

October 05, 2026

## Farmart Service Private Limited: Rating confirmed as final for PTCs issued under a trade receivables securitisation transaction

### Summary of rating action

| Trust Name        | Instrument*   | Initial Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action                                           | Financial sector regulator# |
|-------------------|---------------|-------------------------------------|-------------------------------------|---------------------------------------------------------|-----------------------------|
| AGRI XCHNG10 2026 | Series A1 PTC | 20.02                               | 20.02                               | [ICRA]A2+(SO);<br>Provisional rating confirmed as final | 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.

### Rationale

ICRA had assigned provisional rating to the pass-through certificates (PTC) issued by AGRI XCHNG10 2026 under a securitisation transaction originated by Farmart Service Private Limited (Farmart/Originator). The PTCs are backed by a pool of trade receivables arising from the invoices amounting to Rs. 25.66 crore.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said rating has now been confirmed as final.

### 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 12<sup>th</sup> 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 eight months (33 weeks) 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

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 two months between the expected maturity and legal maturity to factor in delays in payments from the Buyers<sup>1</sup>.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 7.50% of the aggregate amount, i.e. Rs. 1.92 crore, to be provided by the Originator, and (ii) net subordination of 15.82%<sup>2</sup> of the aggregate amount for Series A1 PTC.

### 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
- On 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 while part invoices shall not qualify for the pool;
- All 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, no invoices are overdue for more than 10 days past the due date;
- No buyer has 45+ days past due (dpd) in the preceding three months from the cut-off date;
- Each obligor has fully repaid the entire amount of the last two trade receivables within 90 days of the due date;
- The balance tenor of the identified receivables is not more than 90 days;
- Credit notes/advances per buyer do not exceed 5% of identified receivables;
- Identified receivables comprise at least 15 obligors during the replenishment period (was at least 25 buyers during the last exercise);
- The minimum vintage between the Originator and each buyer is at least six months;
- Buyer concentration must adhere to the following criteria:
  - The concentration per buyer for buyers rated AA and above would be a maximum of 20% while it would be a maximum of 15% for buyers rated in the A category. Buyers rated A and above should constitute at least 70% of the pool;
  - For the BBB category and 10 predetermined buyers, the concentration per buyer would be a maximum of 6% and they would constitute the balance percentage of the pool.

### 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 amounts;

<sup>1</sup> 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

<sup>2</sup> The transaction has over-collateralisation of 22.00% of the initial pool of invoices, of which the scheduled PTC interest would be serviced, leading to net over-collateralisation of 15.82% for Series A1 PTC principal payouts

<sup>3</sup> 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) Amounts 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

- If the pool cover<sup>3</sup> falls below 1.22 times.

## 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 22.00% of the initial pool of invoices. CC of Rs. 1.92 crore (7.50% of the initial pool value of invoices), to be provided by the Originator, would act as further credit enhancement in the transaction. The trustee will utilise the CC to meet any shortfall in meeting the promised PTC payouts.

**Established relationships between originator and buyers** – The Originator has established relationships with most of the buyers with an average vintage of 33 months as on the pool cut-off date. This is also supported by the eligibility criteria for the follow-on pools, wherein the minimum vintage between the Originator and the buyer should be six months.

**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 the debit 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 flow.

### Credit challenges

**Risk of delays in payments by buyers** – The risk of non-payment by buyers can be deemed to be higher as the underlying obligations are operational in nature unlike those 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.

**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 a credit rating 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 category and 6% in the BBB category while there would be 10 predefined buyers. 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. These include criteria such as no buyer should have 45+ dpd during the previous three months, each buyer has to fully repay the entire amount of the last two trade receivables within 90 days of the due date and at least 15 buyers should be in the pool at all times during the replenishment period. Further, each invoice from the buyer 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 qualify for the replenishment pool.

**Relatively small share of buyer's procurement needs met by originator** – The Originator would be meeting a relatively small share of the procurement needs of some of the buyers, given the latter's large scale of operations. However, ICRA takes comfort from the established relationships of the Originator with most of the buyers and their track record of making payments 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 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.

### Details of key counterparties

The key counterparties in the rated transaction are as follows:

| Transaction Name                   | AGRI XCHNG10 2026               |
|------------------------------------|---------------------------------|
| 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              |

### 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 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 | <a href="#">Rating Methodology – Collateralised Debt Obligations</a> |
| 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.

### Key financial indicators

| Standalone (Farmart)                                     | FY2024  | FY2025  | FY2026      |
|----------------------------------------------------------|---------|---------|-------------|
|                                                          | Audited | Audited | Provisional |
| Operating income (OI)                                    | 1,377.2 | 1,974.6 | 2,716.6     |
| 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)  | (83.5)      |
| Interest coverage (times)                                | (1.3)   | (0.5)   | (0.1)       |

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

OPBITDA—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        | Current Rating (FY2027) |                                  |                         |                           | Chronology of Rating History for the Past 3 Years |                         |                         |
|-------------------|-------------------------|----------------------------------|-------------------------|---------------------------|---------------------------------------------------|-------------------------|-------------------------|
|                   | Instrument              | Current Rated Amount (Rs. crore) | Date & Rating in FY2027 |                           | Date & Rating in FY2025                           | Date & Rating in FY2024 | Date & Rating in FY2023 |
|                   |                         |                                  | October 05, 2026        | September 16, 2026        | -                                                 | -                       | -                       |
| AGRI XCHNG10 2026 | Series A1 PTC           | 20.02                            | [ICRA]A2+(SO)           | Provisional [ICRA]A2+(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# |
|--------------|-------------------|-----------------|-----------------------------|------------------------|-------------------------|----------------------------------|----------------|-----------------------------|
| INE319715012 | AGRI XCHNG10 2026 | Series A1 PTC   | 25 <sup>th</sup> Sept, 2026 | NA                     | 12 months post issuance | 20.02                            | [ICRA]A2+(SO)  | SEBI                        |

Source: Company

#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.

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

Not applicable

## ANALYST CONTACTS

**Manushree Sagar**

+91 124 4545 316

[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Anubha Rustagi**

+91 22 6114 3400

[anubha.rustagi2@icraindia.com](mailto:anubha.rustagi2@icraindia.com)

**Arijit Datta**

+91 22 6114 3433

[arijit.datta@icraindia.com](mailto:arijit.datta@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Ritu Rita**

+91 22 6114 3409

[ritu.rita@icraindia.com](mailto:ritu.rita@icraindia.com)

**Priya Bhat**

+91 22 6114 3400

[priya.bhat@icraindia.com](mailto:priya.bhat@icraindia.com)

## RELATIONSHIP CONTACT

**Mr. L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

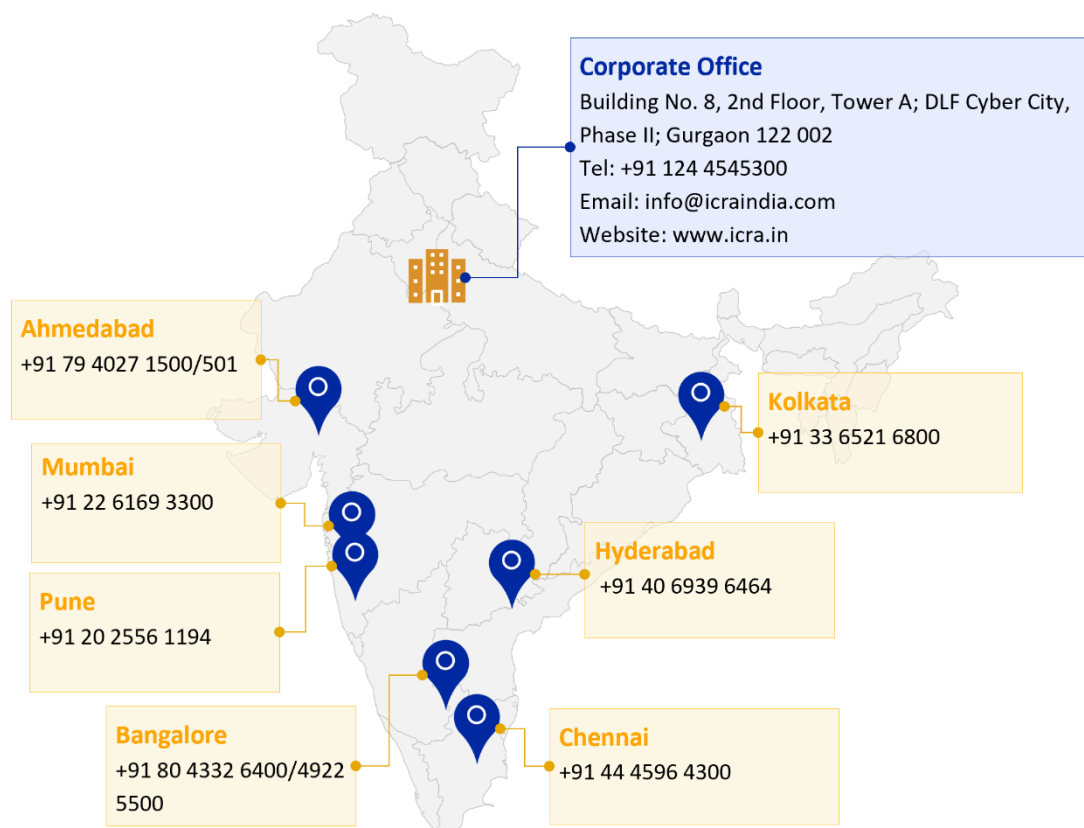


### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents