

February 12, 2026

Farmart Service Private Limited: Provisional [ICRA]A-(SO) assigned to Series A1 PTC to be issued by AGRI XCHNG6 2025

Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
AGRI XCHNG6 2025	Series A1 PTC	50.02	Provisional [ICRA]A-(SO); assigned

*Instrument details are provided in Annexure I

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

The pass-through certificates (PTCs) are backed by a pool of trade receivables arising from the invoices raised by Farmart Service Private Limited (Farmart/Originator), amounting to Rs. 71.46 crore.

The provisional rating is based on the strength of the cash flows from the selected pool of contracts along with the eligibility criteria for the follow-on pools, the credit enhancement available in the structure as well as the integrity of the legal structure. The rating is subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

Transaction structure

The payment structure is timely interest and ultimate principal (TIUP), wherein the interest is promised on each payout date while the principal is promised on the final maturity date, which is at the end of the 20th month from the PTC issuance date.

As per the transaction structure, the tenure of the pool shall be divided into two periods – replenishment period and amortisation period.

Replenishment period

The replenishment period will be for around 13 months from the commencement date of the transaction. During this period, the Series A1 PTC investors will receive only the promised interest payouts on a monthly basis and the balance pool collections will be used by the trust to purchase additional identified receivables, as per the selection criteria. If there is any shortfall in assigning eligible contracts, the difference between the principal repayment of the pool and replenishment done for the month shall be held in the trust account and will be utilised in the subsequent month to purchase additional identified receivables.

The transaction also entails certain trigger events for early amortisation. A breach of any of these trigger events would lead to the end of the replenishment period and the start of the amortisation period.

Amortisation period

After the replenishment period, the residual pool collections will be utilised to repay Series A1 PTC. The monthly cash flow schedule will comprise the promised interest payout for Series A1 PTC. The principal for Series A1 PTC is expected to be paid

on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. There is an additional cushion of two months between the expected maturity and legal maturity to factor in delays in payments from the buyers¹.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 6.50% of the aggregate amount, i.e. Rs. 4.64 crore, to be provided by the Originator, and (ii) net subordination of 19.21%² of the aggregate amount for Series A1 PTC.

Key eligibility criteria for receivables

The eligibility criteria shall be met:

1. The identified receivables are unencumbered and all invoices forming part of the pool are accepted by the obligors (i.e. subject to any credit note adjustments);
2. All invoice(s) raised in connection with the identified receivables are 'accepted invoices' of the obligors;
3. None of the obligors are subject to pending disputes or legal proceedings with respect to invoices;
4. The invoices pertain to the domestic sale of goods by the seller to the obligors and for value-added service;
5. None of the invoices pertain to export of goods by the seller;
6. Obligation of supply of goods and/or services (as the case maybe) to the obligor has been fully completed by the seller, and the seller is the sole owner of each invoice;
7. All the invoices are existing and have not been terminated or prepaid by the obligors, as on the cut-off date;
8. Each invoice has been fully accepted by the respective obligor(s) (based on GRN and deduction report);
9. No invoices are either partly paid or adjusted with part payments;
10. To the knowledge of the seller, none of the obligors are delinquent beyond 10 (ten) days from the relevant due date or have defaulted on any 'financial debt' or 'operational debt' {as defined under the Insolvency and Bankruptcy Code (IBC)} owed to any person;
11. Each obligor has accepted to fulfil its obligation under the respective invoice(s);
12. None of the invoices are classified as doubtful or overdue beyond 10 (ten) days in the books of the seller as on the cut-off date;
13. None of the invoices as on the cut-off date, have either been terminated or have been prepaid as on the respective cut-off date;
14. The seller has not initiated any legal or repossession action against any of the obligors or in respect of any of the invoices;
15. As on cut-off date and effective date, none of the obligors appear in the Reserve Bank of India's (RBI) list of defaulters, the Export Credit Guarantee Corporation of India (ECGC) list of defaulters and/or the RBI wilful defaulters list to the best of the seller's knowledge;
16. As on the cut-off date, there has not been any instance of fraud or misrepresentation in respect of any obligor pertaining to the invoices;
17. None of the invoices arise from securitisation exposures purchased by the seller in the capacity of an investor;
18. There are no outstanding obligations, on the part of the seller, to be performed against the underlying invoices;
19. None of the invoices are part of any other securitisation transaction, apart from the one carried out under the transaction documents;

¹ The Originator has identified a set of eligible buyers for the transaction. The buyers rated by a credit rating agency may change but will adhere to the concentration limits while the unrated buyers will be fixed till the final maturity date

² The transaction has over-collateralisation of 30.00% of the initial pool of invoices, of which the scheduled PTC interest would be serviced, leading to net over-collateralisation of 19.21% for Series A1 PTC principal payouts

³ Pool cover = N/D; where:

N = Sum of: (a) amount equivalent to the aggregate outstanding of all identified receivables acquired and held by the trust on such date (that are not overdue beyond 30 days); (b) Amount lying in/to the credit of the Collection and Payout Account that is attributable to the identified receivables and that is remaining unutilised in the Collection and Payout Account following the application of proceeds in accordance with the waterfall mechanism; and (c) CC

D = Amount equivalent to Series A1 PTC subscription amount or A1 PTC outstanding amount, whichever is lower

20. Each underlying document pertaining to the sale or services transaction is governed by Indian laws;
21. Each invoice is truly, legally and effectively owned by the seller and as on the effective date, there are no mortgage rights, pledge rights and/or any other third-party rights in respect of the relevant identified receivables;
22. As on the cut-off date, there are no invoices that are overdue for more than 10 (ten) days past their respective due dates;
23. No obligors have 45+ day past due (dpd) in the preceding 12 (twelve) months (calculated from the cut-off date under the relevant deed of assignment);
24. Each obligor has fully repaid the entire amount of the last 2 (two) trade receivables within 15 (fifteen) days of the due date;
25. The balance tenor of the identified receivables is not more than 120 (one hundred and twenty) days;
26. Credit notes/advances per obligor are not more than 5% (five percent) of identified receivables except three entities, i.e. Patanjali Foods, Kriti Oil Group, and Goyal Proteins;
27. Identified receivables comprise at least 20 (twenty) obligors during the replenishment period;
28. The minimum vintage between the seller and each of its obligor is six months for A- and above and nine months for BBB and above buyers;
29. Identified receivables represent at least 70% (seventy percent) obligors with a credit rating of A- & above collectively;
30. Obligors with credit rating of AA- or higher have exposure (at obligor group level) not exceeding 20% (twenty percent) of the identified receivables;
31. Obligors with credit rating of A or A- or A+ have exposure (at obligor group level) not exceeding 15% (fifteen percent) of the identified receivables;
32. Only invoices with maximum 75 days credit tenure will be taken into this pool;
33. Companies from chick feed industry shall constitute 35% or less of the pool.

For the purpose of this paragraph, concentration is considered at the obligor group level, which means the obligor and its affiliates:

34. Where obligors are (a) Parle Biscuits Private Limited, (b) Rohini Minerals Private Limited, (c) Bihar Distillers & Bottlers Private Limited and (d) Haryana Liquor Private Limited, (e) Olam Agri India Private Limited, (f) Olam Food Ingredients Private Limited, (g) obligors with credit rating of BBB-, BBB, BBB+, none of such Obligors have exposure (at obligor group level) exceeding 6% (six percent) of the identified receivables.

For the purpose of this paragraph, concentration is considered at the obligor group level, which means the obligor and its affiliates:

35. Identified receivables represent maximum 30% (thirty percent) obligors with credit rating of BBB- or BBB or BBB+ and the above mentioned six obligors collectively.

Identified receivables have a due date of at least 2 (two) months prior to the scheduled Series A1 final maturity date.

Key trigger events for early amortisation

On the occurrence of any of the following trigger events, the replenishment period will end immediately with no further loans/receivables being purchased and the PTCs will move to the amortisation period.

- If 12% or more of the identified receivables are overdue (unpaid for 45 days beyond the due date);
- Failure of the Originator to provide sufficient additional identified receivables during the replenishment period such that the additional identified receivables being provided are less than 80% of the accumulated amount;
- If the pool cover³ falls below 1.22 any 'debt' (as defined in the IBC (hereinafter defined)) of the seller or servicer is not paid when due or any 'creditor' (as defined in IBC) of the seller or servicer declares any such debt due and payable prior to the date on which it would otherwise have become due;
- Occurrence of any seller's event of default or servicer's event of default, including, without limitation, if the seller/servicer defaults on any of its payment obligations pertaining to the proposed structure or from other lenders;
- If 5% (five percent) or more of the identified receivables are overdue (unpaid for 15 days beyond the due date(s) of the respective invoices);

- If the rating assigned to any Series A1 PTC at the time of the assignment of the initial identified receivables is downgraded by two notches or more by the rating agency;
- Failure of the seller to provide sufficient receivables from its books (which meet the selection criteria) for sale to the trust during the replenishment period such that the additional receivables being provided are less than 80% (eighty percent) of the accumulated amounts (in the Collection and Payout Account);
- If the seller, wilfully or due to its negligence, fails to provide sufficient receivables (which meet the selection criteria) for sale to the trust during the replenishment period;
- Failure on the part of the seller or servicer to perform any of their covenants, obligations or undertakings under the transaction documents, wherein such non-compliance is not cured within 5 (five) business days from the date of occurrence of such failure, provided that the cure period applicable to the obligations regarding replenishment of the identified receivables will be 3 (three) business days from the date of occurrence of such failure;
- Any of the representations or warranties made by the seller or servicer under the transaction documents being found to be false, untrue, misleading or incorrect as of the date on which such representation was given, wherein such non-compliance is not cured within 5 (five) business days from the date of occurrence of such failure, provided that the cure period applicable to the obligations regarding replenishment of the identified receivables will be 3 (three) business days from the date of occurrence of such failure;
- If the identified receivables do not meet the selection criteria;
- If the pool cover falls below 1.22 (one point two two);
- (i) occurrence of any 'insolvency related event'; (ii) or if any proceeding has commenced against the seller/servicer, wherein such event or proceeding is not stayed, vacated, and/or dismissed (as the case may be) within 14 (fourteen) calendar days of commencement of such event or proceeding. For the purposes of this clause, insolvency related event means any of the following:
 - If the integrity (defined specific in documentation) of the invoices is contested
 - Instance of one obligor payment settled against another disputed invoice at aggregate level is more than 5% of total pool receivables
 - Any material observation (defined specific like 5%) by auditor or trustee
 - Material litigation, going forward, with receivables (defined specific like Rs. 15 crore)
 - Any litigation (5% of pool) with pool obligors
 - Litigation or dispute with banks/lenders with respect to securitisation
 - Challenges (defined specific) in operation of escrow account by trustee
 - Breach of any other covenants which are stated below
 - Filing of an insolvency application under IBC or any analogous proceedings under any similar insolvency, winding up or liquidation laws;
 - Any resolution is passed either by the creditors or the shareholders of the seller/servicer or any other action is taken, which may result in a voluntary or other insolvency process, winding up or liquidation of the seller/servicer;
 - An order for insolvency process, liquidation or winding up of the seller/servicer is made by any competent court;
 - The seller/servicer has taken or suffered to be taken any action for its reorganisation, liquidation or dissolution;
 - An insolvency resolution professional, a receiver, liquidator or any other equivalent professional has been appointed or allowed to be appointed of/a/l or any part of the undertaking of the seller/servicer;
 - Any insolvency professional, any receiver/assignee or trustee or similar other officer is appointed by any court or any other competent authority in any insolvency, winding up, execution or distress proceedings against the seller/servicer;
 - If any of the underlying document(s) are found to be unenforceable or unlawful on account of the failure of the seller/servicer to obtain any authorisation required by or from any governmental authority;

Key rating drivers and their description

Credit strengths

Presence of credit enhancement in the form of over-collateralisation and CC – The first line of support for Series A1 PTC in the transaction is in the form of over-collateralisation of 19.21%³ of the initial pool of invoices. A CC of Rs. 4.64 crore (6.50% of the initial pool value of invoices), to be provided by the Originator, would act as further credit enhancement in the transaction. In the event of a shortfall in meeting the promised PTC payouts, the trustee will utilise the CC to meet the same.

Established relationships between Originator and buyers – The Originator has established relationships with most of the buyers with average vintage of 28 months as on the pool cut-off date. This is also supported by the eligibility criteria for the follow-on pools where the minimum vintage between the Originator and buyer should be six months for the A- and above category and nine months for the BBB and above category.

No commingling risk – As per the transaction structure, payments from the buyers would be received in a common escrow account operated by the Originator, but debits will be controlled by the trustee. Payments relating to the assigned invoices would then be passed on to the Collection and Payout Account of the PTC trust. Thus, ICRA notes that there would be no commingling of funds for the transaction with the Originator's own cash flows.

Credit challenges

Risk of delays in payments by buyers – The risk of non-payments by buyers can be deemed to be higher on account of the underlying obligations being operational in nature vis-à-vis the obligations to the financial creditors. Nonetheless, the trust would be entitled to all the rights under IBC, 2016, which would be a mitigant.

Moderate credit quality of buyers and high buyer concentration risk – As per the eligibility criteria, the receivables should represent at least 70% of the obligors with a credit rating of A- or above while obligors with credit ratings in the BBB category can form the balance (30%) of the invoice pool. Further, the pool would remain concentrated with the top buyer exposure capped at 20% of the invoice pool in the AA and above rating category, 15% in the A rating category and 6% in the BBB category. Thus, the transaction would remain exposed to any material disputes between the buyer and the Originator such that the buyer does not honour the obligated payments. However, the replenishment pool will be guided by certain selection criteria, which act as mitigants, such as no buyer should have 45+ dpd during the previous 12 months, each buyer has to fully repay the entire amount of the last two trade receivables within 15 days of the due date and at least 15 buyers shall be there in the pool at all times during the replenishment period. Moreover, each invoice from the buyers shall be a fully accepted invoice and there should be no overdue for more than 10 days past the due date as on the cut-off date to be eligible for the replenishment pool.

Originators meeting relatively small share of procurement needs of buyers – The Originator would be meeting a relatively small share of the procurement needs of some of the buyers, given the large scale of operations of the latter. However, ICRA takes comfort from the established relationships of the Originator with most of the buyers as well as the track record of payments from the buyers that have been largely within the contractual terms.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses in the pool. ICRA's rating assumption for the quality of the cash flows being securitised, along with the tenure of the payments, has been considered to estimate the default probability of each underlying buyer payment. Additionally, a certain degree of correlation

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is assumed in the performance of the various entities in the pool as they are in the same sector/sub-sector. ICRA has also taken note of the Originator's track record in the business. Moreover, the cash flow modelling considers the assumptions regarding the build-up of delinquency/loss and the transaction structure.

Liquidity position: Adequate

The liquidity for the PTC instrument is adequate after factoring in the credit enhancement available to meet the promised payout to the investors.

Rating sensitivities

Positive/Negative factors – The rating is unlikely to be revised during the replenishment period. Any rating revision would depend on the performance of the underlying pool and the credit enhancement utilisation during the amortisation period. The rating would also be sensitive to the credit profile of the buyers and the track record of payments in the normal course of business. The rating could be downgraded on non-adherence to the key transaction terms envisaged at the time of providing the rating.

Analytical approach

The rating action is based on the legal structure of the transaction and factors in the payment mechanism along with the credit profile of the buyers.

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology – Collateralised Debt Obligations
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned rating is provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Power of attorney
4. Legal opinion
5. Trustee letter
6. Other key or important documents executed for the transaction

Validity of the provisional rating

The trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

About the Originator

Farmart Service Private Limited was incorporated in December 2015 by Mr. Alekh Sanghera and Mr. Mehtab Hans. It is a business-to-business software as a service (SaaS B2B) food commerce platform serving Asia, Middle East, and Africa. It is a fully integrated digital market linkage platform for food communities. The company provides digital infrastructure, market linkages and financial capital to its network of food producers, processors and enterprises. As of June 2025, Farmart had built a network of around 3,20,000 farm aggregators, over 4.3 million farmers, and more than 5,500 food businesses across the globe. The company runs on an asset-light model and has four main revenue verticals in the form of procurement services, export services, consumer produced goods and value-added services.

Key financial indicators

Standalone (Farmart)	FY2024	FY2025	H1 FY2026
	Audited	Audited	Audited
Operating income (OI)	1,377.2	1,974.6	1,264.2
Profit after tax (PAT)	(37.3)	(68.9)	(31.5)
OPBITDA/OI	(2.0%)	(0.9%)	(0.4%)
PAT/OI	(2.7%)	(3.6%)	(2.5%)
Total outstanding liabilities/Tangible net worth (times)	0.9	2.4	3.1
Total debt/OPBITDA (times)	(7.5)	(15.3)	(46.2)
Interest coverage (times)	(1.3)	(0.5)	(0.4)

Source: Company, ICRA Research; All ratios are as per ICRA's calculations

OPBITDA – Operating profit before interest, tax, depreciation and amortisation

Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Current rating (FY2026)			Chronology of rating history for the past 3 years		
	Instrument	Current rated amount (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				February 12, 2026	-	-
AGRI XCHNG6 2025	Series A1 PTC	50.02	Provisional [ICRA]A-(SO)	-	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 PTC	Highly Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

Trust name	Instrument type	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
AGRI XCHNG6 2025	Series A1 PTC	To be issued	13.00%	19 months, post issuance	50.02	Provisional [ICRA]A-(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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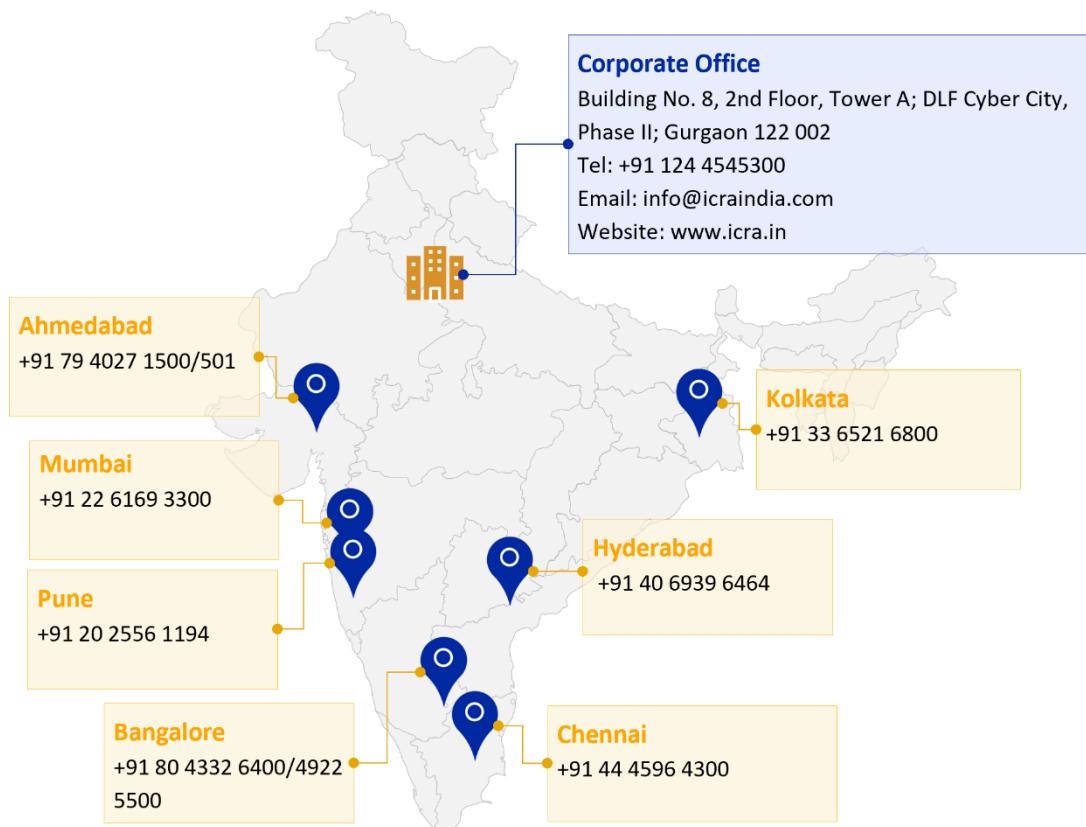
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