

MEDIA COVERAGE REPORT



SOHAN LAL COMMODITY MANAGEMENT PVT. LTD

Industry Story on Agri Finance – The Economic Times

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Print Coverage

Authored Article

S.No.	Date	Publication	Edition	Headline
1	16-Oct-2020	The Economic Times	Kolkata	Agri Fin Cos see recovery of credit offtake in H2 FY21
2	15-Oct-2020	ET Prime	Online	<u>Driven by bumper crop, agriculture financing companies finally see hope of recovery</u>

Print Coverage

Agri Fin Cos See Recovery of Credit Offtake in H2 FY21

Recovery driven by a bumper kharif crop

Sutanuka Ghosal
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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-

Green Shoots

SIZE OF AGRICULTURE FINANCING MARKET: *

₹36,000 crore - FY19

₹28,000 crore - FY20

Expected to go down further in FY21



6 States that account for the maximum offtake of agri financing in India

Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Punjab and Haryana

* ACCORDING TO CEO OF SOHAN LAL COMMODITY MANAGEMENT



SANDEEP SABHARWAL
CEO, Sohan Lal Commodity Management



Since a bumper crop of kharif is expected, the

agri financing market is also expecting an increase in credit offtake in the coming days

Financial Services subsidiary, provides financing solutions against storage receipts of agriculture commodities. The company is a central bank-regulated non-banking 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 agri financing in these six states. However, since a bumper crop of kharif is expected, the agri financing 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 Kaul said.

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.

Online Coverage

Portal- ET Prime

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



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



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

By SUTANUKA GHOSAL
ET Bureau

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offtake. The lockdown was imposed at the time of 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.

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