

National Bulk Handling Corp to expand further

Plans to fan out to more areas, tap more farmers and processors

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Expansion of the agricultural commodities under its management will be the major focus area for National Bulk Handling Corporation (NBHC) Ltd in the coming days.

It offers services such as warehousing and collateral management for farm produce.

In an interaction with *Business Line* during his visit to Mangalore on Wednesday, Anil K Choudhary, Managing Director, said that the company maintains around 1,300-1,500 warehouses across the country.

“Increased geographies and

increased commodities, how can we bring in more commodities, farmers and processors into our fold is a priority,” he said.

The company, which was part of Financial Technologies India Ltd, was acquired by India Value Fund in April this year.

The company has agreements with 42 banks in the country to finance its warehouse receipts.

In the last five years, the company has managed commodities worth around ₹62,000 crore for banks, and banks have lent around ₹42,000 crore against warehouse receipts, he said.

If the company is handling ₹6,000-7,000 crore worth of commodity on an average now, how it can reach an average of ₹15,000 crore will be a focus area, he said, adding that maintaining ₹15,000 crore worth commodities gives a lot of strength.

Huge potential

Stating that the potential is humongous in this area, he said: “We are just scratching the surface.”

Explaining that, he said the recent Budget has asked the banks to lend around ₹8 lakh crore for agriculture sector.

Of the total agriculture lending till now, a major share went to pre-harvest lending.

Post-harvest was getting

The company has started to expand in Bihar, Jharkhand and West Bengal and intends to expand in Orissa

hardly one or two per cent of the total credit disbursed during the period, Choudhary said.

Stating that pre-harvest lending has more potential to become NPA than post-harvest, he said the collateral in post-harvest lending is tangible.

Though the company handles around 160 commodities, produce such as paddy, wheat, maize, mustard, soyabean, cotton, pulses and chana constitute around 60-70 per cent of its total basket of assets under management, he said.



Anil K Choudhary, MD, NBHC

To a query on its geographical expansion plans, he said the company has already started to expand in Bihar, Jharkhand and West Bengal. It would also like to expand in Orissa, he said.

Referring to India Value Fund's investment in the com-

pany, he said: “I believe that we will be able to start moving meaningfully towards reaching our true potential.”

Priority areas

On the recent appointment of Vijay Kelkar, former finance secretary, as the Chairman of the company, he said the perspectives that the company will get be much more mature and meaningful now.

To a query on the other priority areas, Choudhary said NBHC will focus more on investing in IT (information technology) infrastructure.

The more it invests on IT, better control it gets on the system. It will help effectively and economically control the risks, he added.