

## Sequel Logistics: Physical infrastructure, people/processes & technology critical aspects in transforming secured logistics.



**Mr Rajkumar**  
Founder Director & CEO,  
Sequel Logistics

**Logistics are critical in the precious metals supply chain system. So, the importance of logistics is very critical given the value of the commodity. We have with us today Mr Rajkumar, founder and CEO of Sequel Logistics, one of the leading logistics providers for precious metals in India and globally. Let's hear what he has to say about the secure logistics system in India. Sir, can you introduce yourself and Sequel? How has it grown from a small company in Bangalore to a global player?**

First of all, delighted to be here at IGC this year; we've been regular participants at IGC for many years. It is a beautiful forum to catch up with all the industry participants, leaders, customers and other collaborators. It's a great event, and I'm happy to be here after Covid.

Sequel has been around for a while; it was founded in 2004, and we built a primarily India-centric network. It started in the diamond jewellery segment and subsequently got into commodities. Of course, we have one more division which takes care of the life science logistics, so we look at the critical logistics domain and operate there. During the last couple of years, there have been challenges, especially with Covid, but I think new opportunities have opened up for logistics. Hence, people are now more amenable to online operations.

**Do you feel the importance of logistics is being realised?**

That's right. While the physical aspect cannot be ruled out, the whole idea of digital transactions has also been enabled and increased substantially. Another critical thing that has happened in the last year is Gift City, in which Sequel has been the first IFC-approved vault manager, so our vault is up and running. It's one of the finest vaults in India. We envisaged this to be a model vault for the Indian market,

We hope the coming years will transform the bullion industry. Apart from that, we are also approved by SEBI as a vault manager for domestic gold spot exchange, in which 18 of our vaults have been approved. So once the spot exchange starts, we can offer

logistics and monetary services to our customers.

**You'll be reaching the last leg of connectivity from the vault and playing a critical role in the supply chain.**

It's not just bulk movement. Our customers come and look at smaller denominations, doorstep delivery, and so on. So now it's gotten more democratised, there are more participants, and I think it's not just about the larger volumes, it's also about the smaller ones. So, there's no better time to expand than right now.

**You have two business segments. One is bullion logistics and other is jewellery logistics, so one is volume based, and one is value-based; where do you see more growth coming in?**

I think these two segments are interdependent. Bullion is a sort of backward integration into the jewellery industry. The jewellery industry is the bedrock of the Indian ecosystem as Indians are disposed to buy a lot of jewellery, which also drives the bullion movements. These two are very closely interconnected but have their dynamics and requirements.

**As a veteran, what challenges do you foresee in transporting precious metals? What type of regulations and policy changes do you expect from players like you**

**so it'll be a more conducive and vibrant environment to work in?**

So far, logistics has not been a regulated space, so while regulations are coming in for bullion regulators like SEBI and IFSCA have stepped in, the jewellery movement still is not regulated. Online cash movement comes under RBI regulations. So, while there are general guidelines, the regulatory framework is still not there, so we are working and pushing toward bringing some regulations.

**Would this be self-regulation or external?**

I think external regulation would bring more credibility to the market, like how SEBI's role in regulating domestic gold spot exchanges brings credibility; similarly, external regulation will bring in more trust.

This business is mainly about trust and security, so we welcome the right amount of regulation to protect the customer's interests. This will ensure that the logistics companies are not cutting corners and that there are good infrastructures and vehicles. All of this is in the customer's interest because safe transportation and logistics are ultimately paramount for everyone in the ecosystem.

**There is already WDRA in place, so do you think they're enough for regulations, or should there be one more body within the space?**

We have had some conversations, but those are different because it's more food-related, but here, the dynamics are a bit different.

**So, it requires more understanding to regulate?**

Yes, and whichever entity is finally decided, I'm sure it is not wrong,

and it can still be understood, but some framework will certainly help the industry and the whole ecosystem.

**What has Sequel done to transform the security logistics footprint going ahead?**

We look at it from three specific aspects: physical security, which is to secure the shipment while in vaulting and transit from external environments. So that is one piece that we work on and requires a lot of specific vault layout processes and physical infrastructure. The second aspect is people and processes; we need to ensure that the people we take are 100% verified regularly and must be kept engaged and motivated. It needs to be ensured that the people doing it have the right positive mindset. The third aspect is the IT system, in terms of knowing where the shipment is and what should be there versus what's there; the traceability part and doing that transparently for the customer.

We, have been pioneering in that space and have our mobile app, Sequel247, popularly called amongst our customers. I think it is a huge differentiator that is not available in any other place. Sequel customers can book a shipment, track shipments, make payments and understand the stock levels at their fingertips. We've focused on these three things and made tremendous progress in the past few years.

**Now, with IIBX, how do you see the potential for logistics players in India?**

Yeah, it's going to be huge, so while all the trading happens in the exchange, physical delivery will have to be supplemented with that.

in this context the logistics role will be massive.

**Are you looking to expand globally?**

Not as of now, but we work with global partners in the US, Europe, Middle East and the Far East. We work with very critical, large strategic partners, and we've been working with them for a long time, and that has worked out very well because this is such a detailed kind of work that the native players understand the geography, political systems, labour laws and all of those regulations. We have found it pretty convenient to work with international partners and collaborate with them.

**What is your take on IGC?**

I'd say it's the premium conference that happens for this ecosystem, for the bullion players, so everybody looks forward to it, and this time, it's a massive turnout. I've never seen this much turnout, and the venue is fantastic. Everything has been great, and catching up with many old friends is lovely.