

In Conversation With Mr. Sandeep Sabharwal, Group CEO - Sohan Lal Commodity Management



In a candid conversation with Economic Times Global Logistics Show team, Mr. Sandeep Sabharwal shares the transformational growth of SLCM group and how they are optimizing the warehouse operations. He talks about the current market scenario of Agri Warehousing in India and the SLCM roadmap towards success. With more than three decades of diversified and rich experience in the areas like commodity storage, procurement, commodities market, processing, warehousing & financial services in the agriculture sector, Mr. Sandeep Sabharwal has been the Promoter & CEO of SLCM since its incorporation in 2009 and has driven it from a single warehouse at one location to a network of more than 1395 warehouses with a throughput of more than 441 Mn MT.

Q.1 How SLCM is solving the problem of Agri-commodity wastage?

SLCM has devised Standard Operating Process (SOP) which amalgamated technology with Agri domain expertise & allows SLCM to operate any warehouse agnostic of infrastructure, location, weather pattern across any kind of agriculture crop. The Group has applied for patenting this scientific technology of storage under the name of "AGRI REACH" which is first of its kind in the Agri sector.

The transformational growth of SLCM group can be summarized with the range of diversified products & services it has innovated to complete the supply chain from farm gate to the food plate. We offer diversified portfolio of services ranging from Warehouse Management, Agriculture Financing and Collateral Management to Procurement. Since inception, we have grown from a single warehouse at one location to more than 1505 warehouses and 19 cold storages pan India with a total capacity of over 3.93 Million MT spread over 22.07 Million sq ft. and throughput of more than 467 Million MT. The Group has focused on process driven scientific warehousing practices and not on infrastructure & have minimized post harvest losses pegged at 10% nationally to 0.5% which was also accredited by FICCI in their detailed study.

With the view to offer scientific support to agricultural economies of developing nations, the Group forayed into Myanmar market in April 2014 demonstrating the scalability of its proven warehousing model. In a short span, the wholly owned subsidiary (WOS) in Myanmar has expanded its footprints to 33 Industrial Zones & managing an area of 8.46 Million Sqft, handling 141 commodities with a throughput of 1.72 Million MT.

To augment the agriculture sector, SLCM took agriculture financing initiative by making a forward integration into warehouse receipt financing in March 2014 with its NBFC, Kissandhan that provides loans against storage receipts of agri commodities. Kissandhan offer financing solutions irrespective to the financial statement of the borrower, the emphasis is purely on the agri collateral (the crop) that the borrower pledges and hence it takes away the distinction between the 'Have' and the 'Have nots' and brings in real financial inclusion.

With the launch of Kissandhan, continuing the ritual, we again became the first company in this sector to provide finance against farm products after arriving at valuation of the goods stored, using collateral at risk model. Till now, Kissandhan has disbursed loans worth 773 cr to different segments & brought real inclusive Growth through availability of credit on agriculture commodities to about 1,67,550 farmers till January 2017, as per an internal study.

Q.2 What is the current market scenario of Agri Warehousing in India?

The overall outlook of the industry is very positive as government has moved its focus towards scientific warehousing which will bring the much needed momentum in the Agri sector. With ever increasing demand for processed Agri products, the requirement for production and warehousing facilities is also increasing henceforth, the opportunity is further expanded.

Today, the market looks positive with upcoming regulations like WDRA which will strengthen the sector, break the monopoly & make it more competitive. But, the sector still needs a lot of upliftment, market needs to be more competitive & the players need to be process driven rather than infrastructure driven & bring more efficiency in their operations. Another matter of concern is the corporate governance in this sector and I believe that here again SLCM has been the flag bearer of this, we have demonstrated the highest practice of the same by being one of the first in the sector to define scientific warehousing processes, its execution without any deviation & finally monitoring for overall control under the name of "Agri Reach".

Such practices are encouraging other corporate houses and start-ups to bring innovative ideas to the rural India. The exponential growth and the sector being driven with innovations like Scientific Warehousing, GPS tracking, Geo Fencing, Real Time Monitoring, etc. is bringing confidence amongst the stakeholders involved in the sector which is bringing in a lot of interest from investors as well. With technological innovations, more investments, planned and strategic initiatives by the Government, this sector is bound to accelerate with mammoth growth in the years to come.

Q.3 What do you think about platforms such as 'Global Logistics Show' contribution to the growth of the logistics industry in India?

According to me, platforms like "Global Logistics Show" have helped the sector understand the problem areas & eventually provide systematic solutions to the same. The deliberations during discussion in such forums stimulate the stakeholders to innovate solutions which ultimately strengthen the sector.

Q.4 How SLCM is optimizing the operations of its warehouses?

SLCM warehouse management is equipped with technology to offer storage and protection services for the entire range of Agri-commodities. Innovations like - Scientific Warehousing, GPS tracking, Geo Fencing, Real Time Monitoring system, Internal Audits etc. has proved that we are giving the best results in the sector.

The company imparts high quality modern warehousing services with real-time MIS to globally reputed clientele. We have 72 internal audits to check quality standards and entire system has been mapped to real-time resource monitoring for efficient tracking. SLCM offers Real Time MIS across India with a data turnaround time of less than five minutes and an alert facility akin to a credit card swipe. Today, SLCM is constantly and consistently creating scientific processes in the agri-logistics space, which are also being showcased by the agriculture fraternity across the world as a role model to reduce post harvest losses.

Q.5 What is the roadmap towards success that SLCM developed for warehouse management?

Our roadmap is to be present in every Geo Climatic region of the world and to be the preferred Agro Service Provider across all Agriculture Value Chains. The plans are to explore the ASEAN & African markets in the near future.

Q.6 Share your views about Global Logistics Show and its importance in Logistics industry?

India's improvement in logistics is a proof of its steady performance in competitiveness in manufacturing and trade. According to World Bank report, Improvement in India's rank on the Logistics Performance Index adequately establishes steady performance in our competitiveness in manufacturing and trade that also acts as one of the growth drivers of Make in India programme. Among 160 countries, India has been ranked 35th compared with 54th rank in 2014, as per the recently released report titled 'Connecting to Complete 2016'. It's based on a worldwide survey of stakeholders on the ground providing feedback on the logistics friendliness of the countries in which they operate and those with which they trade.

Events like "Global Logistics Show" have helped in boosting the sector continuously wherein the above mentioned results are derived. I must commend the team & organizers in putting across a meaningful show.