May 15, 2026

DMI Finance Private Limited: Provisional [ICRA]AA(SO) assigned to PTCs issued by PLUM 26-4, backed by a pool of personal loan receivables

Summary of rating action

Trust Name	Instrument*	Rated Amount (Rs. crore)	Rating Action
PLUM 26-4	Series 1 PTCs	30.93	Provisional [ICRA]AA(SO); Assigned
	Series 2 PTCs	15.84	Provisional [ICRA]AA(SO); Assigned
	Series 3 PTCs	10.56	Provisional [ICRA]AA(SO); Assigned
	Series P PTCs	10.56	Provisional [ICRA]AA(SO); Assigned

**Instrument details are provided in Annexure II*

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

Rationale

The pass-through certificates (PTCs) are backed by a pool of personal loan (PL) receivables originated by DMI Finance Private Limited (DMI/Originator; rated [ICRA]AA(Stable)/[ICRA]A1+) with an aggregate principal outstanding of Rs. 75.44 crore (pool receivables of Rs. 94.32 crore). DMI would also be the servicer of 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 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

The promised cashflow schedule for Series 1 PTCs, Series 2 PTCs, Series 3 PTCs and Series P PTCs on a monthly basis will As per the waterfall mechanism applicable for the transaction, the monthly cash flow schedule comprises of promised interest payment to Series 1 PTCs, Series 2 PTCs, Series 3 PTCs and Series P PTCs on pari-passu basis at the pre-determined interest rate on the PTC principal outstanding. The principal repayment to all the series of PTCs is promised on the PTC final maturity date i.e. 25 October 2029. During the tenure of PTCs, the collections from the pool, after making the promised interest payouts, will be used to make the expected principal payouts to Series 1 PTCs then towards Series 2 PTCs followed by Series 3 PTCs and lastly Series P PTCs.

Prepayments in the pool will be passed on to Series P PTCs firstly, then towards Series 3 PTCs followed by Series 2 PTCs and lastly towards Series 1 PTCs till complete redemption of the respective PTCs. All excess collections after meeting these payouts shall pe passed on to Series 1 PTCs then towards Series 2 PTCs followed by Series 3 PTCs and lastly Series P PTCs till complete redemption of the respective PTCs. In the event of a shortfall in meeting the promised interest PTC payouts during any month and promised principal PTC payouts on PTC final maturity date, the trustee will utilise the CC to meet the shortfall.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 8.00% of the initial pool principal, amounting to Rs. 6.04 crore, to be provided by the Originator, (ii) principal subordination of 10.00% of the initial pool principal for Series 1 PTCs, Series 2 PTCs, Series 3 PTCs and Series P PTCs in the form of an equity tranche, and (iii) the EIS of 18.29% of the initial pool principal for Series 1 PTCs, Series 2 PTCs, Series 3 PTCs and Series P PTCs.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 5,285 obligors, with top 10 obligors forming only 0.75% of the initial 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.

No overdue contracts in the pool –The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date. Also, ~85% of the contracts have never been overdue since origination while the peak dpd in the balance contracts is up to seven days.

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

Moderate share of self-employed borrowers – The self-employed category accounts for ~25% of the borrowers in the initial pool (in terms of the principal amount outstanding on the cut-off date). This increases the risks to some extent, given the uncertain nature of the cash flows generated by such borrowers vis-à-vis salaried borrowers.

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 current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at ~6.00% of the pool principal with certain variability around it. The average prepayment rate for the underlying 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 instrument.

Liquidity position: Strong

The liquidity for Series 1 PTCs, Series 2 PTCs, Series 3 PTCs and Series P PTCs is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~5.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The ratings could be upgraded on the strong collection performance of the underlying pool (monthly collection efficiency >95%) on a sustained basis, leading to the build-up of the credit enhancement cover for the remaining payouts.

Negative factors – Pressure on the ratings could emerge on the sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), 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 ratings.

Analytical approach

The rating action is based on the analysis of the performance of DMI's PL 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 rating is 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

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	FY2024 (Audited)	FY2025 (Audited)	H1FY2026 (Unaudited)
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

Sr. No.	Trust Name	Current Rating (FY2027)				Chronology of Rating History for the Past 3 Years		
		Instrument	Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
					May 15, 2026	-	-	-
1	PLUM 26-4	Series 1 PTCs	30.93	30.93	Provisional [ICRA]AA(SO)	-	-	-
		Series 2 PTCs	15.84	15.84	Provisional [ICRA]AA(SO)	-	-	-
		Series 3 PTCs	10.56	10.56	Provisional [ICRA]AA(SO)	-	-	-
		Series P PTCs	10.56	10.56	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 Mutal 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

Instrument	Complexity Indicator
Series 1 PTCs	Highly Complex
Series 2 PTCs	Highly Complex
Series 3 PTCs	Highly Complex
Series P PTCs	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	Amount Rated (Rs. crore)	Current Rating
NA	PLUM 26-4	Series 1 PTCs	May 11, 2026	8.60%	October 25, 2029	30.93	Provisional [ICRA]AA(SO)
		Series 2 PTCs	May 11, 2026	8.60%	October 25, 2029	15.84	Provisional [ICRA]AA(SO)
		Series 3 PTCs	May 11, 2026	8.60%	October 25, 2029	10.56	Provisional [ICRA]AA(SO)
		Series P PTCs	May 11, 2026	8.60%	October 25, 2029	10.56	Provisional [ICRA]AA(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

For more information, visit www.icra.in

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