October 24, 2024

DMI Finance Private Limited: Long-term ratings placed on Watch with Negative Implications and short-term rating reaffirmed; rated amount enhanced for CP

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	1,235.0	1,235.0	[ICRA]AA; placed on Rating Watch with Negative Implications
Long-term market linked debentures	150.0	150.0	PP-MLD[ICRA]AA; placed on Rating Watch with Negative Implications
Long-term fund-based term loan	3,450.0	3,450.0	[ICRA]AA; placed on Rating Watch with Negative Implications
Long-term fund-based cash credit	450.0	450.0	[ICRA]AA; placed on Rating Watch with Negative Implications
Long-term/short-term fund-based/ non-fund based others	4,562.0	4,562.0	[ICRA]AA; placed on Rating Watch with Negative Implications; [ICRA]A1+ reaffirmed
Commercial paper	600.0	1,100.0	[ICRA]A1+; reaffirmed/assigned for enhanced amount
Total	**10,447.0**	**10,947.0**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has placed DMI Finance Private Limited's (DFPL) long-term ratings on Watch with Negative Implications following the Reserve Bank of India's (RBI) action, vide its press release dated October 17, 2024, directing the company to cease and desist from the sanction and disbursal of loans, effective from close of business of October 21, 2024.

As indicated by the company, this action is based on material supervisory concerns observed in its pricing policy in terms of its weighted average lending rate (WALR), which were found to be excessive and not in adherence with the regulations laid down in the Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023, dated October 19, 2023 (updated on March 21, 2024). These business restrictions do not preclude DFPL from servicing its existing customers by way of carrying out collections and recoveries in accordance with the extant regulatory guidelines. The imposed curbs will be reviewed upon the receipt of confirmation from DFPL regarding the adoption of suitable remedial actions in view of the above supervisory observation to adhere to the regulatory guidelines at all times, particularly regarding its pricing policy, risk management processes, and customer service and grievance redressal, to the satisfaction of the RBI.

Considering the complete ban on the sanction and disbursal of loans, DFPL's overall scale of operations would decline as the existing loan book would amortise quickly, given the short-term nature of the loans. While the company has been allowed to continue with its collection and recovery process, its ability to maintain the asset quality shall be a monitorable if the ban on disbursements stays for a prolonged period. Further, the prolonged ban could impact lender confidence, which shall affect the credit profile, nevertheless, the liquidity remains strong. With the restrictions on lending, the company's profitability is likely to be negatively impacted, depending on the duration of the ban. Since DFPL would need to recalibrate the lending yields in line with the RBI directions, the impact on earnings, going forward, would remain a monitorable.

The management has indicated that they are in the process of taking remediation actions and would be implementing the changes over the short term and represent to the RBI accordingly. ICRA will continue to monitor developments closely and will take appropriate rating action based on the resolution of the regulatory restrictions and/or its impact on the company's credit risk profile.

DFPL's liquidity profile is strong with cash and liquid investments of Rs. 1,608 crore as on October 17, 2024 compared with the scheduled debt repayment of Rs. 4,900 crore for the 12-month period ending September 30, 2025 (as per the asset-liability maturity {ALM} profile as on September 30, 2024). Since there will be no fresh disbursements, the cash position would be boosted by the collections from the current loan book. The liquidity profile is expected to be strengthened further by the expected liquidity support from equity investors, if required. ICRA has, therefore, reaffirmed the company's short-term rating.

To arrive at the ratings, ICRA has taken a consolidated view of 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 for the DMI Group continue to factor in its strong capitalisation and improved investor profile, following the capital infusion in April 2023. 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. 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 plans to maintain prudent capitalisation with a peak gearing of 2x over the longer term. ICRA has taken cognisance of 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. While the 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 increase the portfolio vulnerability.

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[1] 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.

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 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

[1] *Including off-book portfolio of Rs. 151 crore and pass-through certificates (PTCs) of Rs. 166 crore as June 30, 2024 (Rs. 133 crore and Rs. 179 crore, respectively, as on March 31, 2024)*

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 – 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.

The Group's borrowing profile, as on June 30, 2024, comprised borrowings from banks/non-banking financial companies (NBFCs)/financial institutions (FIs; 70%), debentures (14%), securitisation (14%), and others including commercial paper (CP; 2%). However, the prolonged ban could impact lender confidence, which shall affect the credit profile, nevertheless, the liquidity remains strong.

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[2] 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. Considering the complete ban on the sanction and disbursal of loans, DFPL's overall scale of operations would decline as the existing loan book would amortise quickly, given the short-term nature of the loans.

While DFPL has been allowed to continue with its collection and recovery process, its ability to maintain the asset quality shall be a monitorable if the ban on disbursements stays for a prolonged period. 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.

[2] *Including PTCs of Rs. 344 crore for DFPL and Rs. 166 crore for DHFPL as on June 30, 2024*

As for DHFPL at the standalone level, the loan book stood at Rs. 1,685 crore[3] 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.

Profitability to be impacted – While the Group's (DFPL standalone + DHFPL) yields remained stable at 23.2% in Q1 FY2025[4] (23.3% in FY2024[5] 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. With the restrictions on lending, the company's profitability is likely to be negatively impacted, depending on the duration of the ban. Since DFPL would need to recalibrate the lending yields in line with the RBI directions, the impact on earnings, going forward, would remain a monitorable.

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 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 September 30, 2024, the ALM reflected debt maturities of Rs. 4,900 crore for the 12-month period ending September 30, 2025 against expected inflows from performing advances of Rs. 8,678 crore. This, along with the sizeable cash and liquid investments of Rs. 1,200 crore at the standalone level (equivalent to ~15% of borrowings) and unutilised working capital lines of ~Rs. 459 crore as on September 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 – As the long-term ratings are under Watch with Negative Implications, a rating upgrade is unlikely in the near term.

Negative factors – A longer-than-expected delay in the lifting of the regulatory restrictions . Additionally, the ratings could come under pressure if there is a significant deterioration in the asset quality indicators or the liquidity profile.

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[3] Including PTCs of Rs. 166 crore as on June 30, 2024

[4] The ratios for the Group for Q1 FY2025 are based on provisional financials of DFPL (standalone) + DHFPL

[5] The ratios for the Group for FY2023 are based on audited financials of DFPL (consolidated) + DHFPL

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies
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[6] loan book (95% of the 12,823-crore[7] 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[8], 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[9] 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).

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[6] *Including PTCs of Rs. 344 crore as on June 30, 2024*
[7] *Including PTCs of Rs. 367 crore as on March 31, 2024*
[8] *Figures and ratios for Q1 FY2025 are based on provisional financials for DFPL (standalone)*
[9] *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^				DFPL^ + DHFPL			
	FY2022	FY2023	FY2024	Q1 FY2025*	FY2022	FY2023	FY2024	Q1 FY2025*
Total income	920	1,662	2,674	824	1,038	1,812	2,888	888
Profit after tax	59	320	403	78	78	355	456	90
Total gross assets	7,268	9,060	14,545	15,375	8,434	10,657	16,453	17,338
Return on average assets	0.9%	3.9%	3.4%	2.1%	1.0%	3.7%	3.4%	2.1%
Gearing (times)	0.7	1.0	1.0	1.1	0.7	1.0	1.1	1.2
Gross stage 3	2.2%	3.4%	2.5%	2.5%	2.0%	3.0%	2.3%	2.3%
CRAR	61.3%	50.9%	44.8%	44.6%	NA	NA	NA	NA

*Source: DFPL, DHFPL, ICRA Research; Amount in Rs. crore; ^ KFIs for FY2022, FY2023 and FY2024 are for DFPL on a consolidated basis while KFIs 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

	Current (FY2025)					Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023		FY2022	
Instrument	**Type**	**Amount rated (Rs. crore)**	**24-OCT-2024**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Long-term/short-term fund based/non-fund based – Others	Long term/ Short term	4,562.00	[ICRA]AA; Rating Watch with Negative Implications/[ICRA]A1+	13-AUG-2024	[ICRA]AA (Stable)/[ICRA]A1+	-	-	-	-	-	-
				20-SEP-2024	[ICRA]AA (Stable)/[ICRA]A1+	-	-	-	-	-	-
Commercial paper	Short term	1,100.00	[ICRA]A1+	13-AUG-2024	[ICRA]A1+	29-SEP-2023	[ICRA]A1+	18-APR-2022	[ICRA]A1+	20-APR-2021	[ICRA]A1+
				20-SEP-2024	[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	1,235.00	[ICRA]AA; Rating Watch with Negative Implications	13-AUG-2024	[ICRA]AA (Stable)	29-SEP-2023	[ICRA]AA (Stable)	18-APR-2022	[ICRA]AA- (Stable)	20-APR-2021	[ICRA]AA- (Stable)
				20-SEP-2024	[ICRA]AA (Stable)	17-NOV-2023	[ICRA]AA (Stable)	02-SEP-2022	[ICRA]AA- (Stable)	-	-
				20-SEP-2024	[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)	-	-	-	-
Long-term fund based – Cash credit	Long term	450.00	[ICRA]AA; Rating Watch with Negative Implications	13-AUG-2024	[ICRA]AA (Stable)	29-SEP-2023	[ICRA]AA (Stable)	02-SEP-2022	[ICRA]AA- (Stable)	-	-
				20-SEP-2024	[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)	-	-	-	-
Long-term market linked debenture	Long term	150.00	[ICRA]AA; Rating Watch with Negative Implications	13-AUG-2024	PP-MLD[ICRA]AA (Stable)	29-SEP-2023	PP-MLD[ICRA]AA (Stable)	18-OCT-2022	PP-MLD[ICRA]AA- (Stable)	-	-
				20-SEP-2024	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 fund based – Term loan	Long term	3,450.00	[ICRA]AA; Rating Watch with Negative Implications	13-AUG-2024	[ICRA]AA (Stable)	29-SEP-2023	[ICRA]AA (Stable)	18-APR-2022	[ICRA]AA- (Stable)	20-APR-2021	[ICRA]AA- (Stable)
				20-SEP-2024	[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)	-	-	-	-

Source: ICRA Research

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/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE604O14114	Commercial paper	Sep-13-2024	8.6000%	Dec-13-2024	175.00	[ICRA]A1+
INE604O14106	Commercial paper	Jul-19-2024	9.1000%	Dec-16-2024	25.00	[ICRA]A1+
INE604O14122	Commercial paper	Sep-24-2024	8.6000%	Dec-24-2024	50.00	[ICRA]A1+
INE604O14130	Commercial paper	Oct-09-2024	8.5800%	Jan-09-2025	150.00	[ICRA]A1+
INE604O14148	Commercial paper	Oct-16-2024	8.9400%	Jul-17-2025	25.00	[ICRA]A1+
NA	Commercial paper*	NA	NA	NA	675.00	[ICRA]A1+
INE604O07175	NCD	Nov-28-2023	9.7500%	Aug-22-2025	200.00	[ICRA]AA; Rating Watch with Negative Implications
INE604O07183	NCD	Jan-24-2024	9.8000%	Jul-24-2026	50.00	[ICRA]AA; Rating Watch with Negative Implications
INE604O08132	NCD	Mar-12-2024	9.8000%	Mar-12-2027	464.00	[ICRA]AA; Rating Watch with Negative Implications
INE604O08140	NCD	Jun-04-2024	9.8000%	Jun-04-2027	13.40	[ICRA]AA; Rating Watch with Negative Implications
INE604O07191	NCD	Sep-30-2024	9.7000%	Jan-12-2027	140.0	[ICRA]AA; Rating Watch with Negative Implications
INE604O08157	NCD	Oct-18-2024	9.7500%	Apr-18-2027	56.17	[ICRA]AA; Rating Watch with Negative Implications
NA	NCD*	NA	NA	NA	311.43	[ICRA]AA; Rating Watch with Negative Implications
INE604O07167	Long-term MLD	Oct-21-2022	8.7500%	Oct-21-2024	150.00	PP-MLD[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 1	Mar-26-2021	NA	Mar-31-2025	6.25	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 2	Mar-09-2022	NA	Mar-31-2026	18.75	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 3	Sep-23-2022	NA	Sep-30-2025	33.33	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 4	Mar-09-2023	NA	Mar-24-2026	50.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 5	Dec-27-2023	NA	Dec-31-2026	225.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 6	Jun-14-2021	NA	Jun-30-2025	9.48	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 7	Jun-29-2022	NA	Jun-30-2026	94.79	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 8	Jul-24-2023	NA	Aug-21-2026	139.04	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 9	Mar-30-2023	NA	Mar-31-2025	50.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 10	Aug-29-2023	NA	Aug-30-2026	133.33	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 11	Aug-29-2023	NA	Aug-30-2026	66.67	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 12	Mar-29-2024	NA	Mar-30-2026	219.75	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 13	Jun-26-2024	NA	Jun-27-2026	87.50	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 14	Apr-27-2021	NA	Jul-31-2025	20.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 15	Jan-04-2022	NA	Feb-28-2025	8.11	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 16	Dec-27-2022	NA	Mar-02-2026	24.81	[ICRA]AA; Rating Watch with Negative Implications

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan - 17	Sep-25-2023	NA	Sep-29-2026	166.10	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 18	Sep-25-2023	NA	Jun-28-2027	41.57	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 19	Feb-18-2022	NA	Jan-31-2025	5.47	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 20	Sep-27-2023	NA	Dec-31-2027	46.28	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 21	Feb-19-2022	NA	Mar-11-2026	19.61	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 22	Mar-21-2022	NA	Mar-31-2026	32.81	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 23	Mar-21-2023	NA	Mar-29-2026	27.27	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 24	Jan-30-2024	NA	Jan-30-2028	43.75	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 25	Sep-25-2024	NA	Sep-30-2026	50.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 26	Mar-25-2022	NA	Mar-28-2026	80.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 27	May-19-2022	NA	Mar-31-2025	9.05	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 28	Jun-27-2022	NA	Jun-28-2025	12.17	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 29	Aug-29-2023	NA	Aug-31-2026	16.53	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 30	Sep-20-2024	NA	Sep-26-2027	49.99	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 31	Nov-01-2022	NA	Oct-31-2025	11.21	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 32	Dec-17-2022	NA	Dec-30-2026	29.79	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 33	Dec-17-2022	NA	Feb-27-2027	1.28	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 34	Nov-28-2023	NA	Dec-07-2027	87.11	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 35	Nov-28-2023	NA	Dec-07-2027	1.78	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 36	Dec-28-2022	NA	Jan-25-2026	12.97	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 37	Nov-24-2023	NA	Dec-25-2026	27.73	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 38	Jan-09-2023	NA	Jan-31-2027	120.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 39	Jan-19-2023	NA	Mar-29-2027	35.46	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 40	Jun-23-2023	NA	Jun-28-2025	28.13	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 41	Jun-23-2023	NA	Jun-28-2025	10.23	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 42	Aug-31-2024	NA	Sep-06-2026	200.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 43	Jun-21-2023	NA	Jun-27-2027	78.55	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 44	Mar-21-2023	NA	Jun-30-2025	37.08	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 45	Jun-26-2023	NA	Jul-05-2026	30.56	[ICRA]AA; Rating Watch with Negative Implications

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan - 46	Jul-24-2023	NA	Jul-31-2027	42.63	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 47	Aug-10-2023	NA	Jul-20-2026	16.18	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 48	Dec-12-2023	NA	Oct-19-2026	73.54	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 49	Oct-12-2023	NA	Oct-31-2026	600.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 50	Oct-05-2023	NA	May-22-2026	34.74	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 51	Oct-05-2023	NA	May-22-2026	43.70	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 52	Nov-23-2023	NA	Nov-30-2026	37.50	[ICRA]AA; Rating Watch with Negative Implications
NA	Term loan - 53	Jun-24-2024	NA	Jun-30-2027	50.42	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 1	NA	NA	NA	10.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 2	NA	NA	NA	45.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 3	NA	NA	NA	5.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 4	NA	NA	NA	160.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 5	NA	NA	NA	25.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 6	NA	NA	NA	25.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 7	NA	NA	NA	5.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 8	NA	NA	NA	0.25	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 9	NA	NA	NA	1.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 10	NA	NA	NA	0.50	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 11	NA	NA	NA	1.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 12	NA	NA	NA	1.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 13	NA	NA	NA	0.02	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 14	NA	NA	NA	0.01	[ICRA]AA; Rating Watch with Negative Implications
NA	Cash credit - 15	NA	NA	NA	2.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 1	NA	NA	NA	299.7	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 2	NA	NA	NA	69.7	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 3	NA	NA	NA	93.75	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 4	NA	NA	NA	37.50	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 5	NA	NA	NA	149.62	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 6	NA	NA	NA	72.22	[ICRA]AA; Rating Watch with Negative Implications

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Bank line - 7	NA	NA	NA	94.44	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 8	NA	NA	NA	149.42	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 9	NA	NA	NA	40.05	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 10	NA	NA	NA	46.35	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 11	NA	NA	NA	143.75	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 12	NA	NA	NA	100.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 13	NA	NA	NA	100.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 14	NA	NA	NA	240.00	[ICRA]AA; Rating Watch with Negative Implications
NA	Bank line - 15	NA	NA	NA	200.00	[ICRA]A1+
NA	Bank line - 16	NA	NA	NA	400.00	[ICRA]A1+
NA	Bank line - 17	NA	NA	NA	0.25	[ICRA]AA; Rating Watch with Negative Implications
NA	Long-term fund-based term loan – Proposed	NA	NA	NA	52.0	[ICRA]AA; Rating Watch with Negative Implications
NA	Long-term fund-based cash credit – Proposed	NA	NA	NA	169.22	[ICRA]AA; Rating Watch with Negative Implications
NA	Long-term fund-based others – Proposed	NA	NA	NA	2,325.25	[ICRA]AA; Rating Watch with Negative Implications /[ICRA]A1+

*Source: ICRA Research, DFPL; ^ As of September 30, 2024 for bank facilities and as on October 19, 2024 for CP, NCD and Long-term MLD; * 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; 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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