



## Press Release

### Dhani Loans and Services Limited (DLSL)

#### Revised Press Release

**May 09, 2025**

This is with reference to the press release dated November 19, 2024. The revised press release stands as below: The revised press release consists of additional details as mentioned below as per the regulatory guidelines:

- The revised press release stands corrected with respect to Net NPA details for FY23 which was incorrectly mentioned as 2.85% instead of 2.88%.

Link to the press release dated November 19, 2024, published on Infomerics' website:

<https://www.infomerics.com/admin/uploads/pr-DhaniLoans-19nov24.pdf>

#### **Ratings**

<b>Facilities/Instrument</b>	<b>Amount (INR crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><a href="#">Complexity Indicator</a></b>
Non-Convertible Debentures (NCDs)	72.83 (Decreased from 272.68)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/ Negative (IVR Triple B Minus with Negative Outlook)	Reaffirmed/ Outlook revised	Simple
Non-Convertible Debentures (NCDs)	0.00	--	--	Withdrawn*	Simple
<b>Total</b>	<b>72.83</b>	<b>(INR Seventy-two crore and eighty-three lakhs only)</b>			

\* Rating withdrawn on full redemption

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### **Detailed Rationale**

Infomerics ratings has reaffirmed its ratings assigned to non-convertible debentures of Dhani Loans and Services Limited (DLSL) while revising its outlook to stable from negative. Reaffirmation of ratings continues to derive comfort from improved financial profile and



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comfortable capitalisation. However, these strengths are partially constrained by average, albeit improving asset quality and Inherent risks associated with unsecured lending coupled with intense competition.

The revision in outlook from negative to Stable reflects overall improvement in the financial performance of the company in FY24 with improved profitability, asset quality and capital adequacy when compared to FY23.

Simultaneously, Infomerics ratings has withdrawn its ratings assigned to "Non-convertible Debentures" (NCDs) of Rs.199.86 crore NCDs based on the company request and no dues certificate received from debenture trustee. The rating withdrawal is in line with Infomerics' policy on withdrawal of ratings.

### **Key Rating Sensitivities:**

#### **➤ Upward Rating Factor:**

Substantial and sustained growth in AUM coupled with improvement in profitability, asset quality and capitalization levels.

#### **➤ Downward Rating Factor:**

Inability to scale up loan book and/or any deterioration in asset quality impacting the profitability of the company.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Improved financial profile:**

DLPLs financial performance has improved in FY24 (refers to period from April 1st, 2023, to Mar 31, 2024) with Net Interest Income (NII) increasing from Rs. 31.63 crore in FY23 to Rs. 146.98 crore in FY24, driven by improved collection efficiency and reduced interest cost due to prepayment/reduction of debt. DLPL reported profit after tax (PAT) of Rs. 73.74 crore for FY24 compared to net loss of Rs. -143.70 crore in FY23 on the back of lower credit costs and reduced interest costs. There has been a marginal improvement in AUM from Rs. 1367.23



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crore in FY23 to Rs. 1665.97 crore in FY24 due to cautious and selective lending to existing customers. DLPLs ability to scale up its operations while maintaining a balanced and conservative approach in lending will be a key rating monitorable.

### **Comfortable Capitalization:**

DLPL is comfortably capitalised with total Capital to Risk-Weighted Assets Ratio (CRAR) of 88.39% for FY24 (FY23: 83.15%), further increased to 91.64% in Q1FY25 which is well above regulatory requirements. Further with a low gearing ratio of 0.07x on a net worth of Rs. 3,152.55 crore in FY24 which has further increased to Rs. 3188.04 crore in Q1FY25, indicates minimal reliance on external borrowings.

### **Key Rating Weaknesses**

#### **Average, albeit improving asset quality:**

DLPL's asset quality has shown improvement in FY24, with Gross Non-Performing Asset (GNPA) and Net Non-Performing Asset (NNPA) ratios declining to 1.88% (FY23: 4.11%) and 0.17% (FY23: 2.88%), respectively. This improvement is largely attributed to the company's strengthened in-house collection mechanisms, which have contributed to better recovery and lower delinquencies. Additionally, DLPL's provision coverage ratio remains robust at 90.93%, reflecting the company's prudent provisioning practices. However, the GNPA and NNPA has increased to 3.44% and 2.60% in Q1FY25 respectively on the back of fresh slippages. Going forward, the ability of the company to maintain healthy asset quality amidst fresh slippages will be a key rating monitorable.

#### **Inherent risks associated with unsecured lending coupled with intense competition.**

DLPLs product diversification remains low with the concentration primarily being in the unsecured lending segment. Also, the company's portfolio remains relatively risky, given the unsecured nature of the loans. Unsecured lending to the marginal borrower profile and the political and operational risks associated with microlending may result in high volatility in the asset quality indicators. The lending industry is prone to socio-political and operational risks, which could negatively impact the company's operations and thus its financial position as has been seen during the pandemic coupled with severe competition by other NBFCs and Banks.



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**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Financial Institutions/Non-Banking Finance companies](#)

[Policy on Default Recognition and Post – Default Curing Period](#)

[Criteria of assigning Rating Outlook.](#)

[Complexity level of rated instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Policy on withdrawal of ratings](#)

### **Liquidity – Adequate**

DLSL is adequately capitalized with total CRAR (%) of 88.39% as on March 31, 2024, and Tangible Net worth of Rs 3152.55 Crores. Also, it has adequately matched asset liability profile as on June 30, 2024. As on 30 Sept 2024, DLSL has liquidity of Rs. 133.95 crore in the form of Free FDRs, investment in mutual funds and cash and bank balances.

### **About the Company**

Dhani Loans and Services Limited (DLSL, erstwhile Indiabulls Consumer Finance Limited) is a wholly owned subsidiary of Dhani Services Limited (DSL, erstwhile Indiabulls Ventures Limited). The company was incorporated on October 27, 1994. The company is registered as a non-deposit taking systemically important non-banking finance company (NBFC-ND-SI) and provides loans against properties, personal loans, and unsecured business loans.

### **Financials (Standalone):**

	INR in Crore	
For the year ended/As on*	31-03-2023	31-03-2024
	(Audited)	(Audited)
Total Income	425.43	317.58
PAT	(143.70)	73.74



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Tangible net worth	3,068.19	3,152.55
Total debt	438.57	205.77
AUM	1,367.23	1,665.97
<b>Ratios</b>		
NIM (%)	1.34	9.69
Total CRAR (%)	83.15%	88.39%
Gross NPA [Stage III] (%)	4.11%	1.88%
Net NPA [Stage III] (%)	2.88%	0.17%
Overall gearing (x)	0.14	0.07
Interest Coverage (x)	(0.87)	3.46

\* Classification as per Infomerics' standards

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

**Any other information:** Not Applicable

**Rating History for last three years:**

Name of Instrument / Facility	Current Rating (Year: 2024-25)			Rating History for the past 3 years			
	Type	Amount (INR Crore)	Rating	Rating assigned in 2023-24 (Nov 23, 2023)	Rating assigned in 2022-23 (Dec 9, 2022)	Rating assigned in 2022-23 26 May 2022	Rating assigned in 2021-22 17 Mar 2022
Long Term Fund based facility	NCDs	72.83	IVR BBB-/ Stable	IVR BBB-/ Negative	IVR A/ CWDI	IVR A+/ CWDI	IVR AA/ Stable
Long Term Fund based facility	NCDs	0.00*	--	IVR BBB-/ Negative	IVR A/ CWDI	IVR A+/ CWDI	IVR AA/ Stable
Long Term Fund based facility	Proposed NCDs	0.00	--	--	Withdrawn	IVR A+/ CWDI	IVR AA/ Stable
Long Term Fund based facility	Term Loan	0.00	--	Withdrawn *	IVR A/ CWDI	IVR A+/ CWDI	IVR AA/ Stable



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Long Term Fund based facility	Cash Credit	0.00	--	--	Withdrawn	IVR A+/CWDI	IVR AA/Stable
Long Term Fund based facility	Proposed long term bank facilities	0.00	--	--	Withdrawn	IVR A+/CWDI	IVR AA/Stable
<b>Total</b>		<b>72.83</b>					

\* Rating withdrawn on full redemption

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics Valuation and Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd.] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).





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**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities/Instrument

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Instrument (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
NCD	INE614X07365	02-Feb-22	11.00%	31-Jan-25	11.40	Listed	IVR BBB-/ Stable
NCD	INE614X07373	02-Feb-22	11.00%	31-Jan-25	9.17	Listed	IVR BBB-/ Stable
NCD	INE614X07381	02-Feb-22	10.49%	31-Jan-25	25.60	Listed	IVR BBB-/ Stable
NCD	INE614X07449	17-May-22	11.00%	16-May-25	7.15	Listed	IVR BBB-/ Stable
NCD	INE614X07431	17-May-22	11.00%	16-May-25	4.03	Listed	IVR BBB-/ Stable
NCD	INE614X07456	17-May-22	10.49%	16-May-25	15.48	Listed	IVR BBB-/ Stable
NCD	INE614X07076	08-Mar-19	10.50%	08-Mar-24	0.00	Listed	Rating Withdrawn
NCD	INE614X07084	08-Mar-19	11.00%	08-Mar-24	0.00	Listed	Rating Withdrawn
NCD	INE614X07092	08-Mar-19	11.00%	08-Mar-24	0.00	Listed	Rating Withdrawn
NCD	INE614X07183	27-Jun-19	10.13%	27-Jun-24	0.00	Listed	Rating Withdrawn
NCD	INE614X07191	27-Jun-19	10.61%	27-Jun-24	0.00	Listed	Rating Withdrawn
NCD	INE614X07209	27-Jun-19	11.00%	27-Jun-24	0.00	Listed	Rating Withdrawn
NCD	INE614X07274	06-Sep-19	10.04%	06-Sep-24	0.00	Listed	Rating Withdrawn
NCD	INE614X07282	06-Sep-19	10.52%	06-Sep-24	0.00	Listed	Rating Withdrawn



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<b>NCD</b>	INE614X07290	06-Sep-19	11.00%	06-Sep-24	0.00	<b>Listed</b>	Rating Withdrawn
<b>NCD</b>	INE614X07332	02-Feb-22	10.50%	02-Feb-24	0.00	<b>Listed</b>	Rating Withdrawn
<b>NCD</b>	INE614X07340	02-Feb-22	11.00%	02-Feb-24	0.00	<b>Listed</b>	Rating Withdrawn
<b>NCD</b>	INE614X07357	02-Feb-22	10.03%	02-Feb-24	0.00	<b>Listed</b>	Rating Withdrawn
<b>NCD</b>	INE614X07407	17-May-22	10.50%	17-May-24	0.00	<b>Listed</b>	Rating Withdrawn
<b>NCD</b>	INE614X07415	17-May-22	11.00%	17-May-24	0.00	<b>Listed</b>	Rating Withdrawn
<b>NCD</b>	INE614X07423	17-May-22	10.03%	17-May-24	0.00	<b>Listed</b>	Rating Withdrawn
					<b>72.83</b>		

**Annexure 2: Facility wise lender details (Hyperlink to be added) : Not applicable**

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:**

**Key Terms for the NCD issue of Rs 72.83 Crores - INE614X07365, INE614X07373, INE614X07381, INE614X07449, INE614X07431 and INE614X07456 pertaining to Series V, VI, VII.**

<b>Instrument name</b>	SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES
<b>Issuer</b>	Dhani Loans and services limited
<b>Issue date</b>	02-Feb-2022, 02-Feb-2022, 02-Feb-2022, 17-May-2022, 17-May-2022, 17-May-2022.
<b>Maturity date</b>	31-Jan-2025, 31-Jan-2025, 31-Jan-2025, 16-May-2025, 16-May-2025, 16-May-2025 respectively
<b>Coupon (Fixed)</b>	11.00%, 11.00%, 10.49%, 11.00%, 11.00%, 10.49%
<b>Coupon payment frequency</b>	Annually, Cumulatively, Monthly, Annually, Cumulatively, Monthly
<b>Objects of the issue</b>	For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company; and General corporate purposes.
<b>Redemption structure</b>	In case of Series V NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series V NCD. In case of Series VI NCDs, interest would be redeemed at the end of 36 months from the deemed date of Allotment. In case of Series VII NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD.





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<b>Security</b>	The secured NCDs proposed to be issued will be secured by a first ranking pari passu charge on present and future receivables and current assets of the Issuer for the principal amount and accrued interest. The secured NCDs will have a security cover of minimum 1.25 times on the principal amount and interest thereon.
<b>Covenants</b>	NIL

**Annexure 4: List of companies considered for consolidated analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

