

September 20, 2024

## DMI Finance Private Limited: [ICRA]AA (Stable) assigned

### Summary of rating action

| Instrument*   | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action                               |
|---|--------------------------------------|-------------------------------------|---|
| Non-convertible debentures                                | 835.0                                | 835.0                               | [ICRA]AA (Stable); outstanding              |
| Non-convertible debentures                                | 0.0                                  | 400.0                               | [ICRA]AA (Stable); assigned                 |
| Long-term market linked debentures                        | 150.0                                | 150.0                               | PP-MLD[ICRA]AA (Stable); outstanding        |
| Long-term fund-based term loan                            | 3,450.0                              | 3,450.0                             | [ICRA]AA (Stable); outstanding              |
| Long-term fund-based cash credit                          | 450.0                                | 450.0                               | [ICRA]AA (Stable); outstanding              |
| Long-term/short-term fund-based/<br>non-fund based others | 4,562.0                              | 4,562.0                             | [ICRA]AA (Stable)/[ICRA]A1+;<br>outstanding |
| Commercial paper  | 600.0                                | 600.0                               | [ICRA]A1+; outstanding                      |
| <b>Total</b>  | <b>10,047.0</b>                      | <b>10,447.0</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 factor in the DMI Group's strong capitalisation and improved investor profile, following the capital infusion in April 2023. The Group's net worth (DFPL (standalone) + DHFPL) stood at about Rs. 7,611 crore with a gearing of 1.2x as on June 30, 2024. ICRA notes that DFPL's capitalisation is expected to be further strengthened by the proposed equity infusion of ~Rs. 2,798 crore by Mitsubishi UFJ Financial Group (MUFG), Inc. through its consolidated subsidiary, MUFG Bank, leading to an increase in its total investment in DFPL to Rs. 4,712 crore. While the increase in the risk weights for consumer credit by the Reserve Bank of India (RBI) has impacted DFPL's capital adequacy, the strengthened capital base will comfortably support the Group's growth plans over the near term. Also, the improved investor profile is expected to support the Group's financial flexibility, with access to funds from diverse sources and at competitive rates, notwithstanding the impact on the incremental cost of borrowings from banks, which has been affected across the industry, following the increase in the risk weights for bank lending to non-banking financial companies (NBFCs).

The ratings also draw comfort from the Group's track record of maintaining strong liquidity. A considerable portion of the loan book has a residual tenor of up to one year, which supports the overall liquidity profile. ICRA notes that the Group plans to maintain prudent capitalisation with a peak gearing of 2x over the longer term. ICRA has taken cognisance 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, 2024, retail consumer loans constituted 84% of the Group's consolidated loan book of Rs. 14,995 crore<sup>1</sup>, followed by affordable housing finance loans (11%) and wholesale loans (5%). While the higher proportion of digital/retail loans is a positive from a concentration risk perspective, the risks associated with the target borrower profile

<sup>1</sup> Including pass-through certificates (PTCs) of Rs. 344 crore for DFPL and Rs. 166 crore for DHFPL as on June 30, 2024

and the nature of the loans increase the portfolio vulnerability. Given the evolving regulatory landscape for the digital lending industry, the impact of changing regulations on the Group's business operations would be a monitorable. Nevertheless, ICRA expects the Group to maintain strong 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. 1,836 crore<sup>2</sup> as on June 30, 2024 (Rs. 1,861 crore as on March 31, 2024). 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 that it is likely to grow as per its business plans with good asset quality and return indicators over the medium term.

The Stable outlook reflects ICRA's expectation that the Group would continue to scale up profitably and be able to absorb any asset-side shocks without impairing its financial profile significantly from the current level, given its healthy capital buffer.

## Key rating drivers and their description

### Credit strengths

**Strong capitalisation and improved 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 the capital infusion from MUFG Bank, Sumitomo Mitsui Trust Bank Limited (SMTB) and other investors earlier in Q1 FY2024. DFPL had 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. The Group's net worth (DFPL (standalone) + DHFPL) increased to Rs. 7,611 crore with a gearing of 1.2x as on June 30, 2024 (Rs. 7,521 crore and 1.1x, respectively, as on March 31, 2024). ICRA notes that DFPL's capitalisation is expected to be strengthened further by the proposed equity infusion of ~Rs. 2,798 crore by MUFG through its consolidated subsidiary – MUFG Bank, leading to an increase in its total investment in DFPL to Rs. 4,712 crore.

As for DFPL (standalone), the net worth increased to Rs. 6,901 crore as on June 30, 2024 with a gearing of 1.1x (Rs. 6,811 crore and 1.0x, respectively, for DFPL (consolidated) as on March 31, 2024). Further, ICRA notes the improved investor profile, following the capital infusion from MUFG Bank. While the increase in the risk weights for consumer credit by the RBI has impacted DFPL's capital adequacy, the strengthened capital base will comfortably support the Group's growth plans over the near 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. Moreover, 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 has a track record of strong liquidity, which is supported by the low leverage and sizeable cash and liquid investments. Moreover, a considerable portion of the loan book has a residual tenor of up to 1 year. Similarly, DHFPL has strong liquidity, which is supported by the low leverage and sizeable cash and liquid investments. Further, the track record of support from the promoter and MUFG Bank, in terms of equity infusions, provides comfort. While the Group is currently maintaining enhanced on-balance sheet liquidity, it endeavours to always keep on-balance sheet liquidity equivalent to six months of the total outflows.

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<sup>2</sup> Including off-book portfolio of Rs. 151 crore and PTCs of Rs. 166 crore as June 30, 2024 (Rs. 133 crore and Rs. 179 crore, respectively, as on March 31, 2024)

The Group's borrowing profile, as on June 30, 2024, comprised borrowings from banks/NBFCs/financial institutions (FIs) (70%), debentures (14%), securitisation (14%), and others including commercial paper (2%). ICRA notes that the Group intends to diversify its borrowing profile by raising incremental funds through capital market products and the securitisation route in addition to bank borrowings in order to meet its growth targets, going forward as well. Further, the improved investor profile is expected to support the Group's financial flexibility, with access to funds from diverse sources and at competitive rates.

### 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, recording a sharp growth since then. The Group's overall loan book (DFPL (standalone) + DHFPL), as on June 30, 2024, was about Rs. 14,995 crore<sup>3</sup> with retail consumer lending accounting for 84%, affordable housing finance loans for 11% and wholesale loans for the remaining 5%. 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. Although consumption loans are backed by assets, the track record of actual recoveries from delinquent accounts of such secured products 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. ICRA also notes DMI Infotech Solutions Private Limited's (erstwhile Consumer Credit Private Limited and a fellow subsidiary of DFPL) acquisition of the technology platform and assets of fintech startup, ZestMoney. ICRA expects the acquisition to bring in operating leverage and synergies by providing DFPL with immediate access to ZestMoney's merchants and customers and by DFPL being the preferred lender on the ZestMoney platform.

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. As on June 30, 2024, the Group's (DFPL (standalone) + DHFPL) gross stage 3 remained stable at 2.3% (2.3% as on March 31, 2024), supported by high write-offs in the consumer book. As on June 30, 2024, the Group's total restructured book stood at 0.7% of the total loan book with the accounts largely pertaining to the corporate segment. ICRA takes comfort from the high granularity of this portfolio due to the smaller ticket sizes. This enables risk diversification while the high yields earned help mitigate the inherent risk in the target segment. Also, DFPL has shifted its focus towards the consumer segment and is consciously reducing the wholesale book.

As for DHFPL at the standalone level, the loan book stood at Rs. 1,685 crore<sup>4</sup> as on June 30, 2024, with an average ticket size of about Rs. 10 lakh. While home loans account for 81% of the loan book, the balance consists of loan against property (LAP; 19%). Herein, the reported gross stage 3 was comfortable at 0.7% as on June 30, 2024 (0.5% as on March 31, 2024). 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.

<sup>3</sup> Including PTCs of Rs. 344 crore for DFPL and Rs. 166 crore for DHFPL as on June 30, 2024

<sup>4</sup> Including PTCs of Rs. 166 crore as on June 30, 2024

**Improving profitability trajectory; sustenance of the same with improvement in scale imperative for maintaining credit profile** – While the Group’s (DFPL standalone + DHFPL) yields remained stable at 23.2% in Q1 FY2025<sup>5</sup> (23.3% in FY2024<sup>6</sup> for DFPL consolidated + DHFPL), the cost of funds increased to 9.4% in Q1 FY2025 (8.8% in FY2024), given the elevated systemic interest rates. This led to a compression in the lending spreads and net interest margins (NIMs) to 13.9% and 15.9%, respectively, in Q1 FY2025 from 14.7% and 16.5%, respectively, in FY2024. While the operating expenses, as a proportion of average total assets (ATA), reduced marginally to 5.4% in Q1 FY2025 from 5.9% in FY2024, credit costs increased to 8.1% from 6.8% during this period because of high write-offs in the consumer book. Overall, the profitability weakened with the return on average total assets (RoA; DFPL standalone + DHFPL) declining to 2.1% in Q1 FY2025 from 3.4% in 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.

DHFPL’s profitability weakened with RoA of 2.6% in Q1 FY2025 (3.0% in FY2024) because of lower non-interest income and higher operating expenses despite the improvement in NIMs.

### Liquidity position: Strong

DFPL’s asset-liability management (ALM) profile is characterised by positive cumulative mismatches in the near-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, 2024, the ALM reflected debt maturities of Rs. 3,975 crore for the 12-month period ending June 30, 2025 against expected inflows from performing advances of Rs. 8,726 crore. This, along with the sizeable cash and liquid investments of Rs. 1,208 crore at the standalone level (equivalent to ~16% of borrowings) and unutilised working capital lines of about Rs. 238 crore as on June 30, 2024, augurs well for the liquidity profile. Further, the track record of regular support from the promoter, in terms of equity infusions, provides comfort.

DHFPL’s ALM profile is characterised by positive cumulative mismatches across all buckets up to 12 months, supported by low leverage and sizeable on-balance sheet liquidity. As on March 31, 2024, the company’s ALM reflected debt maturities of Rs. 235 crore for the 12-month period ending March 31, 2025 against scheduled inflows from performing advances of Rs. 369 crore. This, along with sizeable cash and liquid investments of about Rs. 127 crore (equivalent to 11% of borrowings as on March 31, 2024) and unutilised working capital lines of Rs. 119 crore, augurs well for the liquidity profile. As on June 30, 2024, DHFPL had cash and liquid investments of Rs. 172 crore against scheduled debt obligations (excluding interest) of Rs. 94 crore and scheduled collections (at 95% collection efficiency; excluding interest) of Rs. 201 crore till December 31, 2024. The liquidity profile is also supported by the availability of unutilised working capital lines of Rs. 118 crore as on June 30, 2024.

### 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.

<sup>5</sup> The ratios for the Group for Q1 FY2025 are based on provisional financials of DFPL (standalone) + DHFPL

<sup>6</sup> The ratios for the Group for FY2023 are based on audited financials of DFPL (consolidated) + DHFPL

## Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">ICRA's Credit Rating Methodology for Non-banking Finance Companies</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 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.

As of June 30, 2024, the share of consumer loans stood at 95% of the Rs. 13,309-crore<sup>7</sup> loan book (95% of the 12,823-crore<sup>8</sup> loan book as on March 31, 2024) while the wholesale real estate lending book had a share of 5% (5% as on March 31, 2024). The share of the non-real estate wholesale loan book was negligible (negligible as on March 31, 2024).

DMI Limited, Mauritius, which holds a 68.78% stake in DFPL (as on June 30, 2024), is backed by New Investment Solution (NIS), a Liechtenstein-based alternative asset manager with over \$2.2 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 the emerging market debt. DFPL's other major shareholders are NIS Ganesha (10.13% as on June 30, 2024) and MUFG Bank.

In Q1 FY2025<sup>9</sup>, DFPL reported a profit after tax (PAT) of Rs. 78 crore on a total gross asset base of Rs. 15,375 crore as on June 30, 2024 (PAT of Rs. 403 crore in FY2024<sup>10</sup> on a total gross asset base of Rs. 14,545 crore as on March 31, 2024). The CRAR was 44.6% on a net worth of Rs. 6,901 crore as on June 30, 2024 (44.8% and Rs. 6,811 crore, respectively, as on March 31, 2024). Further, DFPL reported gross and net stage 3 of 2.5% and 1.5%, respectively, as on June 30, 2024 (2.5% and 1.5%, respectively, as on March 31, 2024).

### 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. 1,685 crore as on June 30, 2024 (Rs. 1,728 crore as on March 31, 2024) with an average ticket size of about Rs. 10 lakh and a geographical footprint of 42 branches across nine states (though three states, i.e. Uttar Pradesh, Rajasthan and Madhya Pradesh, account for about 52% of the portfolio). While home loans account for 81% of the loan book, the balance consists of LAP (19%). Although DHFPL used to be a subsidiary of DFPL (till FY2018), DMI Limited, Mauritius now directly holds 93.20% of the company (as on June 30, 2024).

<sup>7</sup> Including PTCs of Rs. 344 crore as on June 30, 2024

<sup>8</sup> Including PTCs of Rs. 367 crore as on March 31, 2024

<sup>9</sup> Figures and ratios for Q1 FY2025 are based on provisional financials for DFPL (standalone)

<sup>10</sup> Figures and ratios for FY2024 are based on audited financials for DFPL (consolidated)

DHFPL reported a PAT of Rs. 13 crore in Q1 FY2025 on a total gross asset base of Rs. 1,963 crore as on June 30, 2024 (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 63.8% on a net worth of Rs. 710 crore as on June 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 June 30, 2024 (0.5% and 0.3%, respectively, as on March 31, 2024).

#### Key financial indicators

|                                 | DFPL <sup>^</sup> |        |        |            | DFPL <sup>^</sup> + DHFPL |        |        |            |
|---------------------------------|-------------------|--------|--------|------------|---------------------------|--------|--------|------------|
|                                 | FY2022            | FY2023 | FY2024 | Q1 FY2025* | FY2022                    | FY2023 | FY2024 | Q1 FY2025* |
| <b>Total income</b>             | 920               | 1,662  | 2,674  | 824        | 1,038                     | 1,812  | 2,888  | 888        |
| <b>Profit after tax</b>         | 59                | 320    | 403    | 78         | 78                        | 355    | 456    | 90         |
| <b>Total gross assets</b>       | 7,268             | 9,060  | 14,545 | 15,375     | 8,434                     | 10,657 | 16,453 | 17,338     |
| <b>Return on average assets</b> | 0.9%              | 3.9%   | 3.4%   | 2.1%       | 1.0%                      | 3.7%   | 3.4%   | 2.1%       |
| <b>Gearing (times)</b>          | 0.7               | 1.0    | 1.0    | 1.1        | 0.7                       | 1.0    | 1.1    | 1.2        |
| <b>Gross stage 3</b>            | 2.2%              | 3.4%   | 2.5%   | 2.5%       | 2.0%                      | 3.0%   | 2.3%   | 2.3%       |
| <b>CRAR</b>                     | 61.3%             | 50.9%  | 44.8%  | 44.6%      | NA                        | NA     | NA     | NA         |

Source: DFPL, DHFPL, ICRA Research; Amount in Rs. crore; <sup>^</sup> KFI for FY2022, FY2023 and FY2024 are for DFPL on a consolidated basis while KFI for Q1 FY2025 are for DFPL on a standalone basis; \* Based on provisional financials

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

**Any other information: None**

**Rating history for past three years**

| Instrument  | Current (FY2025)      |                          |                             |             |                             | Chronology of rating history for the past 3 years |                         |             |                          |        |        |
|---|-----------------------|--------------------------|-----------------------------|-------------|-----------------------------|---|-------------------------|-------------|--------------------------|--------|--------|
|   | Type                  | Amount Rated (Rs. crore) | FY2025                      |             |                             | FY2024  |                         | FY2023      |                          | FY2022 |        |
|   |                       |                          | 20-SEP-2024                 | Date        | Rating                      | Date  | Rating                  | Date        | Rating                   | Date   | Rating |
| Long-term market linked debentures                    | Long term             | 150.00                   | PP-MLD[ICRA]AA (Stable)     | 13-AUG-2024 | PP-MLD[ICRA]AA (Stable)     | 29-SEP-2023                                       | PP-MLD[ICRA]AA (Stable) | 18-OCT-2022 | PP-MLD[ICRA]AA- (Stable) | -      | -      |
|   |                       |                          |                             | -           | -                           | 17-NOV-2023                                       | PP-MLD[ICRA]AA (Stable) | 24-FEB-2023 | PP-MLD[ICRA]AA- (Stable) | -      | -      |
|   |                       |                          |                             | -           | -                           | 08-JAN-2024                                       | PP-MLD[ICRA]AA (Stable) | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | 06-MAR-2024                                       | PP-MLD[ICRA]AA (Stable) | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | 21-MAR-2024                                       | PP-MLD[ICRA]AA (Stable) | -           | -                        | -      | -      |
| Long-term/short-term fund-based/non-fund based others | Long term/ Short term | 4,562.00                 | [ICRA]AA (Stable)/[ICRA]A1+ | 13-AUG-2024 | [ICRA]AA (Stable)/[ICRA]A1+ | -   | -                       | -           | -                        | -      | -      |
| Long-term fund-based cash credit                      | Long term             | 450.00                   | [ICRA]AA (Stable)           | 13-AUG-2024 | [ICRA]AA (Stable)           | 29-SEP-2023                                       | [ICRA]AA (Stable)       | 02-SEP-2022 | [ICRA]AA- (Stable)       | -      | -      |
|   |                       |                          |                             | -           | -                           | 17-NOV-2023                                       | [ICRA]AA (Stable)       | 18-OCT-2022 | [ICRA]AA- (Stable)       | -      | -      |
|   |                       |                          |                             | -           | -                           | 08-JAN-2024                                       | [ICRA]AA (Stable)       | 24-FEB-2023 | [ICRA]AA- (Stable)       | -      | -      |
|   |                       |                          |                             | -           | -                           | 06-MAR-2024                                       | [ICRA]AA (Stable)       | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | 21-MAR-2024                                       | [ICRA]AA (Stable)       | -           | -                        | -      | -      |
| Non-convertible debentures                            | Long term             | 400.00                   | [ICRA]AA (Stable)           | 13-AUG-2024 | [ICRA]AA (Stable)           | -   | -                       | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | -   | -                       | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | -   | -                       | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | -   | -                       | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | -   | -                       | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | -   | -                       | -           | -                        | -      | -      |
|   |                       |                          |                             | -           | -                           | -   | -                       | -           | -                        | -      | -      |

| Instrument                     | Term       | Amount   | Rating            | Issue Date  | Rating            | Issue Date  | Rating            | Issue Date  | Rating             | Issue Date  | Rating             |
|--------------------------------|------------|----------|-------------------|-------------|-------------------|-------------|-------------------|-------------|--------------------|-------------|--------------------|
| Long-term fund-based term loan | Long term  | 3,450.00 | [ICRA]AA (Stable) | 13-AUG-2024 | [ICRA]AA (Stable) | 29-SEP-2023 | [ICRA]AA (Stable) | 18-APR-2022 | [ICRA]AA- (Stable) | 20-APR-2021 | [ICRA]AA- (Stable) |
|                                |            |          |                   | -           | -                 | 17-NOV-2023 | [ICRA]AA (Stable) | 02-SEP-2022 | [ICRA]AA- (Stable) | -           | -                  |
|                                |            |          |                   | -           | -                 | 08-JAN-2024 | [ICRA]AA (Stable) | 18-OCT-2022 | [ICRA]AA- (Stable) | -           | -                  |
|                                |            |          |                   | -           | -                 | 06-MAR-2024 | [ICRA]AA (Stable) | 24-FEB-2023 | [ICRA]AA- (Stable) | -           | -                  |
|                                |            |          |                   | -           | -                 | 21-MAR-2024 | [ICRA]AA (Stable) | -           | -                  | -           | -                  |
| Commercial paper               | Short term | 600.00   | [ICRA]A1+         | 13-AUG-2024 | [ICRA]A1+         | 29-SEP-2023 | [ICRA]A1+         | 18-APR-2022 | [ICRA]A1+          | 20-APR-2021 | [ICRA]A1+          |
|                                |            |          |                   | -           | -                 | 17-NOV-2023 | [ICRA]A1+         | 02-SEP-2022 | [ICRA]A1+          | -           | -                  |
|                                |            |          |                   | -           | -                 | 08-JAN-2024 | [ICRA]A1+         | 18-OCT-2022 | [ICRA]A1+          | -           | -                  |
|                                |            |          |                   | -           | -                 | 06-MAR-2024 | [ICRA]A1+         | 24-FEB-2023 | [ICRA]A1+          | -           | -                  |
|                                |            |          |                   | -           | -                 | 21-MAR-2024 | [ICRA]A1+         | -           | -                  | -           | -                  |
| Non-convertible debentures     | Long term  | 835.00   | [ICRA]AA (Stable) | 13-AUG-2024 | [ICRA]AA (Stable) | 29-SEP-2023 | [ICRA]AA (Stable) | 18-APR-2022 | [ICRA]AA- (Stable) | 20-APR-2021 | [ICRA]AA- (Stable) |
|                                |            |          |                   | -           | -                 | 17-NOV-2023 | [ICRA]AA (Stable) | 02-SEP-2022 | [ICRA]AA- (Stable) | -           | -                  |
|                                |            |          |                   | -           | -                 | 17-NOV-2023 | [ICRA]AA (Stable) | 18-OCT-2022 | [ICRA]AA- (Stable) | -           | -                  |
|                                |            |          |                   | -           | -                 | 08-JAN-2024 | [ICRA]AA (Stable) | 24-FEB-2023 | [ICRA]AA- (Stable) | -           | -                  |
|                                |            |          |                   | -           | -                 | 06-MAR-2024 | [ICRA]AA (Stable) | -           | -                  | -           | -                  |
|                                |            |          |                   | -           | -                 | 06-MAR-2024 | [ICRA]AA (Stable) | -           | -                  | -           | -                  |
|                                |            |          |                   | -           | -                 | 21-MAR-2024 | [ICRA]AA (Stable) | -           | -                  | -           | -                  |
|                                |            |          |                   | -           | -                 | 21-MAR-2024 | [ICRA]AA (Stable) | -           | -                  | -           | -                  |

Source: ICRA Research; Note: TL – Term loan, CC – Cash credit  
 \* As of August 31, 2024

### Complexity level of the rated instruments

| Instrument  | Complexity Indicator |
|---|----------------------|
| Non-convertible debentures                            | Very simple          |
| Long-term market linked debentures                    | Moderately complex   |
| Long-term fund-based TL                               | Simple               |
| Long-term fund-based CC                               | Simple               |
| Long-term fund-based/non-fund based others            | Simple               |
| Long-term/short-term fund-based/non-fund based others | Simple               |
| Commercial paper                                      | Very simple          |

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^**

| ISIN         | Instrument Name   | Date of Issuance/<br>Sanction | Coupon<br>Rate | Maturity<br>Date | Amount Rated<br>(Rs. crore) | Current Rating and<br>Outlook |
|--------------|-------------------|-------------------------------|----------------|------------------|-----------------------------|-------------------------------|
| INE604O14064 | Commercial paper  | May-02-2024                   | 9.3000%        | Oct-08-2024      | 20.00                       | [ICRA]A1+                     |
| INE604O14072 | Commercial paper  | Jun-18-2024                   | 8.9500%        | Sep-27-2024      | 50.00                       | [ICRA]A1+                     |
| INE604O14080 | Commercial paper  | Jun-28-2024                   | 8.9500%        | Oct-10-2024      | 25.00                       | [ICRA]A1+                     |
| INE604O14098 | Commercial paper  | Jul-10-2024                   | 8.8000%        | Sep-11-2024      | 150.00                      | [ICRA]A1+                     |
| INE604O14106 | Commercial paper  | Jul-19-2024                   | 9.1000%        | Dec-16-2024      | 25.00                       | [ICRA]A1+                     |
| NA           | Commercial paper* | NA                            | NA             | NA               | 330.00                      | [ICRA]A1+                     |
| INE604O07175 | NCD               | Nov-28-2023                   | 9.7500%        | Aug-22-2025      | 200.00                      | [ICRA]AA (Stable)             |
| INE604O07183 | NCD               | Jan-24-2024                   | 9.8000%        | Jul-24-2026      | 50.00                       | [ICRA]AA (Stable)             |
| INE604O08132 | NCD               | Mar-12-2024                   | 9.8000%        | Mar-12-2027      | 464.00                      | [ICRA]AA (Stable)             |
| INE604O08140 | NCD               | Jun-04-2024                   | 9.8000%        | Jun-04-2027      | 13.40                       | [ICRA]AA (Stable)             |
| NA           | NCD*              | NA                            | NA             | NA               | 507.60                      | [ICRA]AA (Stable)             |
| INE604O07167 | Long-term MLD     | Oct-21-2022                   | 8.7500%        | Oct-21-2024      | 150.00                      | PP-MLD[ICRA]AA (Stable)       |
| NA           | Term loan - 1     | Mar-26-2021                   | NA             | Mar-31-2025      | 9.38                        | [ICRA]AA (Stable)             |
| NA           | Term loan - 2     | Mar-09-2022                   | NA             | Mar-31-2026      | 21.88                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 3     | Sep-23-2022                   | NA             | Sep-30-2025      | 41.67                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 4     | Mar-09-2023                   | NA             | Mar-24-2026      | 58.33                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 5     | Dec-27-2023                   | NA             | Dec-31-2026      | 250.00                      | [ICRA]AA (Stable)             |
| NA           | Term loan - 6     | Jun-14-2021                   | NA             | Jun-30-2025      | 10.68                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 7     | Jun-29-2022                   | NA             | Jun-30-2026      | 99.63                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 8     | Jul-24-2023                   | NA             | Aug-21-2026      | 145.16                      | [ICRA]AA (Stable)             |
| NA           | Term loan - 9     | Mar-30-2023                   | NA             | Mar-31-2025      | 75.00                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 10    | Aug-29-2023                   | NA             | Aug-30-2026      | 133.33                      | [ICRA]AA (Stable)             |
| NA           | Term loan - 11    | Aug-29-2023                   | NA             | Aug-30-2026      | 75.00                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 12    | Mar-30-2024                   | NA             | Mar-30-2026      | 256.38                      | [ICRA]AA (Stable)             |
| NA           | Term loan - 13    | Jun-26-2024                   | NA             | Jun-27-2026      | 100.00                      | [ICRA]AA (Stable)             |
| NA           | Term loan - 14    | Apr-27-2021                   | NA             | Jul-31-2025      | 26.67                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 15    | Jan-04-2022                   | NA             | Feb-28-2025      | 8.12                        | [ICRA]AA (Stable)             |
| NA           | Term loan - 16    | Dec-27-2022                   | NA             | Mar-02-2026      | 24.82                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 17    | Sep-25-2023                   | NA             | Sep-29-2026      | 166.14                      | [ICRA]AA (Stable)             |
| NA           | Term loan - 18    | Sep-25-2023                   | NA             | Mar-31-2027      | 45.75                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 19    | Feb-18-2022                   | NA             | Jan-31-2025      | 6.90                        | [ICRA]AA (Stable)             |
| NA           | Term loan - 20    | Sep-27-2023                   | NA             | Dec-31-2027      | 49.86                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 21    | Feb-19-2022                   | NA             | Mar-11-2026      | 22.95                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 22    | Mar-21-2022                   | NA             | Mar-31-2026      | 32.81                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 23    | Mar-21-2023                   | NA             | Mar-29-2026      | 31.82                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 24    | Jan-30-2024                   | NA             | Jan-30-2028      | 43.75                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 25    | Mar-25-2022                   | NA             | Mar-28-2026      | 93.33                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 26    | May-19-2022                   | NA             | Mar-31-2025      | 13.60                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 27    | Jun-27-2022                   | NA             | Jun-28-2025      | 16.35                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 28    | Aug-29-2023                   | NA             | Aug-31-2026      | 16.54                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 29    | Nov-01-2022                   | NA             | Oct-31-2025      | 11.21                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 30    | Dec-17-2022                   | NA             | Dec-29-2026      | 30.86                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 31    | Dec-17-2022                   | NA             | Dec-29-2026      | 1.32                        | [ICRA]AA (Stable)             |
| NA           | Term loan - 32    | Nov-28-2023                   | NA             | Dec-07-2027      | 89.3                        | [ICRA]AA (Stable)             |
| NA           | Term loan - 33    | Nov-28-2023                   | NA             | Dec-07-2027      | 1.82                        | [ICRA]AA (Stable)             |
| NA           | Term loan - 34    | Dec-28-2022                   | NA             | Jan-25-2026      | 13.78                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 35    | Nov-24-2023                   | NA             | Dec-01-2026      | 28.76                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 36    | Jan-09-2023                   | NA             | Jan-31-2027      | 133.33                      | [ICRA]AA (Stable)             |
| NA           | Term loan - 37    | Jan-19-2023                   | NA             | Mar-29-2027      | 39.04                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 38    | Jun-22-2023                   | NA             | Jun-28-2025      | 31.25                       | [ICRA]AA (Stable)             |
| NA           | Term loan - 39    | Jun-22-2023                   | NA             | Jun-28-2025      | 11.36                       | [ICRA]AA (Stable)             |

| ISIN | Instrument Name                                | Date of Issuance/<br>Sanction | Coupon<br>Rate | Maturity<br>Date | Amount Rated<br>(Rs. crore) | Current Rating and<br>Outlook   |
|------|--|-------------------------------|----------------|------------------|-----------------------------|---------------------------------|
| NA   | Term loan - 40                                 | Jun-21-2023                   | NA             | Jun-27-2027      | 85.70                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 41                                 | Apr-21-2023                   | NA             | Jun-30-2025      | 49.61                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 42                                 | Jun-26-2023                   | NA             | Jul-05-2026      | 31.94                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 43                                 | Jul-24-2023                   | NA             | Jul-31-2027      | 42.64                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 44                                 | Aug-10-2023                   | NA             | Jul-20-2026      | 16.91                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 45                                 | Oct-12-2023                   | NA             | Oct-31-2026      | 650.00                      | [ICRA]AA (Stable)               |
| NA   | Term loan - 46                                 | Oct-05-2023                   | NA             | May-22-2026      | 34.75                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 47                                 | Oct-05-2023                   | NA             | May-18-2026      | 49.97                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 48                                 | Nov-23-2023                   | NA             | Nov-30-2026      | 41.67                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 49                                 | Jun-24-2024                   | NA             | Jun-30-2027      | 55.00                       | [ICRA]AA (Stable)               |
| NA   | Term loan - 50                                 | Dec-12-2023                   | NA             | Oct-19-2026      | 76.48                       | [ICRA]AA (Stable)               |
| NA   | Cash credit - 1                                | NA                            | NA             | NA               | 10.00                       | [ICRA]AA (Stable)               |
| NA   | Cash credit - 2                                | NA                            | NA             | NA               | 45.00                       | [ICRA]AA (Stable)               |
| NA   | Cash credit - 3                                | NA                            | NA             | NA               | 123.00                      | [ICRA]AA (Stable)               |
| NA   | Cash credit - 4                                | NA                            | NA             | NA               | 5.00                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 5                                | NA                            | NA             | NA               | 77.00                       | [ICRA]AA (Stable)               |
| NA   | Cash credit - 6                                | NA                            | NA             | NA               | 25.00                       | [ICRA]AA (Stable)               |
| NA   | Cash credit - 7                                | NA                            | NA             | NA               | 25.00                       | [ICRA]AA (Stable)               |
| NA   | Cash credit - 8                                | NA                            | NA             | NA               | 5.00                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 9                                | NA                            | NA             | NA               | 0.25                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 10                               | NA                            | NA             | NA               | 1.00                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 11                               | NA                            | NA             | NA               | 0.50                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 12                               | NA                            | NA             | NA               | 1.00                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 13                               | NA                            | NA             | NA               | 1.00                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 14                               | NA                            | NA             | NA               | 0.02                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 15                               | NA                            | NA             | NA               | 0.01                        | [ICRA]AA (Stable)               |
| NA   | Cash credit - 16                               | NA                            | NA             | NA               | 2.00                        | [ICRA]AA (Stable)               |
| NA   | Bank line - 1                                  | NA                            | NA             | NA               | 299.75                      | [ICRA]AA (Stable)               |
| NA   | Bank line - 2                                  | NA                            | NA             | NA               | 149.66                      | [ICRA]AA (Stable)               |
| NA   | Bank line - 3                                  | NA                            | NA             | NA               | 75.00                       | [ICRA]AA (Stable)               |
| NA   | Bank line - 4                                  | NA                            | NA             | NA               | 97.22                       | [ICRA]AA (Stable)               |
| NA   | Bank line - 5                                  | NA                            | NA             | NA               | 100.00                      | [ICRA]AA (Stable)               |
| NA   | Bank line - 6                                  | NA                            | NA             | NA               | 39.58                       | [ICRA]AA (Stable)               |
| NA   | Bank line - 7                                  | NA                            | NA             | NA               | 41.33                       | [ICRA]AA (Stable)               |
| NA   | Bank line - 8                                  | NA                            | NA             | NA               | 47.58                       | [ICRA]AA (Stable)               |
| NA   | Bank line - 9                                  | NA                            | NA             | NA               | 84.74                       | [ICRA]AA (Stable)               |
| NA   | Bank line - 10                                 | NA                            | NA             | NA               | 166.14                      | [ICRA]AA (Stable)               |
| NA   | Bank line - 11                                 | NA                            | NA             | NA               | 150.00                      | [ICRA]AA (Stable)               |
| NA   | Bank line - 12                                 | NA                            | NA             | NA               | 200.00                      | [ICRA]AA (Stable)               |
| NA   | Bank line - 13                                 | NA                            | NA             | NA               | 200.00                      | [ICRA]A1+                       |
| NA   | Bank line - 14                                 | NA                            | NA             | NA               | 400.00                      | [ICRA]A1+                       |
| NA   | Bank line - 15                                 | NA                            | NA             | NA               | 0.25                        | [ICRA]AA (Stable)               |
| NA   | Long-term fund-based<br>term loan – Proposed   | NA                            | NA             | NA               | 47.45                       | [ICRA]AA (Stable)               |
| NA   | Long-term fund-based<br>cash credit – Proposed | NA                            | NA             | NA               | 129.22                      | [ICRA]AA (Stable)               |
| NA   | Long-term fund-based<br>others – Proposed      | NA                            | NA             | NA               | 2,510.75                    | [ICRA]AA (Stable)/<br>[ICRA]A1+ |

Source: ICRA Research, DFPL; ^ As of August 31, 2024; \* Yet to be placed

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

| <b>Company Name</b>  | <b>Ownership</b>          | <b>Consolidation Approach</b> |
|--|---------------------------|-------------------------------|
| DMI Finance Private Limited (DFPL)                         | Rated Entity              | Full Consolidation            |
| DMI Housing Finance Private Limited (DHFPL)                | Fellow Subsidiary         | Full Consolidation            |
| DMI Management Private Limited (DMPL; until Nov-01-2023)   | Erstwhile 100% Subsidiary | Full Consolidation            |
| DMI Capital Private Limited (DCPL)                         | 100% Subsidiary           | Full Consolidation            |
| DMI Alternatives Private Limited (DAPL; until Sep-25-2023) | Erstwhile 49% Subsidiary  | Full Consolidation            |
| Appnit Technologies Private Limited                        | 95% Subsidiary            | Full Consolidation            |
| Ampverse DMI Private limited (ADPL; w.e.f. Jul-05-2023)    | Joint Venture (49%)       | Full Consolidation            |

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## ICRA Limited

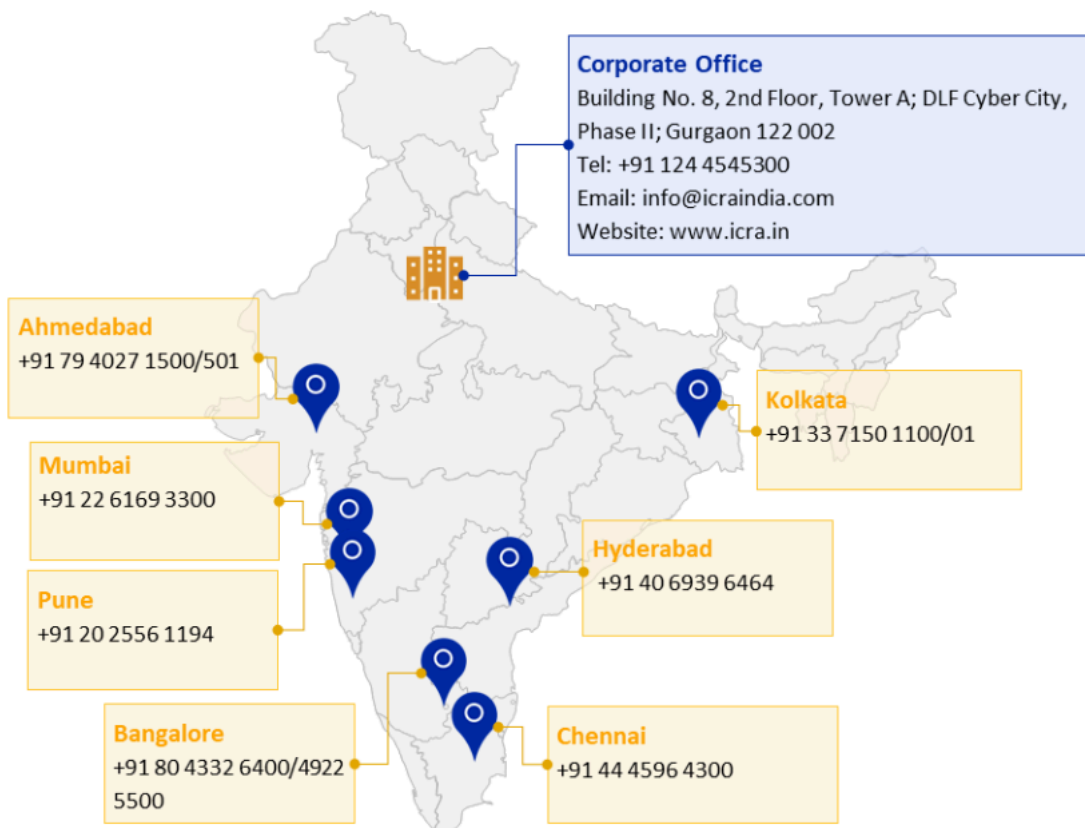


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### Branches



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