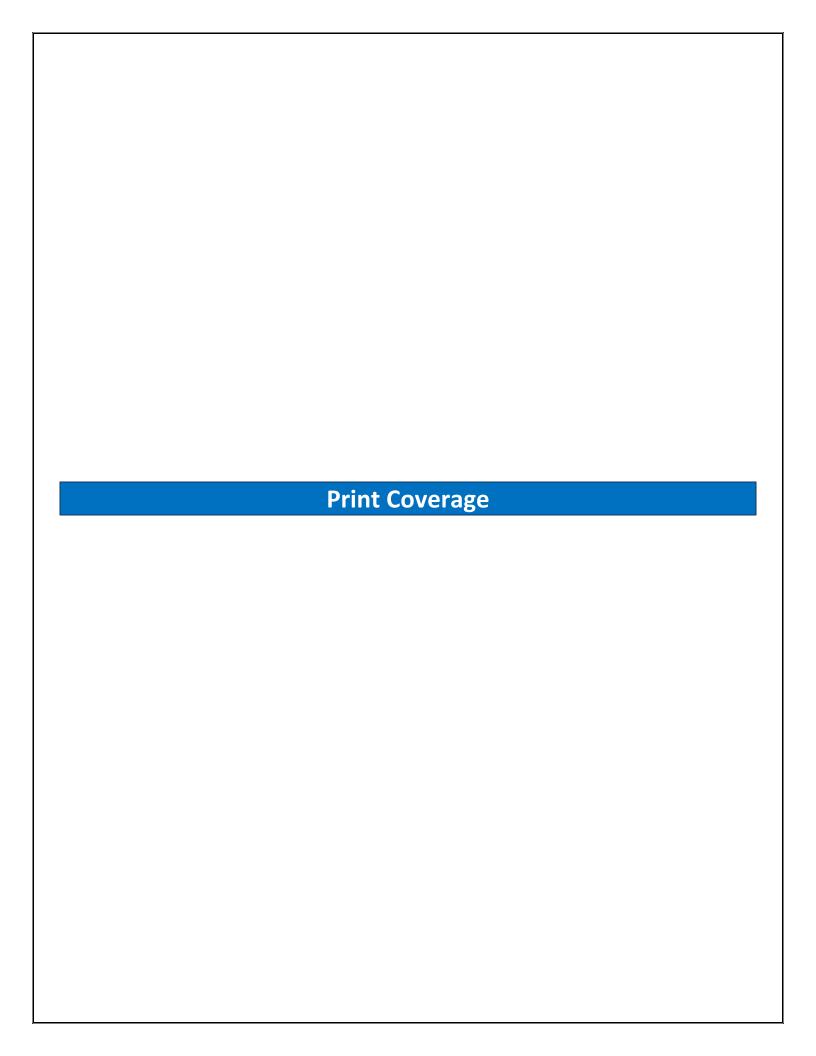
## **MEDIA COVERAGE REPORT**



Industry Story on Agri Finance – The Economic Times

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2	15-Oct-2020	ET Prime	Online	Driven by bumper crop, agriculture financing companies finally see hope of recovery



Publication THE ECONOMIC TIMES

Center Date 16-Oct-2020

## Agri Fin Cos See Recovery of Credit Offtake in H2 FY21

Recovery driven by a bumper kharif crop

Sutanuka.Ghosal @timesgroup.com

Kolkata: After a patchy time during the lockdown, agriculture financing companies are expecting a recovery in credit offtake in the second half of the current fiscal year, driven by a bumper kharif crop.

Like all other sectors, the lockdown restrictions had an impact on the agriculture sector and the agri financing business witnessed a drastic decline in credit offtake. The lockdown was imposed at the time of the arrival of rabi crops into the mandis, which had led to uncertainty in commodity trading at the time of the lockdown

"In the first half of FY21, the agri finance market is expected to have declined by 20-25% vis-a-vis FY20, mainly due to the impact of Covid-19, whereas we are already seeing green shoots of a smart recovery in the second half of FY21," Sohan Lal Commodity Management chief executive Sandeep Sabharwal said.

The company, through its wholly-owned Kissandhan Agri Fi-



\* ACCORDING TO CEO OF SOHAN LAL COMMODITY MANAGEMENT

SANDEEP SABHARWAL CEO, Sohan Lal Commodity Management



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## agrifinancing market is also expecting an increase in credit offtake in the coming days

nancial Services subsidiary, provides financing solutions against storage receipts of agriculture commodities. The company is a central bank-regulated nonbanking finance company.

Sabharwal said the agri financing market has witnessed a downward trend from FY20. In FY19, the overall size of the agri financing market was ₹36,000 crore, which shrank to ₹28,000 crore in FY20, he said, adding: "Now in FY21, the overall agri finance market is expected to go down further."

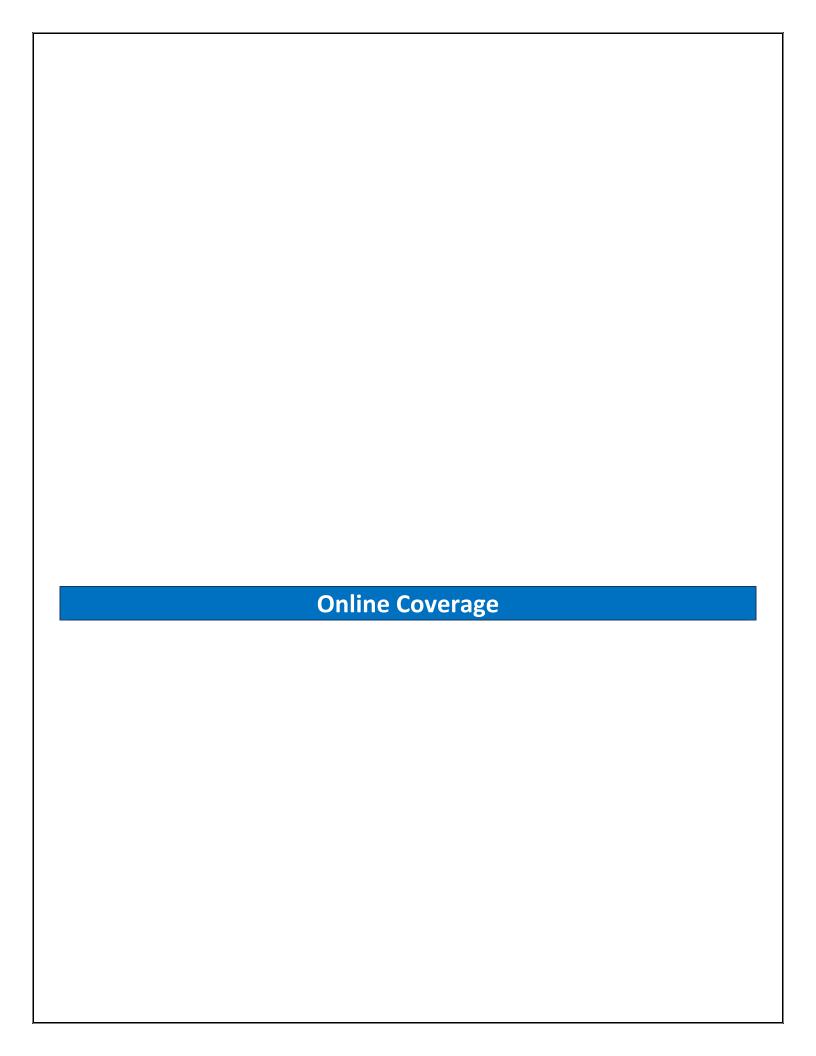
In India, six states account for

the maximum offtake of agri financing. These six states — Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Punjab and Haryana — had imposed rigorous restrictions during the lockdown which had an impact on agri financing demand.

"Kissandhan Agri Financial Services has its presence in all these six states and we didn't witness any increase in the credit offtake through agrifinancing in these six states. However, since a bumper crop of kharif is expected, the agrifinancing market is also expecting an increase in credit offtake in the coming days," the CEO added.

"Given the harvest has been a success so far for this year (both rabi and kharif), the trade has pushed through these times and hence also financing," Origo Commodities director Sunoor Kaulsald.

Last year, Origo's trade finance was around \$165 crore. And given the huge focus on agri and trade, it estimates that this fiscal year, this would be about \$400 crore.



## Portal- ET Prime

**Link** - <a href="https://economictimes.indiatimes.com/news/economy/agriculture/driven-by-bumper-crop-agriculture-financing-companies-finally-see-hope-of-recovery/articleshow/78681270.cms?from=mdr">https://economictimes.indiatimes.com/news/economy/agriculture/driven-by-bumper-crop-agriculture-financing-companies-finally-see-hope-of-recovery/articleshow/78681270.cms?from=mdr</a>



Driven by bumper crop, agriculture financing companies finally see hope of recovery



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By SUTANUKA GHOSAL ET Bureau

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