

September 29, 2023

## DMI Finance Private Limited: Long-term ratings upgraded to [ICRA]AA (Stable)/ PP-MLD[ICRA]AA (Stable); short-term rating reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	100.0	100.0	[ICRA]AA (Stable); upgraded from [ICRA]AA- (Stable)
Long-term market linked debentures	150.00	150.0	PP-MLD[ICRA]AA (Stable); upgraded from PP-MLD[ICRA]AA- (Stable)
Long-term market linked debentures	50.00	-	PP-MLD[ICRA]AA (Stable); upgraded from PP-MLD[ICRA]AA- (Stable) and withdrawn
Long-term fund-based term loan	3,300.0	3,450.0	[ICRA]AA (Stable); upgraded from [ICRA]AA- (Stable)
Long-term fund-based cash credit	450.0	450.0	[ICRA]AA (Stable); upgraded from [ICRA]AA- (Stable)
Long-term fund-based unallocated	212.0	0.0	-
Long-term fund-based others	0.0	62.0	[ICRA]AA (Stable); upgraded from [ICRA]AA- (Stable)
Commercial paper	300.0	300.0	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>4,562.0</b>	<b>4,512.0</b>	

\*Instrument details are provided in Annexure I

### Rationale

To arrive at the ratings, ICRA has taken a consolidated view of DMI Finance Private Limited (DFPL) and DMI Housing Finance Private Limited (DHFPL), collectively referred to as the DMI Group, given the operational linkages between the companies in addition to the common promoter, shared name, and management oversight.

The ratings upgrade factors in the DMI Group's strong capitalisation and improved investor profile, post the recent capital infusion in April 2023. The Group successfully closed a \$400 million equity investment round which included primary and secondary transactions. The round was led by Mitsubishi UFJ Financial Group (MUFG), Inc. through its consolidated subsidiary – MUFG Bank along with participation from Sumitomo Mitsui Trust Bank Limited (SMTB) and other investors. Following the capital received in Q1 FY2024, the Group's net worth (DFPL (standalone) + DHFPL) stood at about Rs. 7,128 crore with a gearing of 0.6x as on June 30, 2023. The improvement in the investor profile is also expected to support the Group's financial flexibility with access to funds from diverse sources and at competitive rates. The ratings also draw comfort from the Group's track record of strong liquidity. A considerable portion of the loan book has a residual tenor of up to one year, which supports the overall liquidity profile. The available on-balance sheet liquidity of about Rs. 1,307 crore as on June 30, 2023 (Rs. 1,080 crore in DFPL (standalone) and Rs. 227 crore in DHFPL) is more than sufficient to take care of the debt-servicing obligations falling due in the next six months. ICRA notes that the Group plans to maintain prudent capitalisation with a peak gearing of 2x over the longer term.

ICRA has taken cognizance of the Group's improving profitability indicators and the rising share of unsecured digital loans (small-ticket personal/consumption retail loans) in the overall portfolio mix. The foray into digital loans and affordable housing loans has led to improved granularity of the portfolio, which was previously characterised by concentrated wholesale exposures primarily to real estate builders. As on June 30, 2023, digital loans constituted 74% of the Group's

consolidated loan book of Rs. 10,377 crore<sup>1</sup>, followed by affordable housing finance loans (13%) and wholesale loans (13%). While a higher proportion of digital/retail loans is a positive from a concentration risk perspective, the risks associated with the target borrower profile and the nature of the loans increases the portfolio vulnerability. Further, the Group focusses on increasing the share of digital loans that are not backed by first loss default guarantee (FLDG) arrangements with its partners. Nevertheless, ICRA expects the Group to maintain good systems and processes, which would help it to report good risk-adjusted returns over the medium term.

As for DHFPL, ICRA notes that the company's scale of operations is modest on a standalone basis with assets under management of Rs. 1,367 crore<sup>2</sup> as on June 30, 2023 (Rs. 1,307 crore as on March 31, 2023). Nonetheless, given the good market potential in the affordable housing finance segment and the company's satisfactory, albeit short, track record of operations, ICRA expects it to grow as per the business plans with good asset quality and return indicators over the medium term.

ICRA has upgraded and withdrawn the rating assigned to the Rs. 50-crore long-term market linked debentures at the request of the company and as there is no amount outstanding against the same, in accordance with ICRA's policy on the withdrawal of credit ratings (click [here](#) for the policy).

## Key rating drivers and their description

### Credit strengths

**Strong capitalisation and improvement in investor profile** – The DMI Group's capitalisation has consistently remained strong, aided by regular equity infusions in the past by the promoter, i.e. DMI Limited, Mauritius, and a recent capital infusion from MUFG Bank, SMTB and other investors. In December 2021, DFPL had raised a \$47-million equity investment from SMTB and others. Prior to this, the Group concluded an equity raise in April 2020, whereby about Rs. 942 crore was infused by South Korea's Nexon Co through DMI Limited, Mauritius. During the six-year period ending March 2022, the Group had concluded an equity infusion of about Rs. 2,950 crore. As a result, its net worth (DFPL (consolidated) + DHFPL) stood at Rs. 4,868 crore as on March 31, 2023 with a gearing of 1.0x compared to Rs. 4,479 crore as on March 31, 2022 with a gearing of 0.7x. As for DFPL (consolidated), the net worth stood at Rs. 4,220 crore as on March 31, 2023 with a gearing of 1.0x.

DMI Finance successfully closed a \$400 million equity investment round which included primary and secondary transactions. The round was led by MUFG, Inc. through its consolidated subsidiary – MUFG Bank along with participation from SMTB and other investors. Following the capital received in Q1 FY2024, the Group's net worth (DFPL (standalone) + DHFPL) increased to Rs. 7,128 crore as on June 30, 2023 with a gearing of 0.6x. As for DFPL (standalone), the net worth increased to Rs. 6,477 crore as on June 30, 2023 with a gearing of 0.6x. Further, ICRA notes the improvement in the investor profile, following the recent capital infusion from MUFG Bank. While the existing capital base is sufficient to support the growth plans for the near to medium term, ICRA notes that the Group may need incremental capital to maintain a prudent capitalisation level over the longer term, especially given its growth plans for the digital lending and housing finance segments. Nevertheless, given the track record of the existing investors in extending support to the Group, ICRA expects support from existing investors to be forthcoming as and when required. Further, ICRA notes that the Group plans to maintain prudent capitalisation over the longer term with a maximum gearing of 2x.

**Strong liquidity profile; financial flexibility expected to improve** – DFPL's asset-liability management (ALM) profile is characterised by positive cumulative mismatches in the near-term-and-medium-term buckets, given the low leverage and

<sup>1</sup> Including PTC of Rs. 348 crore for DFPL and Rs. 114 crore for DHFPL as on June 30, 2023

<sup>2</sup> Including off-book portfolio of Rs. 36 crore and PTC of Rs. 114 crore as June 30, 2023 (Rs. 38 crore and Rs. 127 crore, respectively, as on March 31, 2023)

the significant proportion of the loan book with a residual tenor of up to 1 year. This, along with sizeable cash and liquid investments of Rs. 1,080 crore at the standalone level (equivalent to ~30% of borrowings; as on June 30, 2023), augurs well for the liquidity profile. Similarly, DHFPL's ALM profile is characterised by positive cumulative mismatches in the buckets up to 6 months, given the low leverage and sizeable on-balance sheet liquidity (about Rs. 227 crore as on June 30, 2023). Further, the track record of support from the promoter and MUFG Bank, in terms of equity infusions, provides comfort. Moreover, while the Group is currently maintaining enhanced on-balance sheet liquidity, it endeavours to always maintain on-balance sheet liquidity equivalent to six months of the total outflows.

As for the borrowing mix, the Group's borrowing profile, as on June 30, 2023, included bank borrowings (58%), debentures (33%), securitisation (8%) and others (1%). ICRA notes that the Group intends to diversify its borrowing profile by raising incremental funds through capital market products and the securitisation market in addition to bank borrowings in order to meet its growth targets going forward as well. In this regard, ICRA expects DFPL's financial flexibility to improve, given the recent capital infusion from MUFG Bank.

### Credit challenges

**Rising share of unsecured digital retail loans; high portfolio vulnerability could keep asset quality volatile** – Till FY2018, the Group was mainly engaged in secured corporate lending, largely to real estate builders. However, it subsequently shifted its focus to the small-ticket personal/consumption retail loan and affordable housing finance segments with a sharp growth recorded since then. The Group's overall loan book (DFPL (standalone) + DHFPL), as on June 30, 2023, was about Rs. 10,377 crore<sup>3</sup> with digital lending accounting for 74% of the total mix, affordable housing finance loans for 13% and wholesale/real estate loans for the remaining 13%. The digital lending business is completely technology-driven with API-based origination, underwriting and loan management systems. The underwriting is based on an algorithm, which uses certain data points for arriving at the loan eligibility with minimum manual intervention and deviations. While such algorithms are regularly updated based on the past performance of the loans with new variables added from time to time, the assumptions for parameters like default rates are critical for the underwriting of loans with expected credit losses, which, in turn, affect the asset quality, credit costs and profitability. Also, while a higher proportion of digital/retail loans is a positive from a concentration risk perspective, the inherent vulnerability associated with the target borrower profile and the nature of the loans augment the portfolio vulnerability. While the consumption loans are expected to be secured in nature going forward, the track record of actual recoveries from delinquent accounts of such secured product is yet to be established. Nevertheless, ICRA draws comfort from the Group's systems and processes and expects it to grow the business volumes while maintaining control on the credit costs.

Going forward, the Group's ability to demonstrate the sustained effectiveness of its credit underwriting policies and partnerships and keep the asset quality indicators under control will be imperative. Despite the improvement in the operating environment, the reported gross stage 3 (DFPL (consolidated) + DHFPL) weakened to 3.0% as on March 31, 2023 from 2.0% as on March 31, 2022 as two large accounts in the corporate segment moved into stage 3. As on March 31, 2023, 2.5% of the Group's loan book (DFPL (consolidated) + DHFPL) was restructured (mainly in the corporate segment). As on June 30, 2023, the Group's reported gross stage 3 (DFPL (standalone) + DHFPL) remained high at 3.2% (owing to lumpy slippage in the corporate segment) while the restructured book stood at 1.1% (mainly in the corporate segment). ICRA takes comfort from the high granularity of this portfolio due to the smaller ticket sizes. This enables the diversification of the risk while the high yields earned help mitigate the inherent risk in the target segment. Also, DFPL has shifted its focus towards consumer segment and is consciously reducing the wholesale book.

As for DHFPL at the standalone level, the loan book stood at Rs. 1,331 crore<sup>4</sup> as on June 30, 2023, with an average ticket size of about Rs. 9-10 lakh. While home loans accounted for 83% of the loan book as on June 30, 2023, loan against property (LAP; 17%) comprised the balance. Herein, the reported gross stage 3 stood comfortable at 0.8% as on June 30, 2023

<sup>3</sup> Including PTC of Rs. 348 crore for DFPL and Rs. 114 crore for DHFPL as on June 30, 2023

<sup>4</sup> Including PTC of Rs. 114 crore as June 30, 2023

(compared to 0.5% as on March 31, 2023 and 1.0% as on March 31, 2022). However, while the Group has demonstrated good control over the asset quality in the affordable housing finance segment, this loan book remains relatively less seasoned.

**Improving profitability trajectory; sustenance of the same with improvement in scale imperative for maintaining credit profile** – Given the product and target borrower profile and the incremental growth driven by high-yielding digital loans, the average yield on loans (DFPL consolidated + DHFPL) improved to 22.5% in FY2023 from 16.4% in FY2022. Further, the blended cost of funds for the Group (DFPL consolidated + DHFPL) increased to 8.4% in FY2023 from 8.0% in FY2022 because of the rise in systemic interest rates, sizeable existing long-term borrowings and fresh bank lines raised in FY2023. As the loan book witnessed a growth of 45% in FY2023 (driven by high disbursements in digital lending book), the net interest margin (NIM) improved to 14.8% (DFPL consolidated + DHFPL) from 8.8% in FY2022 and was higher than the pre-Covid-19 pandemic level. As the Group's digital lending and affordable housing finance operations are in the ramp-up phase, the operating expenses remain high. The Group's operating cost, as a proportion of average total assets (ATA), increased to 6.1% (DFPL consolidated + DHFPL) in FY2023 from 4.6% in FY2022. Further, the credit cost (DFPL consolidated + DHFPL) moderated to 4.2% in FY2023 from 4.5% in FY2022 because of lower provisions on standard assets despite high write-offs during the year. Although the Group's (DFPL consolidated + DHFPL) profitability improved with a return on assets (RoA) and a return on equity (RoE) of 3.7% and 7.6%, respectively, in FY2023 (1.0% and 1.8%, respectively, in FY2022), it remains modest.

The Group's (DFPL standalone + DHFPL) NIM improved to 15.7% in Q1 FY2024 with the reduction in the gearing. While the operating expenses, as a proportion of ATA, remained stable at 6.0% in Q1 FY2024 (DFPL standalone + DHFPL), the credit cost increased to 5.3% because of high write-offs in the corporate book. Overall, the profitability (DFPL standalone + DHFPL) was modest and in line with FY2023 with RoA and RoE of 3.8% and 7.4%, respectively, in Q1 FY2024. As the operating expenses stabilise with economies of scale, the profitability is expected to improve, provided the company is able to keep good control on slippages.

### Liquidity position: Strong

DFPL's ALM profile is characterised by positive cumulative mismatches in the near-term-and-medium-term buckets, given the low leverage and the sizeable proportion of the loan book with a residual tenor of up to 1 year. As on June 30, 2023, the company's ALM reflected debt maturities of Rs. 2,114 crore for the 12-month period ending June 30, 2024, against which its scheduled inflows from performing advances were Rs. 6,167 crore. This, along with sizeable cash and liquid investments of Rs. 1,080 crore at the standalone level (equivalent to ~30% of borrowings; as on June 30, 2023) and unutilised working capital lines of Rs. 232 crore as on June 30, 2023, augurs well for the liquidity profile. Further, the track record of regular support from the promoter, in terms of equity infusions, provides comfort.

Similarly, DHFPL's ALM profile is characterised by positive cumulative mismatches in the near-term-and-medium-term buckets (expect for 6-12 month bucket, which has negative cumulative mismatches), given the low leverage and sizeable on-balance sheet liquidity. As on March 31, 2023, the company's ALM reflected debt maturities of Rs. 452 crore for the 12-month period ending March 31, 2024, against which its scheduled inflows from performing advances were Rs. 132 crore. This, along with sizeable cash and liquid investments of about Rs. 310 crore (equivalent to 36% of borrowings as on March 31, 2023) and unutilised working capital lines of Rs. 65 crore as on March 31, 2023, augurs well for the liquidity profile. As on June 30, 2023, DHFPL had cash and liquid investments of Rs. 227 crore against scheduled debt obligations (excluding interest) of Rs. 137 crore and scheduled collections (at 95% collection efficiency; excluding interest) of Rs. 136 crore till December 31, 2023. Factoring in the expected collections from advances, the liquidity profile is strong for meeting the debt obligations in a timely manner. The liquidity profile is also supported by the availability of unutilised working capital lines of Rs. 39 crore as on June 30, 2023.

## Rating sensitivities

**Positive factors** – A significant increase in the scale while sustaining the current approach towards leverage and liquidity, along with a well-established track record of strong profitability and good control on the asset quality, will remain imperative for a rating upgrade in the medium to long term.

**Negative factors** – The ratings could come under pressure if the consolidated gearing increases beyond 2x or the pressure on the asset quality adversely impacts the company’s earnings profile on a sustained basis. Pressure on the ratings could also emerge if the liquidity profile weakens or on lower-than-expected support from investors.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">ICRA’s Credit Rating Methodology for Non-banking Finance Companies</a> <a href="#">Financial Consolidation and Rating Approach</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	-
Consolidation/Standalone	Consolidation; to arrive at the ratings, ICRA has taken a consolidated view of DFPL and DHFPL, referred to as the DMI Group, given the operational linkages between the companies in addition to the common promoter, shared name and management oversight

## About the company

DFPL, 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 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.

On a standalone basis, as on March 31, 2023, consumer loans accounted for 80% of the Rs. 7,864-crore<sup>5</sup> loan book (62% as on March 31, 2022) with the wholesale real estate lending book accounting for 15% and the non-real estate wholesale loan book accounting for 3%. As of June 30, 2023, the share of consumer loans increased to 85% of the Rs. 9,046-crore<sup>6</sup> loan book with the share of the wholesale real estate lending book reducing to 11% and the non-real estate wholesale loan book reducing to 3%.

DMI Limited, Mauritius holds a 70% stake in DFPL (as on June 30, 2023). DMI Limited, Mauritius is, in turn, backed by New Investment Solution (NIS), a Liechtenstein-based alternative asset manager with over \$2 billion of deployed capital. NIS is led by Takashi Sato, who was the Head of Private Wealth and Asset Management at Nomura Bank (Europe). The fund focusses on Japanese equities, US asset-backed debt and emerging market debt. The other major shareholders in DFPL are NIS Ganesha (stake of 10% as on June 30, 2023) and MUFG Bank.

On a consolidated basis, DFPL reported a profit after tax (PAT) of Rs. 320 crore in FY2023 on a total gross asset base of Rs. 9,060 crore as on March 31, 2023 compared to a PAT of Rs. 59 crore in FY2022 on total gross asset base of Rs. 7,268 crore as on March 31, 2022. As on March 31, 2023, DFPL’s capital adequacy (CRAR) was 50.9% on a net worth of Rs. 4,220 crore (CRAR of 61.3% on net worth of Rs. 3,872 crore as on March 31, 2022). Further, DFPL (on a consolidated basis) reported gross and net stage 3 of 3.4% and 1.4%, respectively, as on March 31, 2023 compared to 2.2% and 0.3%, respectively, as on

<sup>5</sup> Including PTC of Rs. 352 crore as on March 31, 2023

<sup>6</sup> Including PTC of Rs. 348 crore as on June 30, 2023

March 31, 2022. In Q1 FY2024, DFPL (on standalone basis) reported a PAT of Rs. 101 crore on a total gross asset base of Rs. 10,741 crore as on June 30, 2023. Its CRAR (standalone) was 69.1% on a net worth of Rs. 6,477 crore as on June 30, 2023. Further, DFPL (standalone) reported gross and net stage 3 of 3.6% and 1.8%, respectively, as on June 30, 2023.

### DMI Housing Finance Private Limited

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. 1,331 crore<sup>7</sup> as on June 30, 2023 compared to Rs. 1,269 crore as on March 31, 2023 (Rs. 862 crore as on March 31, 2022) with an average ticket size of about Rs. 9-10 lakh and a geographical footprint of about 46 branches across nine states/Union Territories (though three states, namely Uttar Pradesh, Rajasthan and Madhya Pradesh, accounted for about 68% of the portfolio as on June 30, 2023). Home loans accounted for 83% of the loan book as on June 30, 2023, followed by LAP (17%) while corporate loans were negligible. DHFPL used to be a subsidiary of DFPL till FY2018. However, following the restructuring within the Group, DMI Limited, Mauritius now directly holds a 94.74% stake in the company (as on June 30, 2023).

DHFPL reported a PAT of Rs. 36 crore in FY2023 on a total gross asset base of Rs. 1,597 crore as on March 31, 2023 compared to a PAT of Rs. 19 crore in FY2022 on a total gross asset base of Rs. 1,166 crore as on March 31, 2022. As on March 31, 2023, DHFPL's capital adequacy (CRAR) was 85.6% on a net worth of Rs. 647 crore (87.0% and Rs. 607 crore, respectively, as on March 31, 2022). Further, DHFPL reported gross and net stage 3 of 0.5% and 0.4%, respectively, as on March 31, 2023 compared to 1.0% and 0.6%, respectively, as on March 31, 2022. In Q1 FY2024, DHFPL reported a PAT of Rs. 10 crore on a total gross asset base of Rs. 1,623 crore as on June 30, 2023. The CRAR was 73.9% on a net worth of Rs. 651 crore as on June 30, 2023. Further, DHFPL reported gross and net stage 3 of 0.8% and 0.6%, respectively, as on June 30, 2023.

### Key financial indicators – DFPL + DHFPL

	DFPL <sup>^</sup>				DFPL <sup>^</sup> + DHFPL			
	FY2021	FY2022	FY2023	Q1 FY2024*	FY2021	FY2022	FY2023	Q1 FY2024*
<b>Total income</b>	773	920	1,662	527	885	1,038	1,812	575
<b>Profit after tax</b>	27	59	320	101	53	78	355	111
<b>Net worth</b>	3,506	3,872	4,220	6,477	4,092	4,479	4,868	7,128
<b>Gross loan book!</b>	3,656	5,432	7,864	9,046	4,425	6,294	9,132	10,377
<b>Total gross assets</b>	5,868	7,268	9,060	10,741	7,044	8,434	10,657	12,364
<b>Return on average assets</b>	0.5%	0.9%	3.9%	4.1%	0.8%	1.0%	3.7%	3.8%
<b>Return on average net worth</b>	0.9%	1.6%	7.9%	7.5%	1.5%	1.8%	7.6%	7.4%
<b>Gearing (times)</b>	0.6	0.7	1.0	0.6	0.6	0.7	1.0	0.6
<b>CRAR</b>	60.2%	61.3%	50.9%	69.1%	NA	NA	NA	NA
<b>Gross stage 3</b>	3.9%	2.2%	3.4%	3.6%	3.3%	2.0%	3.0%	3.2%
<b>Net stage 3</b>	1.5%	0.3%	1.4%	1.8%	1.3%	0.4%	1.3%	1.6%
<b>Net stage 3/Net worth</b>	1.5%	0.4%	2.6%	2.5%	1.4%	0.5%	2.4%	2.4%

Source: DFPL, DHFPL, ICRA Research; Amount in Rs. crore; \* Key financial indicators (KFI) for Q1 FY2024 are based on provisional financials; <sup>^</sup> KFI for FY2021, FY2022 and FY2023 are for DFPL on a consolidated basis while KFI for Q1 FY2024 are for DFPL on a standalone basis; ! Includes PTC

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

<sup>7</sup> Including PTC of Rs. 114 crore as June 30, 2023 (Rs. 127 crore as on March 31, 2023)

### Rating history for past three years

		Current rating (FY2024)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Amount outstanding* (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023				Date & rating in FY2022		Date & rating in FY2021	
				Sep 29, 2023	Feb 24, 2023	Oct 18, 2022	Sep 02, 2022	Apr 18, 2022	Apr 20, 2021	Mar 31, 2021	Jul 10, 2020	
1	Commercial paper	300.0	0.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Non-convertible debentures	100.0	0.0	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-	-
3	Long-term market linked debentures	150.0	150.0	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA- (Stable)	PP-MLD [ICRA]AA- (Stable)	-	-	-	-	-	-
4	Long-term market linked debentures	50.0	0.0	PP-MLD [ICRA]AA (Stable); withdrawn	PP-MLD [ICRA]AA- (Stable)	PP-MLD [ICRA]AA- (Stable)	-	-	-	-	-	-
5	Long-term fund-based TL	3,450.0	3,025.404	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-	-
6	Long-term fund-based CC	450.0	326.75	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-	-
7	Long-term fund-based unallocated	0.0	0.0	-	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-	-
8	Long-term fund-based others	62.0	0.0	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-

Source: ICRA Research

Note: TL – Term loan, CC – Cash credit; \*As on September 21, 2023

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-convertible debentures	Simple
Commercial paper	Very Simple
Long-term market linked debentures	Complex
Long-term fund-based TL	Simple
Long-term fund-based CC	Simple
Long-term fund-based others	Simple
Long-term fund-based unallocated	Not applicable

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 (as on September 21, 2023)**

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Commercial paper*	NA	NA	NA	300.0	[ICRA]A1+
NA	NCD*	NA	NA	NA	100.0	[ICRA]AA (Stable)
INE604O07167	Long-term MLD	Oct-21-2022	8.75%	Oct-21-2024	150.0	PP-MLD[ICRA]AA (Stable)
NA	Long-term MLD*	NA	NA	NA	50.0	PP-MLD[ICRA]AA (Stable); Withdrawn
NA	Term loan - 1	Mar-26-2021	NA	Mar-31-2025	21.875	[ICRA]AA (Stable)
NA	Term loan - 2	Mar-09-2022	NA	Mar-31-2026	34.375	[ICRA]AA (Stable)
NA	Term loan - 3	Sep-23-2022	NA	Sep-30-2025	75.000	[ICRA]AA (Stable)
NA	Term loan - 4	Mar-09-2023	NA	Mar-24-2026	91.667	[ICRA]AA (Stable)
NA	Term loan - 5	Jun-08-2021	NA	Apr-30-2024	5.338	[ICRA]AA (Stable)
NA	Term loan - 6	Jun-14-2021	NA	Jun-30-2025	26.190	[ICRA]AA (Stable)
NA	Term loan - 7	Jun-29-2022	NA	Jun-30-2026	161.840	[ICRA]AA (Stable)
NA	Term loan - 8	Jul-24-2023	NA	Aug-21-2026	200.000	[ICRA]AA (Stable)
NA	Term loan - 9	Mar-16-2022	NA	Mar-26-2024	30.000	[ICRA]AA (Stable)
NA	Term loan - 10	Jul-05-2022	NA	Jul-18-2024	50.000	[ICRA]AA (Stable)
NA	Term loan - 11	Nov-19-2022	NA	May-25-2024	50.000	[ICRA]AA (Stable)
NA	Term loan - 12	Mar-30-2023	NA	Mar-31-2025	175.000	[ICRA]AA (Stable)
NA	Term loan - 13	Aug-29-2023	NA	Aug-30-2026	300.000	[ICRA]AA (Stable)
NA	Term loan - 14	Apr-27-2021	NA	Jul-31-2025	53.330	[ICRA]AA (Stable)
NA	Term loan - 15	Sep-22-2021	NA	Jun-30-2024	5.629	[ICRA]AA (Stable)
NA	Term loan - 16	Oct-22-2021	NA	Dec-15-2023	6.667	[ICRA]AA (Stable)
NA	Term loan - 17	Jan-04-2022	NA	Feb-28-2025	24.910	[ICRA]AA (Stable)
NA	Term loan - 18	Dec-27-2022	NA	Mar-02-2026	41.614	[ICRA]AA (Stable)
NA	Term loan - 19	Feb-18-2022	NA	Jan-31-2025	24.135	[ICRA]AA (Stable)
NA	Term loan - 20	Feb-19-2022	NA	Mar-11-2026	36.458	[ICRA]AA (Stable)
NA	Term loan - 21	Mar-21-2022	NA	Mar-31-2026	51.562	[ICRA]AA (Stable)
NA	Term loan - 22	Mar-21-2023	NA	Mar-29-2026	49.930	[ICRA]AA (Stable)
NA	Term loan - 23	Mar-25-2022	NA	Mar-28-2026	146.667	[ICRA]AA (Stable)
NA	Term loan - 24	May-19-2022	NA	Mar-31-2025	31.691	[ICRA]AA (Stable)
NA	Term loan - 25	May-26-2022	NA	Jun-01-2024	31.250	[ICRA]AA (Stable)
NA	Term loan - 26	Jun-27-2022	NA	Jun-28-2025	33.174	[ICRA]AA (Stable)
NA	Term loan - 27	Aug-29-2023	NA	Aug-31-2026	24.981	[ICRA]AA (Stable)
NA	Term loan - 28	Nov-01-2022	NA	Oct-31-2025	20.400	[ICRA]AA (Stable)
NA	Term loan - 29	Dec-17-2022	NA	Dec-29-2026	42.589	[ICRA]AA (Stable)
NA	Term loan - 30	Dec-17-2022	NA	Dec-29-2026	1.812	[ICRA]AA (Stable)
NA	Term loan - 31	Dec-28-2022	NA	Jan-25-2026	23.514	[ICRA]AA (Stable)
NA	Term loan - 32	Jan-09-2023	NA	Jan-31-2027	186.667	[ICRA]AA (Stable)
NA	Term loan - 33	Jan-19-2023	NA	Mar-29-2027	49.942	[ICRA]AA (Stable)
NA	Term loan - 34	Jun-22-2023	NA	Jun-28-2025	93.750	[ICRA]AA (Stable)
NA	Term loan - 35	Jun-21-2023	NA	Jun-27-2027	99.945	[ICRA]AA (Stable)
NA	Term loan - 36	Apr-21-2023	NA	Jun-30-2025	99.932	[ICRA]AA (Stable)
NA	Term loan - 37	Jun-26-2023	NA	Jul-05-2026	48.596	[ICRA]AA (Stable)
NA	Term loan - 38	Jul-24-2023	NA	Jul-31-2027	49.974	[ICRA]AA (Stable)
NA	Term loan - 39	Aug-10-2023	NA	Jul-20-2027	25.000	[ICRA]AA (Stable)
NA	Term loan - 40	Mar-10-2023	NA	Mar-31-2024	100.000	[ICRA]AA (Stable)
NA	Term loan - 41	Sep-12-2023	NA	Jul-31-2024	400.000	[ICRA]AA (Stable)
NA	Cash credit - 1	Dec-14-2020	NA	NA	20.00	[ICRA]AA (Stable)
NA	Cash credit - 2	Mar-16-2022	NA	NA	45.00	[ICRA]AA (Stable)
NA	Cash credit - 3	Jan-16-2023	NA	NA	123.00	[ICRA]AA (Stable)
NA	Cash credit - 4	Mar-12-2018	NA	NA	5.00	[ICRA]AA (Stable)
NA	Cash credit - 5	Jan-16-2023	NA	NA	77.00	[ICRA]AA (Stable)



ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit - 6	Jan-04-2022	NA	NA	25.00	[ICRA]AA (Stable)
NA	Cash credit - 7	Mar-21-2022	NA	NA	25.00	[ICRA]AA (Stable)
NA	Cash credit - 8	Feb-14-2022	NA	NA	5.00	[ICRA]AA (Stable)
NA	Cash credit - 9	Mar-24-2023	NA	NA	0.25	[ICRA]AA (Stable)
NA	Cash credit - 10	Mar-21-2023	NA	NA	1.00	[ICRA]AA (Stable)
NA	Cash credit - 11	Jan-09-2023	NA	NA	0.50	[ICRA]AA (Stable)
NA	Long-term fund-based term loan – Proposed	NA	NA	NA	424.596	[ICRA]AA (Stable)
NA	Long-term fund-based cash credit – Proposed	NA	NA	NA	123.25	[ICRA]AA (Stable)
NA	Long-term fund-based others	NA	NA	NA	62.00	[ICRA]AA (Stable)

Source: ICRA Research, DFPL; \* Yet to be placed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
DMI Finance Private Limited (DFPL)	Rated Entity	Full Consolidation
DMI Housing Finance Private Limited (DHFPL)	Fellow Subsidiary	Full Consolidation
DMI Management Private Limited (DMPL)	100% Subsidiary	Full Consolidation
DMI Capital Private Limited (DCPL)	100% Subsidiary	Full Consolidation
DMI Alternatives Private Limited (DAPL)	49% Subsidiary	Full Consolidation
Appnit Technologies Private Limited	94% Subsidiary	Full Consolidation

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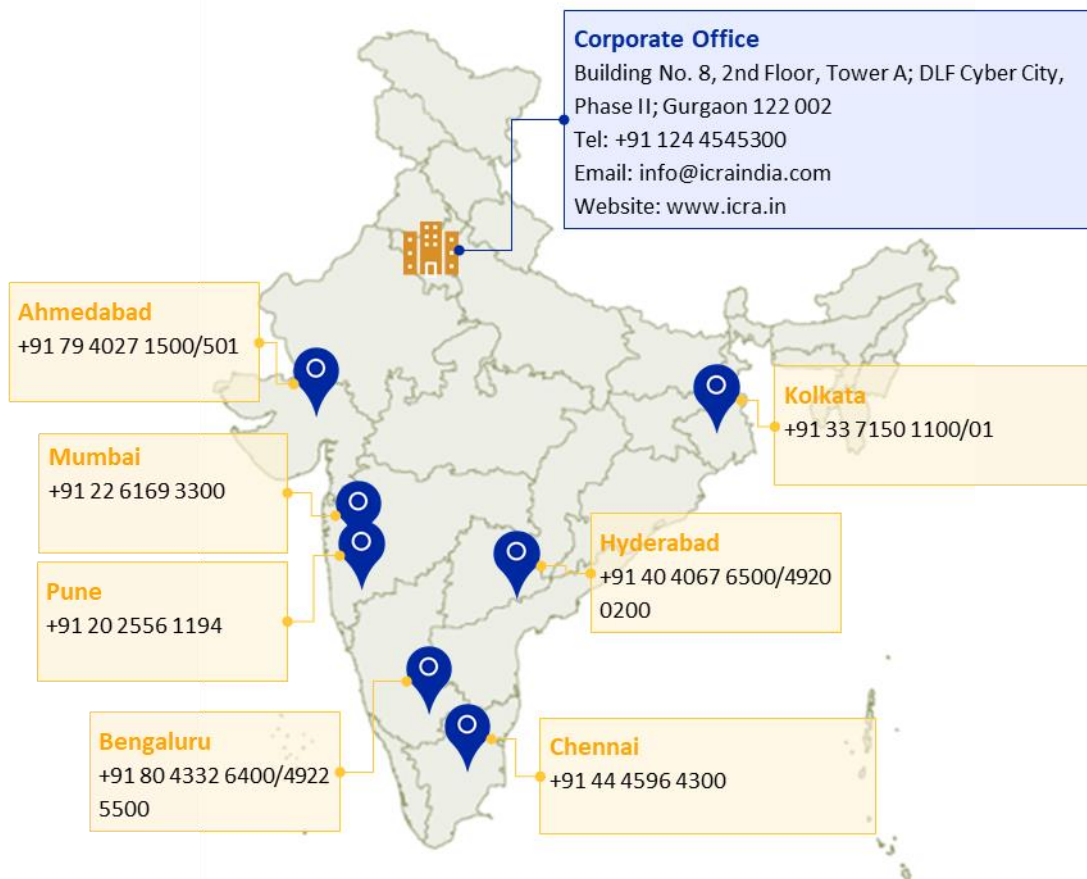
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