

MEDIA COVERAGE REPORT



SOHAN LAL COMMODITY MANAGEMENT PVT. LTD

Interaction - Corporate Story

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Interaction Coverage

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1	15-Mar-2021	The Economic Times	New Delhi	Agri Financing Picks up pace in fourth quarter
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Agriculture Financing Picks Up in Q4

Sutanuka Ghosal
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Kolkata: Agriculture financing has picked up in the ongoing fourth quarter of fiscal 2021, as large processors, exporters and traders in paddy and groundnut have started procurement and pledge financing.

Leading agri-financing companies said pledge financing for sugar too has picked up as the sector is set to witness higher production.

While the farmer protest had impacted agri-financing in the November-December period, it has now re-

turned to normalcy, they said.

Talking to ET, Sandeep Sabharwal, group chief executive at Sohan Lal Commodity Management (SLCM), said: "Last year, the lockdown was imposed at the time of arrival of the rabi crops into the mandis which led to uncertainty in commodity trading ... At Kissandhan, our wholly owned subsidiary for agri-financing, we witnessed an overall decline of 40-45% in the agri-financing off-take. During Q3, the impact on the business was around 25-35%. However, during the current quarter, things have started improving and the overall impact on the business will co-



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In the company's warehousing and collateral management business, volumes were severely impacted due to the lockdown restricting movement of manpower and goods carriers, he said. "However, from the second half of the

cond half of FY2019-20."

The farm protest and unseasonal heavy rains last year just before the harvest season of soybean impacted the supply chains and logistics for a brief period. The farm protests started around October-November, at a time when the wheat crop was due for sowing in Punjab and Haryana, and it did have an impact on the agri credit off-take, Sabharwal said. The unseasonal rains before soybean harvest damaged the crop by almost 20%, which created an imbalance in the demand and supply, resulting in non-utilisation of the agri financing facility by value-chain stakeholders.

HARVEST OF HOPE Large processors, exporters and traders in paddy and groundnut have started procurement and pledge financing

Agri Financing Picks Up Pace in Fourth Quarter

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BACK TO THE FIELDS

WHAT HAD HIT AGRI FINANCING

Farm protest and unseasonal heavy rains last year just before the harvest season

Volumes were severely impacted due to the lockdown restricting movement of manpower and goods carriers

₹300cr

Expected loan disbursement by Arya Collateral this fiscal



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vest season of soybean impacted the supply chains and logistics for a brief period. The farm protests started around October-November, at a time when the wheat crop was due for sowing in Punjab and Haryana, and it did have an impact on the agri credit off-take, Sabharwal said.

The unseasonal heavy rains before the soybean harvest damaged the crop by almost 20%, which created an imbalance in the demand and supply scenario, resulting in non-utilisation of the agri financing facility by value-chain stakeholders.

"However, things have started improving as large processors, exporters and traders in paddy and groundnut have started procurement and pledge financing ... Sugar production is expected to be better this time compared to last year, thereby financing under pledge will be more," the SLCM group CEO added.

Prasanna Rao, CEO of Arya Collateral that offers finance through an integrated platform alongside storage solutions, said the company is expected to disburse more than ₹300 crore of loans in this fiscal year through its fintech platform.

Arya offers loans against the electronic balance of commodities pledged as collateral.