

April 27, 2026

DMI Finance Private Limited: Ratings upgraded 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-26 payout (Rs. crore)	Rating action
PLUM 24-10	PTC Series A1	48.33	17.10	0.20	[ICRA]AAA(SO); Upgraded from [ICRA]AA+(SO)
PLUM 25-8	PTC Series A1	199.89	199.89	51.67	[ICRA]AA+(SO); Upgraded from [ICRA]AA(SO)

*Instrument details are provided in Annexure II

Rationale

The pass-through certificates (PTCs) are backed by two 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 rating actions factor in the significant build-up of the credit enhancement cover over the future PTC payouts on account of high pool amortisation and moderately healthy pool performance. The ratings also draws comfort from the fact that after March 2026 payout month, for PLUM 24-10 pool the breakeven collection efficiency is nil as the cash collateral (CC) covers the entire future PTC payouts while for PLUM 25-8 pool, that the breakeven collection efficiency is lower than the actual collection level observed in the pool.

Pool performance summary

Parameter	PLUM 24-10	PLUM 25-8
Payout month	March 2026	March 2026
Months post securitisation	23	12
Pool amortisation	88.0%	65.1%
PTC Series A1 amortisation	99.6%	74.2%
Cumulative collection efficiency ¹	96.2%	98.3%
Cumulative prepayment rate	25.2%	17.7%
Loss-cum-30+ (% of initial pool principal) ²	7.5%	5.3%
Loss-cum-90+ (% of initial pool principal) ³	6.9%	4.1%
Cumulative cash collateral (CC) utilisation	0.0%	0.0%
CC available (as % of balance pool)	66.6%	14.3%
Excess interest spread (EIS) over balance tenure (as % of balance pool)	13.2%	11.8%
Principal subordination (% of balance pool) PTC A1	97.0%	35.5%
Breakeven collection efficiency ⁴	Nil	45.8%

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 flow payable to investor – CC available) / Balance pool cash flow

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 flow from the pool, 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 the PTC Series A1 principal.

For PLUM 25-8:

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 (in case there are no EIS trigger events). In case of an EIS trigger event, the EIS available will be used for accelerated redemption of PTC Series A1. Any prepayment in the pool would be used for the prepayment of PTC Series A1 principal.

Key rating drivers and their description

Credit strengths

Significant build-up of credit enhancement – The rating actions factor in the build-up in the credit enhancement with CC increasing to ~ 66.6% and ~ 14.3% of the balance pool for PLUM 24-10 and PLUM 25-8 respectively, compared to 8% and 5% at the time of initial rating exercise for Plum 24-10 and Plum 25-8 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. For PLUM 24-10, the CC covers the entire future PTC payouts.

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 5 years of regular collections across a wide geography.

Credit challenges

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 PLUM 25-8 pool, ICRA has estimated the shortfall in the pool principal collection during their tenure at 4.25% of the initial pool principal with certain variability around it. The average prepayment rate for the pool is modelled in the range of 5% to 18% 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 rating for the instruments.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction name	PLUM 24-10	PLUM 25-8
Originator	DMI Finance Private Limited	
Servicer	DMI Finance Private Limited	
Trustee	Catalyst Trusteeship Limited	
CC holding bank	DCB Bank	DCB Bank
Collection and payout account bank	ICICI Bank	ICICI Bank

Liquidity position:

For PLUM 24-10: Superior

The liquidity is superior for PTC Series A1 as CC fully covers future PTC payouts

For PLUM 25-8: Strong

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 ~4.75 times the estimated loss in the pool.

Rating sensitivities

For PLUM 24-10

Positive factors – Not Applicable

Negative factors – The rating is unlikely to be downgraded as CC fully covers future PTC payouts.

For PLUM 25-8

Positive factors – The rating 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 rating 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 rating.

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. DMI predominantly works through front-end partnerships with other fintech companies, original equipment manufacturers (OEMs) and technology-driven aggregators.

Key financial indicators (standalone)

	FY2024	FY2025	H1FY2026
Operating Income	2,024	2,816	673
Profit After Tax	417	5	(32)
Total managed assets	14,520	12,239	9,883
Gross Stage 3	2.5%	4.7%	7.6%
CRAR	45%	44%	74%

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

S. no.	Trust name	Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years			
			Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	
									April 27, 2026
1	PLUM 24-10	PTC Series A1	48.33	0.20	[ICRA]AAA(SO)	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	

S. no.	Trust name	Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years			
			Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	
									April 27, 2026
2	PLUM 25-8	PTC Series A1	199.89	51.67	[ICRA]AA+(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-	

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under :

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under :

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure : SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
PLUM 24-10	PTC Series A1	Highly Complex
PLUM 25-8	PTC Series A1	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 II: 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	0.20	[ICRA]AAA(SO)
INE1SYA15010	PLUM 25-8	PTC Series A1	March 21, 2025	9.40%	July 20, 2028	51.67	[ICRA]AA+(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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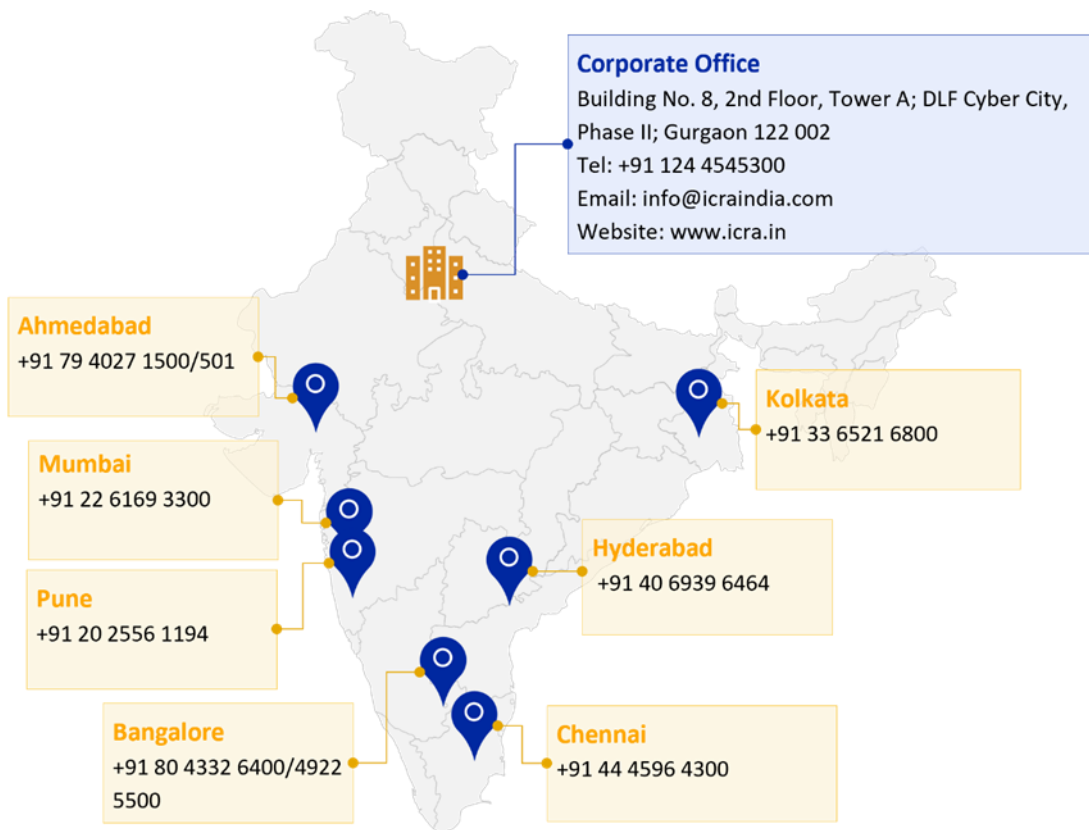
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