

# IFC mulls extending \$6m loan to India's SLCM for agri finance facilitation in Myanmar



Photo: Juliet Shwe Gaung. Myanmar Currency.

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**International Finance Corporation (IFC)**, the **World Bank's** private lending arm, is planning to extend \$6 million in loan to Delhi-based **Sohan Lal Commodity Management Pvt Ltd (SLCM)** to grow its commodity-backed finance facilitation operations in Myanmar.

IFC aims to provide a \$3 million loan from its own account and another \$3 million loan in its capacity as the implementing entity of the private sector window of the Global Agriculture and Food Security Program (GAFSP). The remaining funding for the project, which is estimated to cost \$9 million in total, will come from SLCM as an equity investment and a short-term revolving credit facility from the Yangon branch of the **State Bank Of India**.

"The project will indirectly benefit farmers by improving access to finance for agribusiness SMEs, agri-traders, and producer organizations, who will be able to purchase higher volumes of agricultural produce from farmers and properly store the goods for longer periods," IFC said in a disclosure.

Led by CEO Sandeep Sabharwal, SLCM is backed by Nexus Venture Partners, Mayfield FVCI, Everstone Capital, Emerging India Fund, Creation Investments Capital Management, responsAbility Investments AG, and the Agricultural and Rural Impulse Fund (agRIF). A leading post-harvest agri supply chain solutions provider in India, its operations in Myanmar are handled through a subsidiary, SLCM Myanmar.

SLCM Myanmar's warehouse management processes will help with better storage of agri-commodities, thereby reducing post-harvest losses, IFC noted in its disclosure. On average, post-harvest losses are estimated at about 20 per cent in Myanmar.

IFC will also share with SLCM its extensive global experience in the agribusiness and logistics sector as well as warehouse receipt financing.

Myanmar has seen a strong inflow of foreign investment in the warehousing and logistics space in the last past years. The Thilawa Special Economic Zone has hosted quite a few such businesses, including Yusen Logistics Co Ltd, Nittsu Logistics

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