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RATING ACTION

Ratings assigned

Short - term Rating

Series A1 PTC– Provisional
[ICRA]A2(SO)

PTC Amount Rated

Series A1 PTC – Rs. 11.82 crore

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Rating Rationale

ICRA has assigned provisional rating to the pass-through certificates (PTCs) to be issued under a securitisation transaction originated by Farmart Services Private Limited (Farmart/Originator). The PTCs are backed by a pool of receivables of Rs. 15.35 crore arising from the invoices raised by the Originator on their Buyers¹ against the supply of goods to the Buyers.

The rating factors in the moderate credit profiles of the Buyers, comprising well-established and financially moderately strong entities. The securitised receivables would be in the form of contractual payments to be received from the Buyers and not a financial obligation. ICRA also notes that the Originator meet a relatively small share of the procurement needs of some of the Buyers.

The rating is supported by the credit enhancement (CE) available in the transaction in the form of (i) a cash collateral (CC) of Rs. 0.77 crore (5.00% of the initial pool value of invoices) to be provided by the Originator and (ii) principal subordination, i.e. 16.15% of the eligible finance value of invoices for Series A1 PTC, which boost the credit profiles of the rated instruments. The ratings are also supported by the established relationship between the Originator and the Buyers.

The provisional rating is subject to the fulfilment of all the conditions under the structure, due diligence audit of the pool, review by ICRA of the documentation pertaining to the transaction, and the furnishing of a legal opinion.

Key Rating Drivers

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 16.15%² of the initial pool of invoices. A CC of Rs. 0.77 crore (5.00% 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 18 months as on the pool cut-off date. This is also supported by the eligibility criteria for the follow-on pools where minimum vintage between the Originator and Buyer should be of at least nine months.

No commingling risk – As per the transaction structure, the payments from the Buyers would be received in a designated escrow account 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,

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 23.00% of the initial pool of invoices out of which scheduled PTC interest would be serviced leading to net over-collateralisation of 16.15% for Series A1 PTC principal payouts.

ICRA notes that there would be no commingling of funds for the transaction with the Originator's own cashflows.

Credit challenges

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.

Moderate credit quality of the buyers and high buyer concentration risk – As per the eligibility criteria, the receivables should represent at least 50% of the Obligors with credit rating of A- or higher. However, Obligors with credit rating of BB+ or lower (including unrated) can form up to 20% of the invoice pool. Further, the pool would remain concentrated with the top buyer exposure capped at 15% and 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 acts as a mitigant, such as no Buyer should have 30+ dpd during the previous three months, each Buyer has to fully repay the entire amount of last two trade receivables within 90 days of the due date and at least 15 Buyers shall be there in the pool at all times during the replenishment period. Further, 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 Originator with most of the Buyers, past track record of payments from the Buyers that have been largely within the contractual terms.

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 initial rating.

Liquidity Position

Adequate for Series A1 PTC

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

Originator Profile

Incorporated in December 2015 by Mr. Alekh Sanghera and Mr. Mehtab Hans, Farmart Service Private Limited (Farmart) is a SaaS business-to-business (B2B) food commerce platform serving Asia, the 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 May 2024, it had a network of around 2,50,000 farm aggregators, over 3.8 million farmers, and more than 4,000 food businesses across the globe. Farmart runs on an asset-light model and has three main revenue verticals in the form of procurement services, export services and value-added services.

Exhibit 1: Key financial indicators

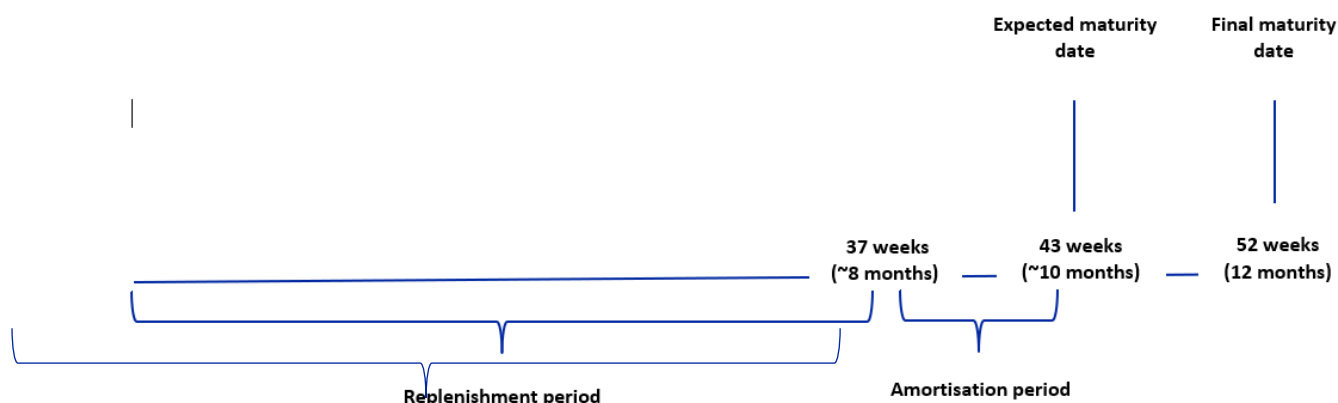
Standalone	FY2022	FY2023	FY2024
Operating income (OI)	208.2	1,023.8	1,377.2
Profit after tax (PAT)	(17.5)	(46.2)	(37.3)
OPBITDA/OI	(7.4%)	(4.3%)	(2.0%)
PAT/OI	(8.4%)	(4.5%)	(2.7%)
Total outstanding liabilities/Tangible net worth (times)	0.8	0.6	0.9
Total debt/OPBITA (times)	(3.0)	(3.3)	(7.5)
Interest coverage (times)	(9.0)	(3.3)	(1.3)

Source: Company, ICRA Research; All ratios are as per ICRA's calculations
 OPBIT – Operating profit before interest, tax, depreciation and amortisation
 Amount in Rs. crore

Transaction Schematic

The transaction has a timely interest and ultimate principal (TIUP) structure with a replenishment period of 37 weeks.

Exhibit 2: Diagram below explains the timeline of the structure



The funds flow of this transaction can be explained in two main periods: replenishment period and amortisation period. The details of these are provided as follows:

During the replenishing period (upto 8 months) – The replenishment period will be for around eight 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.

Post the replenishment period (i.e., amortisation period of 2 months) (post 8 months) – 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.

Key Terms of Proposed PTCs

Exhibit 3: Key terms of the proposed PTCs

Trust Name	KiPlatform Agri TR 2025			
Originator and Servicer	Farmart Services Private Limited			
Trustee	Catalyst Trusteeship Limited			
Legal Counsel	Wadia Ghandy & Co			
Buyers/Buyers	The pool's receivables would consist of Buyers as per the list mentioned below, collectively referred to as "Buyers".			
	Sr. no.	Name of the Buyer	Sr. no.	Name of the Buyer
	1	Britannia Industries Limited (Bihar)	40	Jakson Biofuels Private Limited
	2	Reliance Retail Limited	41	Baba Agro Food Limited
	3	Balrampur Chini Mills Ltd	42	Dhanuka Soya Private Limited
	4	DCM Shriram Limited	43	Emami Agrotech Limited
	5	M/S Triveni Engineering & Industries Ltd.	44	Parakh Agro Industries Limited (Dewas Division
	6	Dalmia Bharat Sugar And Industries Limited	45	Pioneer Industries Private Limited
	7	Godrej Agrovet Limited	46	Seshsayi Foods Private Ltd (Mp)
	8	Radico Khaitan Limited	47	Suguna Foods Private Limited
	9	Viterra India Private Limited	48	Bluecraft Agro Private Limited
	10	Abis Exports India Private Limited	49	Deesan Agro-Tech Private Limited
	11	Adani Wilmar Limited	50	Dhanraj Solvex Private Limited
	12	Cargill India Private Limited	51	Malbros International Pvt Ltd
	13	Gujarat Ambuja Exports Ltd	52	Premium Chick Feeds Private Limited
	14	Louis Dryfus Company India Private Limited (Mp)	53	Avi Agri Business Limited
	15	Roquette India Private Limited	54	Cpf (India) Private Limited
	16	Ecopure Specialities Limited	55	Rajshree Fine Chemical Industries India Private Limited
	17	BCL Industries Limited	56	Svaksha Distillery Limited
	18	Globus Spirits Limited	57	Shree Shakambari Rice Mill Pvt Ltd
	19	IFB Agro Industries Ltd.	58	Vijaysoya Agro Business Private Limited
	20	Radico NV Distilleries Maharashtra Limited -Unit 2	59	Betul Oil Limited
	21	Sneha Foods & Feeds Private Limited	60	Adm Agro Industries & Vizag Private Limited
	22	Venkateshwara B V Biocorp Pvt Ltd	61	Adm Agro Industries India Private Limited
	23	Venkateshwara Hatcheries Pvt Ltd (Ap)	62	Asanjo Food Products Pvt Ltd
	24	Goyal Proteins Limited	63	Bharti Foods
	25	Mahesh Edible Oil Industries Limited	64	Bihar Distillers & Bottlers Private Limited
26	Mg Petrochem Private Limited	65	Coronation Finvest Pvt Ltd	

27	Shalimar Nutrients Private Limited	66	Easy Feed And Foods Private Limited
28	Shanthi Feeds Private Limited Tn Vegetable Oil Division	67	Gdp Agro And Food Products Private Limited
29	Sri Lalitha Enterprises Industries Pvt Ltd	68	Govinda Enterprises
30	Gulshan Polyols Limited	69	Luxmi Roller Flour Mills Private Limited
31	Associated Alcohols & Breweries Ltd	70	Maharashtra Oil Extractions Pvt. Ltd
32	Baramati Agro Limited	71	Mahesh Edible Agro Oil Industries Private Limited (Rj)
33	India Glycols Limited	72	Olam Agri India Private Limited
34	Kirti Agrotech Ltd	73	Parle Biscuits Private Limited
35	Kirti Agrovet Ltd	74	Patanjali Foods Limited
36	Kirti Dall Mills Limited - Ka	75	Qsa Industries Private Limited
37	Kirti Oil Industries Private Limited	76	Ramesh Traders
38	L H Sugar Factories Ltd.	77	Sandhu Feeds
39	Sael Agri Commodities Limited	78	Sona Agrotech

The concentration limit for each Buyer would be as follows

Rating category	Concentration per debtor	Concentration per rating category
A- and above	Maximum 15.0%	Minimum 50%
BBB category and 3 other Buyers	Maximum 10.0%	Balance
BB+ and below; and unrated	Maximum 4.5%	Maximum 20%

Underlying Asset	The invoices of Buyers meeting the eligibility criteria and arising from the sale of goods and services by the Originator along with the associated rights
Initial pool principal	Rs. 15.35 crore
Series A1 PTC amount	Rs. 11.82 crore
Legal maturity date	12 months post issuance

Structure

Assignment of receivables

The trustee shall settle a trust backed by the invoices raised by the Originator with the cumulative future receivables of Rs. 15.35 crore. The invoices in this trust will have bankruptcy remoteness from the Originator. The trust will issue a single series of PTCs backed by the mentioned receivables. The upfront purchase consideration to be paid by the subscribers of Series A1 PTCs to the trustee will be 77.00% of the eligible finance value of the invoices, i.e. Rs. 11.82 crore. The transaction timeline consists of a replenishment period spanning 35 weeks from the date of issuance of the PTCs. During this period, the cash flows from the maturing invoices will be utilised to purchase additional invoices. The amortisation period will commence after 37 weeks from the PTC issuance.

Key eligibility criteria for invoices to be included in the pool

The eligibility criteria shall be met:

- 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);
- All Invoice(s) raised in connection with the Identified Receivables are 'Accepted Invoices' of the Obligors;
- All the Invoices are existing and have not been terminated or prepaid by the Obligors, as on the Cut-off Date;
- Each Invoice has been fully accepted by the respective Obligor(s) (based on 'GRN' and deduction report);
- As on the cut-off date, there are no invoices which are overdue for more than 10 days past the due date

- No Obligors have 30+ day past due (“DPD”) in the preceding 3 (Three) months (calculated from the Cut-off Date under the relevant Deed of Assignment);
- Each Obligor has fully repaid the entire amount of last 2 (two) trade receivables within 90 (Ninety) days of the due date;
- The balance tenor of the Identified Receivables is not more than 120 (One Hundred and Twenty) days;
- Credit notes/advances per Obligor is not more than 5% (Five Percent) of Identified Receivables;
- Identified Receivables comprise at least 15 (Fifteen) Obligors during the Replenishment Period (was at least 25 Obligors during the last exercise);
- The minimum vintage between the Seller and each of its Obligor, is at least 9 (nine) months;
- Buyer concentration must adhere to the following criteria
 - For A- and above rated Buyers, concentration per Buyer would be a maximum of 15% and they should constitute at least 50% in the pool.
 - For non-investment grade and unrated Buyers, concentration per Buyer would be a maximum of 4.5% and they should not constitute greater than 20% in the pool.
 - For the BBB category and three pre-determined Buyers, the concentration per Buyer would be a maximum of 10% and they would constitute the balance percentage in the pool.

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.

- 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 12% (twelfth Percent) or more of the Identified Receivables are overdue (unpaid for 30 days beyond the due date(s) of the respective invoices);
- if the rating assigned to Series A1 PTCs at the time of the assignment of the Initial Identified Receivables is downgraded by 2 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 15 (Fifteen) 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 5 (Five) 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 15 (Fifteen) 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 5 (Five) 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);
- occurrence of any 'Insolvency Related Event'; (ii) or if there is any proceeding 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

PTC payout schedule

The PTCs follow a timely interest and ultimate principal structure wherein entire principal is promised on the legal maturity date (two months from the expected maturity date). The transaction timeline consists of a replenishment period and an amortisation period. The replenishment period will span upto 37 weeks post PTC issuance. During this period the cashflows from the maturing invoices will be utilized to purchase additional invoices which meet the eligibility criteria set forth at the time of securitisation. The amortisation period will commence from 38th week post the PTC issuance. The transaction's legal final maturity date includes an additional buffer of 2 months to make good of any shortfall that may occur during the tenure of the transaction.

Credit enhancement

The CE shall be provided and utilised as shown in the following table.

Exhibit 4: CE details

Source	
Cash collateral	Rs. 0.77 crore (5.00% of the initial pool value of invoices)
Subordination:	Subordination of 16.15% of the eligible finance value of invoices

Subordination: The first line of support for Series A1 PTC is in the form of a subordination of 16.15% of the eligible finance value of invoices.

CC: Additional support is provided in the form of cash collateral provided by the Originator, equivalent to Rs. 0.77 crore. The cash collateral will be in the form of a fixed deposit maintained with a bank acceptable to ICRA. The cash collateral will be used for meeting shortfall in making the promised PTC payouts.

Waterfall mechanism

The cashflows generated from the identified receivables shall be utilised as given below in the following 2 situations: (a) during the Replenishment Period; and (b) during the Amortisation Period.

It is hereby clarified that the Trust shall receive Subscription Amounts in the Collection and Payout Account and thereafter make payment of the Purchase Consideration to the Seller for purchasing the Initial Identified Receivables, from the said account and the said amounts shall not be subject to the Waterfall Mechanism set out hereinbelow.

During Replenishment Period

On each Payout Date during the Replenishment Period, the proceeds realized from the identified receivables in the relevant collection period and deposited in the collection and payout account, any amounts then available in the CPA, together with the amounts realized or utilized from the Credit Enhancement and transferred to the Collection and Payout Account, will be utilised: (a) for making relevant Investor Payouts to the PTC holders on Payout Dates; and (b) for the purposes of acquisition of Additional Identified Receivables, in the following order of priority:

- (a) for payment of all statutory and regulatory dues. However, if such statutory or regulatory dues relate to the Identified Receivables on or prior to the relevant Cut-Off Date and are due and unpaid by the Seller, the Trustee will call upon the Seller to reimburse such amounts;
- (b) for the payment of the Servicer's Fee, and any fees and expenses incurred by the Trustee or any fees payable to service providers and/ or any other amounts expressly provided for in the Transaction Documents, unless the Seller has obligated to pay such fee or expenses incurred by the Trustee or other service providers;
- (c) for payment of overdue Series A1 Yield payments due to Series A1 PTCs, if any i.e. Series A1 Yield due to be made on the preceding Payout Dates but which remains unpaid;

- (d) for payment of current Series A1 Yield payments due to the Series A1 PTCs on such Payout Date;
- (e) for reinstating Cash Collateral (to the extent drawn on any Payout Date and not reinstated already), provided that no portion of the Cash Collateral shall be utilized for the purchase of Additional Identified Receivables;
- (f) subject to the proviso below, residual amounts accumulated up to but not exceeding the difference between: (i) the Initial Identified Receivables; and (ii) the outstanding amounts in respect of the Identified Receivables held by the Trust on such Payout Date (i.e. before the aforesaid Additional Identified Receivables are acquired) ("Accumulated Amounts") shall be utilised to purchase Additional Identified Receivables;
- (g) balance amounts, if any shall be earmarked in the Collection and Payout Account towards a Cash Reserve, which may be invested in the form of fixed deposits with the Designated Bank or such other bank as approved by the Beneficiaries holding Majority Interest (provided however that such fixed deposits are, at all times, effectively lien marked in favour of the Trustee)

Provided that while acquisition of Additional Identified Receivables is scheduled on each Payout Date during Replenishment Period, payment of Series A1 Yield is scheduled and due on only those Payout Dates where corresponding Series A1 Yield payment is specified.

Provided further that to the extent that the Additional Identified Receivables made available by the Seller during the Replenishment Period are lesser than 100% (One Hundred percent) but are greater than 80% (Eighty Percent) of the Accumulated Amounts, the amounts equal to the difference of the Accumulated Amounts and the principal portion of the Additional Identified Receivables would be retained in the Collection and Payout Account towards the Cash Reserve.

During Amortisation Period

On each Payout Date during the Amortisation Period, the proceeds realized from the Identified Receivables in the relevant Collection Period and deposited in the Collection and Payout Account, any amounts then available in the Collection and Payout Account, together with the amounts realized or utilized from the Credit Enhancement and transferred to the Collection and Payout Account, will be utilised for making relevant Investor Payouts to the PTC holders in the following order of priority:

- (a) Till such time as the Series A1 PTCs are outstanding, the priority in which payments shall be made is as follows:
 - (i) for payment of all statutory and regulatory dues. However, if such statutory or regulatory dues relate to the Identified Receivables on or prior to the relevant Cut-Off Date and are due and unpaid by the Seller, the Trustee will call upon the Seller to reimburse such amounts;
 - (ii) for the payment of the Servicer's Fee, and any fees and expenses incurred by the Trustee or any fees payable to service providers and/ or any other amounts expressly provided for in the Transaction Documents unless the Seller has obligated to pay such fee or expenses incurred by the Trustee or other service providers;
 - (iii) for payment of overdue Series A1 Yield payments due to Series A1 PTCs, if any i.e. Series A1 Yield due to be made on the preceding Payout Dates but which remains unpaid;
 - (iv) for payment of current Series A1 Yield payments due to the Series A1 PTCs on such Payout Date;
 - (v) for payment of expected Series A1 Principal (including, for the avoidance of doubt, any unpaid expected principal payouts to Series A1 PTCs from earlier collection periods in the Amortisation Period) payable to Series A1 PTC Holders;
 - (vi) amounts received towards Prepayment (i.e. Prepayment Proceeds) will be passed on to Series A1 PTC Holder and utilized towards redemption of outstanding Series A1 PTCs;

- (vii) for reinstating Cash Collateral (to the extent drawn on any Payout Date and not reinstated already);
 - (viii) The amounts remaining after payment under Sub Clause: (i) to (vii) above shall be utilised for making payments on Series A1 PTCs
- (b) Upon redemption of the Series A1 PTCs in full:
- (i) for payment of all statutory and regulatory dues. However, if such statutory or regulatory dues relate to the Identified Receivables on or prior to the relevant Cut-Off Date and are due and unpaid by the Seller, the Trustee will call upon the Seller to reimburse such amounts;
 - (ii) for the payment of the Servicer's Fee, and any fees and expenses incurred by the Trustee or any fees payable to service providers and/ or any other amounts expressly provided for in the Transaction Documents unless the Seller has obligated to pay such fee or expenses incurred by the Trustee or other service providers;
 - (iii) for payment to the Residual Beneficiary.

Notwithstanding anything to the contrary contained in the Transaction Documents, in case of delay in listing of the PTCs beyond 3 (Three) working days from the Deemed Date of Allotment / Issue Closing Date, the Series A1 Investor will be paid penal interest calculated on the principal outstanding of the Series A1 PTCs at the rate of 1% (One Percent) per annum which shall be payable over and above the Yield rate from the Deemed Date of Allotment until the listing of such Series A1 PTCs, from the monies deposited in the Collection and Payout Account.

Expenses

All upfront costs, collection and servicing expenses incurred in connection with the transaction shall be borne by the Originator. The transaction does not envisage any recurring costs to be borne out of the pool's cash flows.

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 of the underlying Buyer payments. 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.

Legal Opinion

The legal opinion from an independent counsel shall cover the following points:

- Farmart Services Private Limited shall undertake securitisation transactions as the Originator of the receivables;
- Upon the execution of the Trust Deed, the Trust will be duly constituted and its assets would not be treated as the assets of the Trustee in the event of the insolvency or liquidation of the Trustee;
- Upon the execution of the transaction documents, the beneficiaries of the Trust (PTC Investors) shall have undivided beneficial rights, title and interest in the receivables assigned. The receivables shall be bankruptcy remote, i.e. the creditors of Farmart Services Private Limited would not be entitled to proceeds against any part of the pool receivables in case of the winding up of Farmart Services Private Limited.

- Post assignment of the receivables, all the rights, title and interest in the receivables shall stand transferred to the Trust. The Trust would be treated as an operational creditor of the Buyers and would be entitled to exercise against them all the rights conferred on an operational creditor under the Insolvency and Bankruptcy Code (IBC), 2016.

Other Risks

Credit risk

The pool consists of receivables in the form of invoices originated via the sale of goods by the Originator to Buyers, which meet the pool selection criteria. These Buyers have moderate credit profiles and are well-established and financially moderately strong entities. The transaction is exposed to possible delays in payments, especially in a relatively stressed environment, as the Originator are operational creditors and not financial creditors who typically get priority on the cash flows. Further, the Originator meet a relatively small share of the procurement needs of the Buyers, which could result in them receiving lower priority in payments. Nonetheless, even though the trust would be an operational creditor, it would have the same rights as the Originator to initiate bankruptcy proceedings under the Insolvency and Bankruptcy Code, which would also act as a deterrent for the Buyers in delaying payments.

Tax risk

The risk arising from any potential taxation of the special purpose vehicle (SPV)/investor is not addressed by the ratings.

Redeployment risk

The transaction structure has a replenishment period of 37 weeks during which the cash flows from maturing invoices will be redeployed. The cash flows from maturing invoices will be redeployed in invoices. This is subject to the availability of receivables meeting the eligibility criteria set forth. In case the seller fails 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 75% (Seventy Five Percent) of the Accumulated Amounts (lying in the Collection and Payout Account), the trustee may call for an early redemption.

Originator/servicer bankruptcy

In typical retail securitisation transactions, the servicer plays an important role in collections, given the granularity and geographical diversification of the pools. However, in the current transaction, the servicer, viz. Farmart Services Private Limited, has a limited role as the Buyers are established entities with well-defined processes to make payments to the Clients. Further payments made by these Buyers are transferred to a separate escrow account. Any payment made in the escrow account against the invoice, which forms a part of this pool, is transferred to the trust account.

ICRA has built in the above risks in its analysis and is of the opinion that the level of credit enhancement provided for the structure is commensurate with the ratings of the PTCs.

Other Details

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	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. Any other 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 ratings 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 ratings will be withdrawn in accordance with ICRA’s Policy on Provisional Ratings available at www.icra.in.

Link to applicable criterion

[Rating Methodology – Collateralised Debt Obligations](#)

April 2025

Exhibit 5: Details of rated facilities

Trust Name	Instrument	Amount (Rs. crore)	Scheduled Maturity	Yield (p.a.p.m.)	Current Rating
KiPlatform Agri TR 2025	Series A1 PTC	11.82	12 months post PTCs issuance	12.00%	Provisional [ICRA]A2(SO)

Source: Company



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