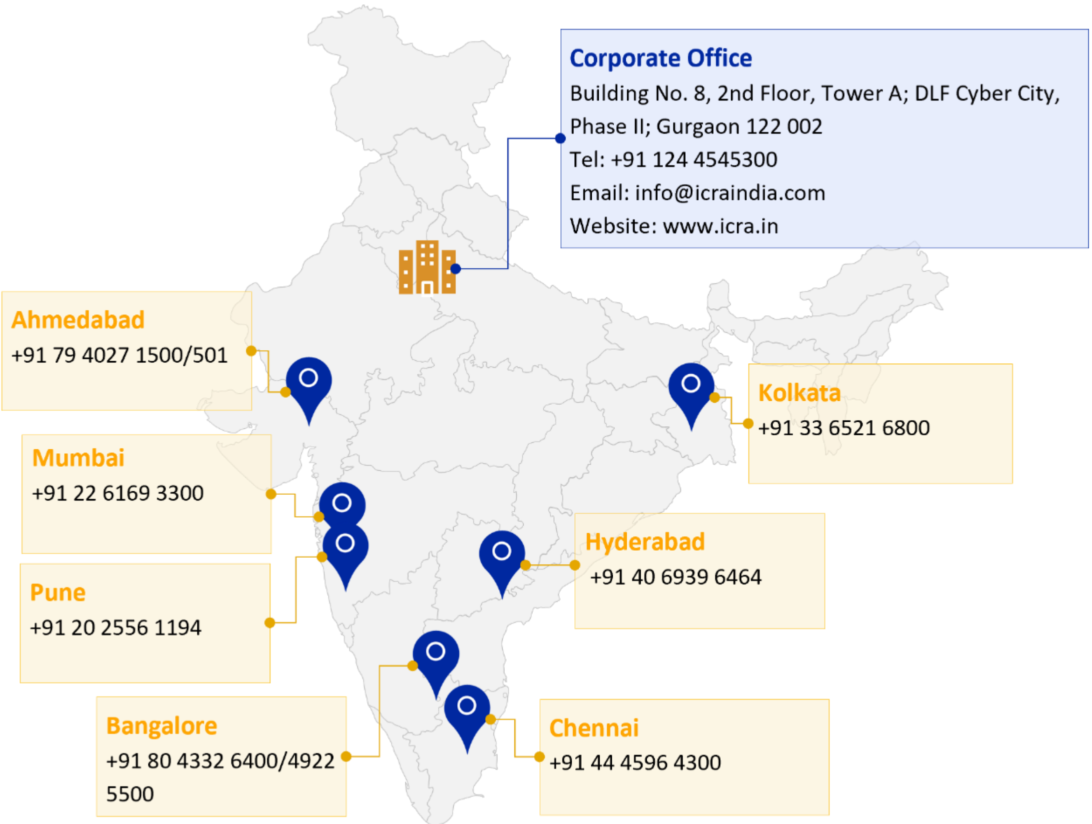
ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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