

In the top left corner, there are decorative elements including a green circle with a white leaf pattern, a green circle with two small brown dots, and two blue snowflake icons. The main title "Welcoming 2021" is written in a large, green, cursive font. Below it, "REFLECTIONS & MORE" is written in a smaller, blue, sans-serif font. A thick green horizontal line is positioned below the subtitle.

# Welcoming 2021

## REFLECTIONS & MORE

Our heartfelt warm New Year wishes to you all!

For over a decade, Origo Commodities is on a mission to achieve excellence in the Agri value chain. In our endeavour to make Indian agriculture future-ready, our team has been tirelessly working to improve standards in the post-harvest segment.

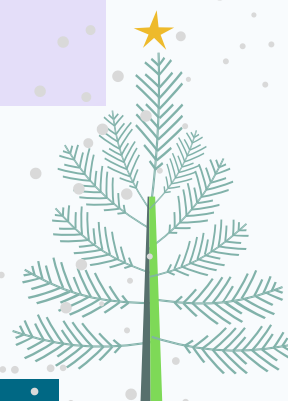
2020 was a year that brought some unexpected challenges across the globe. While COVID did cause a lot of stir for everyone, it especially impacted the underprivileged section. Even during these tough times, it is extremely satisfying that Origo continued to render the best of its services throughout the year, including the lockdown phase. As our services directly support the agriculture industry, we are proud that our efforts have contributed in keeping the supply chain mechanism seamlessly operational.

During the year, we also focused on strengthening our system and processes by introducing new features in Origo's model, making it more efficient and customer-friendly.

Driven by our futuristic approach, we primarily focused on:

- Tech-enhancement
- Improving agri-investment potential
- Positive social impact and sustainable development

We are glad to share with you the specific initiatives undertaken by Origo in 2020.





## DEMOCRATIZATION OF AGRICULTURAL INVESTMENTS

In October 2020, Origo launched its securitized transaction mechanism. By issuing the first-ever 'commodity-linked' Pass Through Certificate (PTC), Origo has become the first company to successfully establish a linkage between agricultural commodities and capital markets. This is a huge step in transforming the agri-commodity trading business by introducing a new asset class in securitized commodities across the country.

Origo strives to ease the overheads on agri-investment and make it available to all. This digitized transaction of commodities in capital markets is a strong step in this direction.

We have not only enabled formal channelization of agri-commodity to capital markets but also expanded investment opportunities through regulated and listed instruments.

The initiative will play a critical role in allowing better penetration of formal credit in the agribusiness ecosystem by opening investment opportunities for a larger base. This will provide a much-needed boost to the agricultural economy.

### Features & Benefits

1. The transaction is listed with, and regulated by the Securities Exchange Board of India (SEBI). The warehousing operations are regulated by the Warehouse Development Regulatory Authority (WDRA).
2. With PTCs, investors get the benefits of e-NWR making the financed commodity available in dematerialized and electronic format.
3. Investors can invest in agri commodities in a manner similar to other financial instruments but with the added security of being backed by physical commodities.
4. Origo's PTC has been rated A1 by ICRA, making it a low-risk asset class.

The creation of the PTC instrument for agri commodities creates a huge opportunity for investors to contribute to the Indian agricultural growth story. At present, a significant 95% of the Indian agri markets still don't have access to institutional capital. The democratization of agri-investments will help fill this void and allow better penetration of formal credit into the system. The resulting liquidity will lead to the formalization of agri supply chain and improve the food distribution system across the country. This is expected to positively impact the farming community as well as the underprivileged section.


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## RESPONSIBLE AGRICULTURE AND SUSTAINABLE DEVELOPMENT


With a decade-long experience in enhancing the post-harvest agricultural mechanisms, Origo understands the importance of doing responsible business that brings a positive impact on the entire ecosystem. Therefore, our efforts are not isolated only to the business front but extend to the larger well-being of our stakeholders and society.



While Origo's focus is on boosting commodity trade and agri-finance systems through technology and digitization, the underlying aim is to empower stakeholders, promote inclusive growth, and work for a prosperous society. The direct impact of Origo operations is on environmental sustainability and food security.

### Sustainable Environment


About one-quarter of food emissions come from food that is never eaten. Of this 15% of the emissions are from food losses in the agri-supply chain. According to FAO, of all food categories, grains are the highest contributor to the carbon footprint.



Since its inception, Origo has been working to eliminate post-harvest losses. Through its focus on enhancing the value chain, timely procurement and logistics support, and scientific storage practices, Origo is effectively reducing commodity wastage and harmful carbon emissions.

To date, we have reduced commodity wastage up to 3 million tonnes, effectively bringing down 2.3 mega tonnes of carbon dioxide emissions.

### Food Security



Food insecurity is a major threat that is haunting not only our country but the entire world. While food unavailability is the direct adverse impact of losses in the supply chain, it also affects productivity and the economy in general. Several resources go to waste in the process and it causes some serious environmental damage.

Origo warehouses operate with scientific storage techniques, preserving food grains and other commodities in the best form. Regular stock monitoring and quality audits ensure that food grains retain their best nutritional content, also enabling the farming community to realize higher prices. Additionally, by collaborating with the government and managing high-quality and scientifically operated storage facilities, we are directly contributing to the Public Distribution System, where government distributes food grains at affordable prices.

Origo has controlled food wastage by 10% and has saved about 3 million tonnes of food. This has fed over a million additional people.

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## TRUST AND TRANSPARENCY THROUGH TECHNOLOGY

Origo has always been known for providing solid back-end support. We believe in consistently refining our processes to meet stakeholders' expectations and enhance the profitability quotient of our agri-value chain. Combined with its nationwide presence and excellent warehouse network, Origo is planning to take agri-finance to the next level by integrating the systems with the latest technologies in the sector. Currently, all our systems are well integrated with Microsoft Dynamics ERP that gives a competitive edge to the Origo operations.



In 2020, our team has put in rigorous efforts to revamp its systems to make the front-end equally robust. Origo is now set to integrate its systems with blockchain technology that will offer the next level of agri-trading experience on a digital platform, the first of its kind in India. This blockchain-based multi-agency platform will offer the benefit of distributed ledger technology that effectively stores data and provides real-time information including details on inventory, commodity, collateral prices, performance of receivables, etc. The process will not only make the transactions more transparent but will also eliminate time-consuming reconciliations, ensure lower transaction cost, and improve traceability.



Besides, we will soon be offering the facility of e-auction for buyers and sellers across the nation, allowing both forward and reverse auctions to benefit sellers as well as buyers. This will be a notable development in breaking the geographical barriers and developing mechanisms for better price discovery. The electronic auctioning system will immensely broaden the buyer-seller network, effectively bridging the supply and demand mismatch. With direct participation from farmers and farmer producer organizations (FPOs), the platform will play a pivotal role in the removal of intermediaries, thereby promoting better income for farmers and timely availability of produce for consumers. Further, it will reduce post-harvest losses, adding to the nation's food security and reducing harmful emissions.

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## CONTRIBUTION TO GOVERNMENT INITIATIVES

Origo has been associated with various government agencies for MSP procurement support and scientific storage services.

While we have been managing warehouse facilities for PDS stock on behalf of the government since 2012, we are especially proud of the role we have played during the COVID crisis, which included ongoing management and dispatch of stock during the lockdown phase. Team Origo worked against all odds to ensure timely movement of stock from warehouses to their destination.

Besides PDS, we also collaborate with the government during MSP procurement and provide support to farmers to stock their produce in our warehouses for an agreed time period.

We also work with NAFED under a unique model wherein to make farmers' stock a more marketable currency through standardization via quality checks, which they sell to NAFED under the MSP scheme. Origo's quality assaying ensures that the commodity meets the criteria for PDS distribution and enables appropriate price discovery for farmers.

Among others, we actively partner with the following agencies:

- Punjab Grains Procurement Corporation Ltd. (Pungrain)
- FCI, Rajasthan
- Rajasthan State Warehousing Corporation
- Odisha State Warehousing Corporation
- Punjab State Warehousing Corporation
- NAFED

By rendering the warehousing services to different government bodies, Origo is empowering farmers and the community on various fronts – including better marketability (with NAFED), improved price discovery (through MSP), and ensuring food availability at affordable prices (through PDS). So far, Origo has cumulatively managed storage for 25 MT of agri-commodities.



## NEW AGRI-FINANCE PRODUCTS FOR ROBUST SUPPLY CHAIN

Besides providing robust services through trade finance, warehouse management, and digitized platforms to reduce transaction risks, Origo also offers agri-finance services to the farming community. Through its subsidiary Origo Finance (OFL), the company is making the rural and agricultural credit ecosystem more agile. The aim is to offer products and services that will enhance access to credit to producers and allow better liquidity that will make the overall supply chain stronger in the long run.

Staying true to its goals, OFL launched ProFin, a financial product to offer procurement finance. ProFin is designed to streamline the credit process, allow more liquidity and faster payment to producers and sellers.

OFL is also initiating financial product for agri-inputs (fertilizers and seeds) that aims to increase access to the right input for small and marginal farmers in a timely manner. According to reports, 86% of farmers in India belong to the small and marginal category. At least 50% of these farmers are unable to get any credit from any source due to a variety of reasons. Our new finance products will help reduce this credit access gap and provide the necessary impetus to the sector.

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