

August 27, 2026

Farmart Service Private Limited: Rating reaffirmed for PTCs issued under trade receivable securitisation transaction

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Amount O/s after last rating exercise (Rs. crore)	Amount O/s after Jul-26 payout (Rs. crore)	Rating action	Financial Sector Regulator#
AGRI XCHNG 2025	Series A1 PTC	*16.25	11.26	8.36	[ICRA]A-(SO); reaffirmed	SEBI

*Instrument details are provided in Annexure I

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

*the amount was reduced as per revised documents shared by investors

Rationale

The pass-through certificates (PTCs) are backed by a pool of trade receivables arising from the invoices discounted by Farmart Service Private Limited (Farmart/Originator). As per the transaction structure, the Originator would assign follow-on pools to the trust during the replenishment period, basis the predefined eligibility criteria. Farmart would also be the servicer for the transaction.

The rating reaffirmation for the PTCs in the transaction factors in the build-up of the credit enhancement cover over the future PTC payouts, compliance with the eligibility criteria specified for replenishment contracts, and no breach of trigger events. The pool is currently in the amortisation period.

Pool performance summary

Parameter	AGRI XCHNG 2025
Latest collection month	July 27, 2026
Latest Payout month	July 30, 2026
Weeks post securitisation	49
Pool amortisation (as % of initial pool principal)	18.39%
PTC Series A1 amortisation (as % of initial PTC principal)	25.72%
Cumulative cash collateral (CC) utilisation	0.00%
CC available (as % of balance pool)	7.81%
Net Overcollateralization ¹ (% of balance pool principal): for PTC Series A1	35.63%
Overall credit enhancement (CE) ² (% of balance pool principal): PTC Series A1	43.44%

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 17th 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

¹ The transaction has over-collateralisation, of which the scheduled PTC interest would be serviced, leading to net over-collateralisation of 35.63% for Series A1 PTC principal payouts

² Overall Credit Enhancement = Cash Collateral + Principal Subordination + 50% of EIS

The replenishment period will be for around eleven 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.

Amortisation period

The pool becomes static and repayments would commence at the end of 12 months. The payment of principal of Series A1 PTC would be made at the end of 13th month and 14th month. The payment structure is TIUP (timely interest and ultimate principal), wherein interest is promised on each payout date (monthly) while the principal is promised in entirety on legal maturity date which is at the end of 17th month.

Post 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 three months between the expected maturity and legal maturity to factor in delays in payments from the Buyers³.

Key eligibility criteria for the receivables

The eligibility criteria shall be met:

- On the commencement of the transaction for the purchase of the initial identified receivables
- At each replenishment date of the transaction for the purchase of additional identified receivables

The key eligibility criteria that must be met are:

- The Identified Receivables are unencumbered
- Only fully accepted invoices (based on goods received note (GRN) and deduction report) should be included in the pool and part invoices shall not qualify for the pool;
- All the Invoices are existing and have not been terminated or prepaid by the Obligors, as on the Cut-off Date;
- As on the cut-off date, there are no invoices which are overdue for more than 10 days past the due date
- No buyer have 45+ day past due in the preceding 3 months from the cut-off Date
- Each Obligor has fully repaid the entire amount of last 2 trade receivables within 90 days of the due date;
- The balance tenor of the Identified Receivables is not more than 120 days;
- Credit notes/advances per buyer is not more than 5% of Identified Receivables;
- Identified Receivables comprise at least 15 obligors during the replenishment period;
- The minimum vintage between the Originator and each buyer, is at least 3 months;
- Buyer concentration must adhere to the following criteria
 - For Buyers rated AA and above, the concentration per Buyer would be a maximum of 20%, further for Buyers rated A- and above, the concentration per Buyer would be a maximum of 15% and together these Buyers should constitute at least 60% of the pool.
 - For non-investment grade and unrated Buyers, the concentration per Buyer would be a maximum of 4.5% and they should not constitute more than 10% of the pool.
 - For the BBB category and three pre-determined Buyers*, the concentration per Buyer would be a maximum of 7.5% and they would constitute the balance percentage of the pool.

*** Parle Biscuits Private Limited, Patanjali Foods Limited and Bihar Distillers & Bottlers Private Limited**

³ 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

Key rating drivers and their description

Credit strengths

Established relationships between Originator and Buyers – The Originator has established relationships with all the buyers with minimum vintage of 12 months in the crystallised pool for amortisation.

No commingling risk – As per the transaction structure, the payments from the Buyers would be received in a designated escrow accounts operated by the Originator but the debit will be controlled by the trustee. The 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 cashflows.

Buildup of credit enhancement – The rating factors in the build-up in the credit enhancement with CC increasing to ~7.81% of the balance pool of invoices, as compared to ~6% of initial pool principal at the time of securitisation. In the event of a shortfall in meeting the promised PTC payouts, the trustee will utilise the CC to meet the same. Internal credit support is also available through over-collateralisation for the transaction.

Credit challenges

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 Originator with most of the Buyers, past track record of payments from the Buyers that have been largely within the contractual terms.

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

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 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.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction name	AGRI XCHNG 2025
Originator	Farmart Service Private Limited
Servicer	Farmart Service Private Limited
Trustee	Catalyst Trusteeship Limited
CC holding Bank	Yes Bank Limited
Collection and payout account Bank	ICICI Bank Limited

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 – 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 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

About the originator

Farmart Service Private Limited (FSPL) was incorporated in December 2015 by Mr. Alekh Sanghera and Mr. Mehtab Hans and is a 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 2026, the company has built a network of around 320,000 farm aggregators, over 4.3 million farmers, and over 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.

Standalone	FY2024	FY2025	FY2026
Farmart Service Private Limited	Audited	Audited	Provisional
Operating income (OI)	1,377.2	1,974.6	2,716.60
Profit after tax (PAT)	(37.3)	(68.9)	(44.3)
OPBITDA / OI	(2.0%)	(0.9%)	(0.1%)
PAT / OI	(2.7%)	(3.6%)	(1.6%)
Total outstanding liabilities/Tangible net worth (times)	0.9	2.4	2.1
Total debt / OPBITDA (times)	(7.5)	(15.3)	(83.47)
Interest coverage (times)	(1.3)	(0.5)	(0.1)

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

OPBIT–Operating profit before interest, tax, depreciation and amortization

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	Instrument	Current Rating (FY2027)		Chronology of Rating History for the Past 3 Years				
		Initial Rated Amount	Current Rated Amount	Date & Rating in FY2027	Date & Rating in FY2026		Date & Rating in FY2025	Date & Rating in FY2024
		(Rs. crore)	(Rs. crore)	Aug 27, 2026	Aug 28, 2025	Aug 04, 2025	-	-
AGRI XCHNG 2025	Series A1 PTC	16.25	8.36	[ICRA]A-(SO)	[ICRA]A-(SO)	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

ISIN	Trust Name	Instrument Type	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating	Financial Sector Regulator#
INE2FAX15017	AGRI XCHNG 2025	Series A1 PTC	August 20, 2025	12.25%	70 weeks post PTC issuance	8.36	[ICRA]A-(SO)	SEBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis - Not applicable

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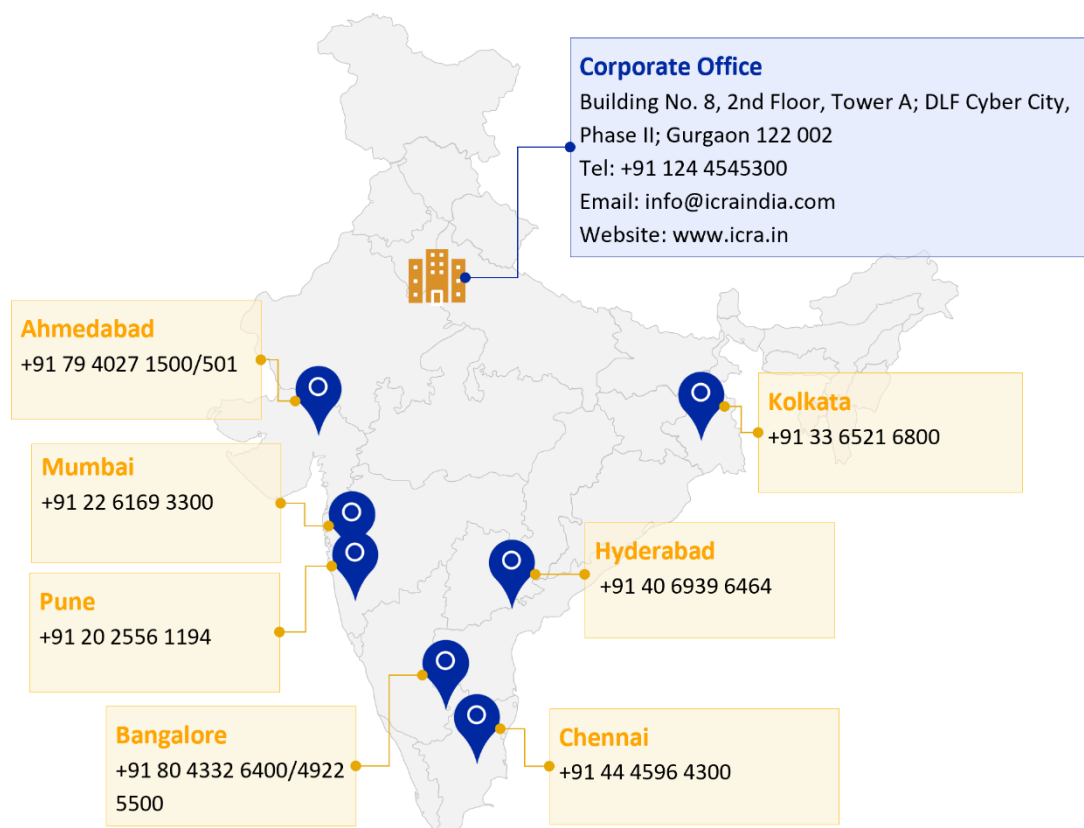


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