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Sohan Lal Commodity Management (SLCM), which is among one of the pioneers in agri warehousing in India, is looking at a fresh fundraising round, at least two people aware of the development told *VCCircle*.

In what could also provide its early backers an exit, SLCM is aiming to raise \$48-60 million (Rs 400-500 crore) from institutional investors by year end, the individuals mentioned above said, requesting anonymity.

Around Rs 100-150 crore out of the intended fundraise would be meant to provide exit to some of the early backers, the persons said, adding that it however depends on the investors if they want to opt for one.

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Sohan Lal counts [Everstone Capital](#), Mayfield Fund, Nexus Venture Partners and ResponsAbility Ventures among its early backers.

They hinted that the round could be also a pre-IPO fundraise, but it depends on "opportunities" and "market conditions".

The company is likely to start hiring investment or merchant bankers to formalise the fundraising process.

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When contacted, a company spokesperson declined to comment on the development.

Sandeep Sabharwal, chief executive officer at SLCM, however, spoke at length about how ramping up service offerings in terms of digital and restructuring its NBFC vertical Kisaandhan has boosted growth of the business.

The company had reduced its loan book from Rs 400 crore to Rs 20 crore in 2019 after seeing many fraud cases among some of its competitors and chalked out plans to introduce multi-products through the subsidiary.

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“Warehousing finance was our only product back in 2019. But during these last four years, we have re-oriented Kisaandhan to a multi-product team.”

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business correspondent model (BC) besides financing Microfinance Lenders (MFIs) in rural areas," said Sabharwal.

Meanwhile, the company has also launched a few digital products internally. One of the products can instantly tell the user about quality of the produce. The company has only included wheat to begin with but would soon try for other crops and claims the app has 88% accuracy.

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The warehouses in India often face limitations due to lack of CCTV surveillance and human supervision. There are often instances of network-related problems or lack of electricity, said Sabharwal.

"So, under our Agri Suraksha programme, we are deploying SIM-based cameras which can work without electricity," he said.

The company claims that out of its 1,000 warehouses, such cameras are already supervising over 700 units. The banks and lenders can assess the products stored in warehouses 24x7 on a real time basis and this has increased the company's AUM under collateral management division from Rs 3,000 crore to Rs 7,700 crore.

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The company claims that it is expected to generate sales of Rs 575 crore by FY23. The firm generated net sales of Rs 465 crore during FY22 with an EBITDA of Rs 5 crore during FY22, as per VCCEdge, the data intelligence platform of VCCircle.

The company, which was launched in 2008, provides services such as warehouse management, agriculture financing, collateral management and procurement mainly to farmers, processors, millers and traders.

The company had last raised \$20 million in its last outing in 2017 from Swiss impact investor ResponsAbility Investments AG and Belgium-based Incofin Investment Management.

Other funded players in collateral management include [National Collateral Management Services Ltd](#), [Arya Collateral Warehousing Services Pvt. Ltd](#) and [Star Agri Warehousing & Collateral Management](#).

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