

MEDIA COVERAGE REPORT



SOHAN LAL COMMODITY MANAGEMENT PVT. LTD

Industry Story on Agri Finance – The Economic Times

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Print/Online Coverage

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1	24-Nov-2020	The Economic Times	Kolkata	Ongoing Agitation on central Farm laws hits Agri credit demand
2	23-Nov-2020	ET Prime	Online	Punjab, Haryana protests against Centre's Farm Bills affecting business, say agri-fin cos

Print Coverage

Ongoing Agitation on Central Farm laws Hits Agri Credit Demand

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Kolkata: The ongoing agitation in Punjab and Haryana against the three central farm laws has affected demand for agriculture credit, according to companies providing the service.

Despite this issue, they are hopeful of posting better numbers in the second half of the ongoing financial year compared with the first, when the lockdown had a crippling effect on agri-credit demand.

In India, seven states — Rajasthan, Gujarat, Maharashtra, AP, UP, Punjab and Haryana — account for most of the demand for agri financing. There were rigorous restrictions in these states during the lockdown, which had impacted the business in the first half.

"At present, farmers in Punjab and Haryana are agitating against three central farm laws and are demanding its withdrawal. The operations of goods trains are also under suspension in these two states, which have affected the supply of essential items," Sandeep Sabharwal, the group chief executive at Sohal Lal Commodity Manage-

ment, told ET. "So, the ongoing agitation has completely derailed the normal functioning of agri business in these states," he said.

November is generally a busy month in Punjab and Haryana due to sowing of the wheat crop, but this year farmers are busy in agitation, he said, adding: "No doubt, this has impacted the agri-credit offtake as well."

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

Arrival of kharif crops has started from the first week of November and further picked up after Diwali. This is expected to benefit the warehousing and pledge financing business.

Sabharwal said large processors, exporters and traders in paddy and groundnut have started procurement, creating demand for pledge financing and storage business. Sugar production is expected to be better this season compared with last, and that too is expected to boost financing under pledge.

Online Coverage

Punjab, Haryana protests against Centre's Farm Bills affecting business, say agri-fin cos

By Sutanuka Ghosal, ET Bureau • Last Updated: Nov 23, 2020, 03:40 PM IST

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Synopsis

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KOLKATA: The ongoing agitation in Punjab and Haryana against the three central farm laws has affected demand for agriculture credit, say agri-financing companies.

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“Demand for commodities in the HoReCa (hotel/restaurants/café sector) is not yet normalised. Commodity prices are ruling high, as a result of which borrowing segment takes a knock. However, despite all these, demand has come back close to normal,” National Collateral Management Services president Unupom Kausik said. “We are expecting 20% growth in agri-credit offtake in the second half of FY21, over the first half. There has been an improvement in the commodity sector after the withdrawal of the lockdown.”

The lockdown was imposed at the time of the arrival of rabi crops into the mandis, causing uncertainty in commodity trading at the time of the lockdown.

Sohal Lal Commodity Management through its wholly owned subsidiary, Kissandhan Agri Financial Services (Kissandhan), provides financing solutions against storage receipts of agriculture commodities.

“At Kissandhan, we have witnessed an overall decline of 40-45% in agri financing offtake. Now in this kharif, we are witnessing signs of a revival and are hopeful of doing much better volumes than previous kharif resulting in better financial numbers by the time we will approach the closure of FY 20-21,” said Sabharwal.

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