

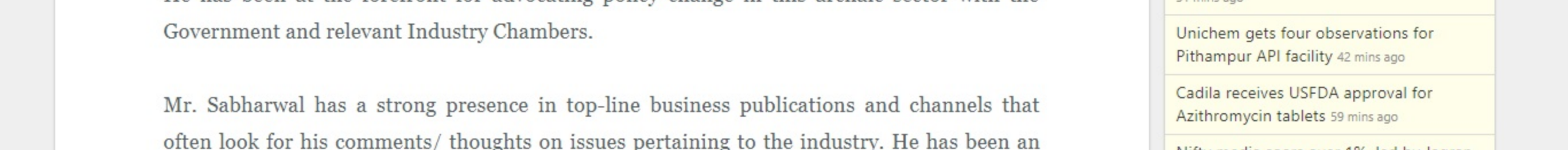
Nifty Bank 27,651.55 ↓ -112.60 (-0.41%)	BSE Sensex 37,591.89 ↓ -14.69 (-0.04%)	Bharti Infra. ₹ 293.75 ↑ 7.10 (2.48%)	TCS ₹ 1,976.30 ↑ 36.10 (1.86%)
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Editorial » Interviews » Leader Speak

A+ Sandeep Sabharwal, CEO, SLCM Group

Our focus has always been developing a product that caters to the need of the market rather developing a product and then creating need in the market.

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Mr Sandeep Sabharwal, CEO, SLCM Group, has been instrumental in establishing it as one of the leading companies in post-harvest management services. Sandeep 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 1,573 warehouses with a throughput of more than 488 mn MT. He is a veteran with diversified and rich experience of more than three decades in the areas like commodity storage, procurement, commodities market, processing, warehousing & financial services in the agriculture sector. He has been at the forefront for advocating policy change in this archaic sector with the Government and relevant Industry Chambers.

Mr. Sabharwal has a strong presence in top-line business publications and channels that often look for his comments/ thoughts on issues pertaining to the industry. He has been an eminent speaker in several National and International Seminars & other Recognized Industry Associations for more than two decades. Recently, Mr. Sabharwal was conferred with Entrepreneur of the Year in Services Business by Entrepreneur Magazine, besides other accolades. He was listed amongst 35 Most Innovative CEOs by Inc India recognizing his innovations in the sector. He has also been awarded with Certification on US Warehouse Receipt System from The Norman Borlaug Institute for International Agriculture and The Texas A & M University.

In an interaction with *Shweta Papriwal, Editor, IIFL, Sandeep Sabharwal, CEO, SLCM Group, said, "Our focus has always been developing a product that caters to the need of the market rather developing a product and then creating need in the market."*

What do you mean by Professional warehousing? What are the services that you provide under this segment?

Under Professional warehousing, we take charge of the complete warehouse or its chambers/area on lease/long lease basis and offer the space to different clients for storage of the commodities. The rates and other terms & conditions are mutually agreed upon between SLCM & the customer through an agreement.

Our Professional Warehousing Services can be broadly classified into categories mentioned hereunder: -

- Centralized Internal Controls
- Extensive Audits
- Technologically Integrated Solution
- Collateral Financing
- Procurement
- Insurance
- Quality Testing Services
- Fumigation Services
- Trade & Export Services
- Commodity Testing & Certification

Brief us about the Cocoon Fumigation system for organic products.

As always, taking lead in the Agri-Logistics space; SLCM has been providing curative services for organic products and has introduced Cocoon fumigation. This storage system can be used for medium and long term storage needs and eliminate the use of fumigants or chemicals. This process is recommended to control insect infestation, humidity, which can lead to change in chemical composition, taste, colour and mould that tend to cause spoilage.

SLCM offers such fumigation services to its clients and assures the quantity & quality of organic goods stored in the warehouses.

How does the Collateral Management tie-ups operate?

In this kind of warehousing service, Banks approach SLCM to be the custodian of given commodity in a particular warehouse. Agriculture commodities are stored in SLCM warehouse which actually is the security of the loan for the respective bank. These commodities pertain to identified client by bank in the form of collateral securities. Collateral Financing allows lenders to immediately sell off a liquid asset i.e. agriculture commodity, if a borrower defaults on the loan. The underlying collateral is usually a soft commodity like guar, chana, menthe, mustard, etc. The company manages the quantity & quality of the collateral to mitigate the risk for the bank/financial institution. The commodities are stored in licensed & non-licensed warehouse that issues a receipt proving that the commodities are physically in the warehouse.

The banks can also now benefit from our vast network of warehouses and expertise to facilitate loans to entities across the agri ecosystem without the fear of default or loss and help them reach out to India's diverse farming community.

Is the market intelligence division up and running? How do you expect it to aid SLCM's focus?

Yes, the market intelligence division is already up and running. SLCM's commodity market intelligence division is based out of its Head Office in New Delhi. The Team would undertake Fundamentals like Demand & Supply of different agro-commodities in India based on primary/secondary crop surveys. We would undertake studies & look at crop cycles, their shortages & other relevant information about agriculture sector.

The team would provide accurate prediction for short, medium and long term outlook about crop patterns, weather forecasts, production analysis, crop research, market dynamics, trends in storage or cultivation & related information.

We also provide Fortnightly & Monthly newsletter to provide in-depth analysis about the market which contains the following:

- Market Arrivals
- Supply-Demand Forecasts
- Trade Flow Information
- Crop Forecasts
- Weather Reports And Its Impact on Agricultural Crops (based on various Weather forecasts by IMD Reports)
- Macro Economic Factors Affecting Commodities like Exchange Rates etc.
- Pre-Sowing Crop Intentions by Farmers

Who are your competitors and how are you placed vis-a-vis peers?

SLCM Group has the first mover advantage in the sector & has set a road map for other players in the market. SLCM brought the change by changing the paradigm of infrastructure-driven sector to agnostic to infrastructure available on the ground.

With our Asset Light model, SLCM has been able to map multi-location & multi-layered operations through Real Time monitoring. We are the only Group in India that enables our clients with Real Time information of his stock with a turnaround time of less than 5 minutes.

SLCM made a forward integration with its agri financing arm, Kissandhan which disburse loans irrespective to the net worth of the borrower. We developed the product keeping this in mind & in fact, disbursed loans within 24 hours of approval. It not only catered the market but also brought Financial Inclusion at the grass root level.

Your warehouses are majorly located in which geographies (India & abroad)?

Majorly our warehouses are located in India with presence in more than 17 states. SLCM has managed a technology enabled network of more than 2850 warehouses and 19 cold storages, handling more than 875 commodities pan India.

SLCM is providing scientific support to other agricultural economies of the developing nations. In a short span, SLCM Ltd. Myanmar has expanded its footprints to 113 Industrial Zones & managing an area of 29.04 Million sq. ft., handling more than 478 commodities in Myanmar.

Brief us about your CSR initiatives.

SLCM group's CSR activities are rooted in the understanding that businesses have a duty to enable all living beings to get a fair share of the planet's resources. Our social activities relate to health, education, skill training and entrepreneurship, livelihoods, healthcare, women empowerment and strengthening services for the specially-abled. For our CSR initiatives we are associated with Earth Saviour Foundation (ESF), Sai Sanskar Foundation, Alok Charitable Trust, Dukh Niwaran Samiti, Charitable Medical Health Centre, Concern India Foundation, Udaan Foundation, Aravindam Foundation, PANI Foundation, MBT (Mosearbear), and SOS Foundation. (<http://sohanlal.in/csr.html>)

Besides working with the NGOs the company also independently works closely with the farmers. The company frequently organizes Rozgar Camps in rural areas across India wherein farmers & their younger generations are imparted training on ways to increase the yield per hectare and other related information without any charge. In addition to free training, as per their choice, SLCM offers on-site jobs pan India to enhance their quality of life. With the idea of making them self-sufficient, the group either help them to increase their income levels by increasing the yield or give them opportunity to enter into the corporate world by placing them in SLCM as Warehouse Managers or Supervisors.

We also help farmers to develop their skills they need to succeed in an ever progressing environment. We have adopted a village in-line with the Prime Minister's initiative. The Group has adopted the remote and marginalized Gram Panchayat named Ichauli of Puredelai block in district Barabanki. The idea behind this activity is upliftment of the village in the areas of healthcare, education, nutrition & income levels of the households.

We also have launched a program in 2013 wherein the farmers were entitled to Free Storage of Grains in SLCM warehouses. Free storage schemes were launched specifically at the time of harvest when we saw that farmers have grains but either have no storage area or do not have money to support their storage needs. Initially, it was launched in GanjBasoda, MP in 2013 and in Barabanki, UP in the year 2014.

In 2018 we organized Mentha Oil Awareness Programme in Barabanki, UP. The programme aimed to be a knowledge sharing platform for disseminating information on Mentha Oil production and trade practices in India, and witnessed staggering level of participation from eminent traders, bureaucrats and distinct leaders of agri industry. In this program we honoured winners of Mentha Oil Deposit Campaign at the programme. We distributed certificate of appreciation, iphone 5s, iPhone 7, and LED TV to the winners of the campaign thus trying to usher in an era of motivating the younger generation to indulge in scientific storing of essential oils .

Till date the Group has been successfully impacted about 347988 Farmers, the livelihood of 30,65,707+ people and the lives of 1,53,28,536+ people.

What is your strategy for getting new clients and retaining the existing ones?

The Brand "SLCM" works with philosophy of SO LET'S CHANGE MINDS. In Warehousing front, SLCM brought the change by changing the paradigm of infrastructure-driven sector to agnostic to infrastructure available on the ground & brought efficiency by reducing the post-harvest losses substantially.

In Agri Financing front, SLCM changed the conditions of disbursing loans. Ideally Banks look at the net worth or balance sheet of the borrower to give him loan & take about 15-25 days, if the loan is sanctioned. But, farmer's real asset is the crop & with this thought & expertise in managing the crop, SLCM made a forward integration with its agri financing arm, Kissandhan which disburse loans irrespective to the net worth of the borrower.

We developed the product keeping this in mind & in fact, disbursed loans within 24 hours of approval. It not only catered the market but also brought Financial Inclusion at the grass root level.

Our focus has always been developing a product that caters to the need of the market rather developing a product & then creating need in the market. So this is the success mantra of SLCM in getting new clients and to retain them for a longer period of time.

Brief us about your tie-up with BSE for supporting commodities trade?

Recently, SLCM Group tied up with BSE (Bombay Stock Exchange) for providing services to BSE's agri-commodities trading vertical that will be commercialised by 1st October 2018. Now SLCM shall provide warehousing, assaying services, crop management services to BSE for the purpose of storage of various food grains, pulses and other commodities at various places across India.

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