

SCLM to expand into Africa, ASEAN nations

RITWIK MUKHERJEE

Kolkata

Delhi-headquartered Rs 2,000 crore agri-logistics group Sohan Lal Commodity Management (SLCM) has now drawn up plans to explore other overseas markets in ASEAN and African regions.

It has already outlined its plans to foray into Malawi in south east Africa and is in advanced discussions to set up operations there, Sandeep Sabharwal, group CEO, SLCM, told *FC*.

With the first mover advantage in its NBFC vertical called Kissandhan, SLCM stands at a total disbursement figure of Rs 210 crore and is expecting to grow 300 per cent by the end of FY15-16. The company, which notched up a turnover of Rs 1,923 crore, has set a target of reaching the Rs 2,600 crore mark in the coming fiscal, he said.

Within a short period, the company has managed 100,000 sq ft of space and 15 different commodities with a

throughput of nearly 4 million tones (MT). The Myanmar subsidiary specialises in warehousing and collateral financing in Myanmar. Like in India, the subsidiary undertakes sampling, testing, grading, assaying, aeration and quality certification of the commodities to ensure the quantity and quality of the stored commodity. SLCM plans to replicate the entire integrated service model in Myanmar that it operates successfully in India and plans to expand to agri-financing services in the coming years.

The company in Myanmar is handling commodities ranging from pulses, wheat, cookies, spices, palm oil, milk powder, kidney beans, bitumen to cement. The quantum is much larger in India where the parent group is handling more than 157 agriculture commodities including cotton, barley, bajra, castor seeds, wheat, pulses, maize, spices and aloe vera.

Justifying his rationale to move to Myanmar, Sabharwal

said, "India imports 70-80 per cent of pulses from Myanmar, which is the protein need of our country. Keeping this in mind, SLCM has expanded its operations to Myanmar. We have successfully proven the scalability of our operations, which is agnostic to infrastructure or location."

SLCM is looking at multi-fold growth in all verticals including warehousing, cold storage, collateral financing as well as agri-financing. The thrust is to expand its warehouse network from 750 to 1,500 with presence in all the major states of India. Talking about the company's commodity-credit disbursement target for the next year through Kissandhan, he said, "Comparing our quarter-on-quarter growth in Q1 FY2016, we have registered remarkable growth of around 130 per cent as we have disbursed Rs 76 crore in Q1 FY16 against that of Rs 33 crore achieved in Q1 of FY14-15."

ritwikmukherjee
@mydigitalfc.com