

THE HINDU Business Line

SLCM providing loans to farmers, women through BCs

Subramani Ra Mancombu
Chennai

Sohan Lal Commodity Management (SLCM), one of India's biggest warehouse providers, had begun to finance small and marginal farmers, especially women, through its Kissandhan business correspondent (BC) partnership lending programme, the company's founder and CEO Sandeep Sabharwal has said.

"The business correspondent model is more like a collective one. For example, if you go to a large village the head of the panchayat could be a business correspondent. He will actually take loans from the company and disperse it to his members," he told *businessline* in an online interaction.

TO SET UP NEW FPOs

SLCM is trying to expand the scheme using a cluster approach. "We are taking a lot from the Amul's cooperative



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SANDEEP SABHARWAL
CEO, SLCM



model. This is because it is impossible for a firm to reach the last mile every day for collection or sourcing loans. But it is very much possible for us to go and intervene at the district level," he said.

VITAL PART

The company is tapping these BCs for setting up new farmer producer organisations (FPOs). "We are looking at them for dissemination of loans to small farmers and also as a dissemination

agent of knowledge transformation," Sabharwal said. The company identified FPOs as an important element of its business. Then it added the BC partners scheme. "You know in the BC partners we have dispersed about ₹87.88 crore and each ticket size is not more than ₹30,000. We have impacted over 20,000 women entrepreneurs, who are very important for us," he said. SLCM is finding these women entrepreneurs driving

the decision-making. It sees these women as an important part of the ecosystem and it has helped to draw them towards the company, the founder and CEO said.

In turn, this has helped SLCM to advice the banks on which crops could do well or which areas are untapped. This has helped 78 FPOs with a total of 58,000 farmers as their members. It synergised the company's operations and shore up its financials, he said.

The BCs offer loans to farmers at a 15 per cent interest rate. This is higher than the usual rate of interest as it has risks. On the other hand, the women were availing loans at over 20 per cent. So in a way, it has brought down their burden, he said.

Over the last few months, SLCM has been able to enrol 10,000 women beneficiaries under the BCs partner scheme. SLCM is tapping its digital app — AgriReach — to extend loans.