

**Discussion Paper On Farmer
Loan Securitization
For
Agri Company**

By
Artfine Advisory LLP

Private and Confidential

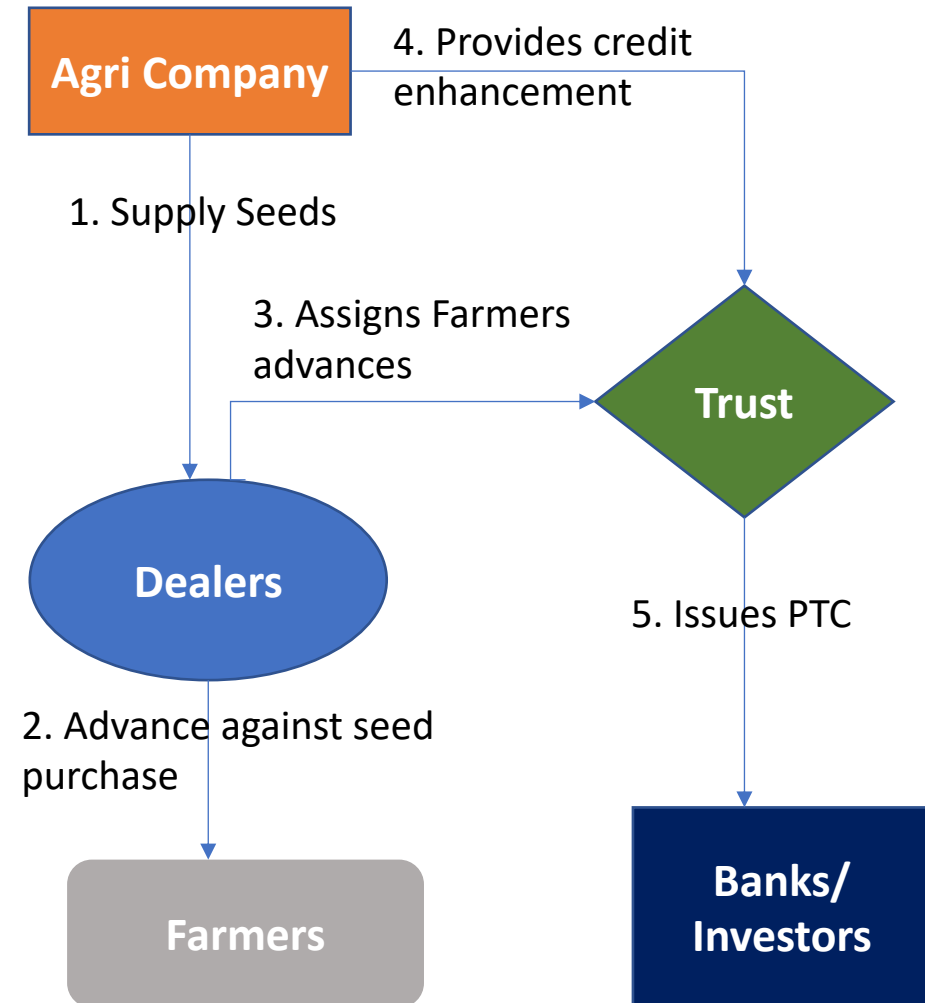
Product Idea

Advantages for Agri Company

- Monetization of dealer receivables
- Borrowing through market linked rated instruments gives flexibility to approach wider section of Banks
- Structuring would make possible for better rating than standalone rating. Therefore possibility of lowering cost of borrowing

Advantages for Lenders

- Exposure to direct agri asset qualifying for Priority Sector Lending
- Market instrument so lenders can offload into secondary market if they don't have a requirement
- Rated instrument validating associated risk by a third party



Role of Artfine Advisory LLP

1. Structuring of the products which includes primarily the following:
 - Formulate a financing structure so that it meets funding needs and is palatable for the lenders
 - Coordinating with Legal, Tax, Compliance firms for ensuring the financing structure meets the requisite regulatory compliances
 - Engaging with rating agency for rating process, data exchange & negotiating for the final rating
2. Distribution of the debt instrument :
 - Preparation of Information Memorandum and other marketing material
 - Engaging with Banks, NBFCs etc for placement of the debt
3. Facilitate pre/post disbursement compliances like facilitating off-take agreement, KYC aggregation etc