



**Lakreh INTERNATIONAL Logistics**

# **PROJECT PROPOSAL**

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**Project concept &  
Executive brief**



# Executive Summary



A Centre of Excellence for  
innovative supply chain solutions

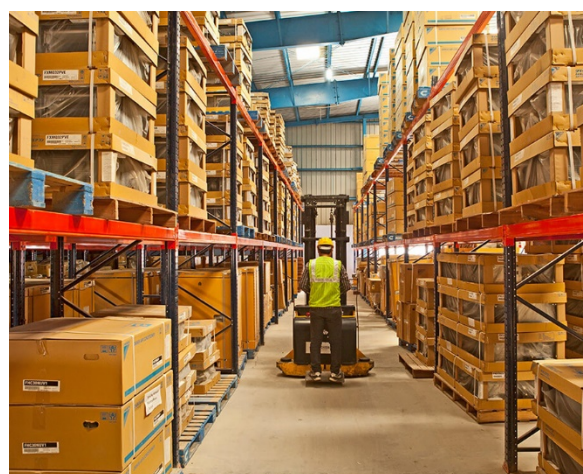


LAKREH INTERNATIONAL Logistics (LIL) is a proposed facility that will serve as a unique supply chain solutions provider and a Centre of excellence for eco-friendly logistics. This project is developed and promoted by Lakreh International (Pvt) Ltd.

LIL is expected to function with Board of Investment projects, as a Custom Bond facility and a Trading house. At its final phase of development, LIL will include a deep cold and temperature-controlled storage facility both for conventional storage and custom bond.

This project has been developed with due consideration to the growing demand of supply chain services in the international trade volumes and infrastructure developments that are taking place in the country.

While providing customized, state of the art hygienical services, LIL is determined to provide minimum costs to its customers while maximizing the throughput and volume of operations via the BOI and custom bond.





# Proposed Storage space utilization



**BOI  
Warehouse**

**250,000SqFt**



**Custom  
Bond**

**100,000SqFt  
50,000 Sq.ft per  
Phase**



**General  
Cargo (Dry)**

**400,000SqFt  
200,000 Sq.ft per  
Phase**



**Temperature  
Controlled**

**250,000SqFt  
(Phase ii)**





## Total Investment

The total investment required for this project is USD 50.0 Million which will include the following cost components.

This sum is inclusive of the purchase of property, plant & equipment together with the development and working capital equipment.

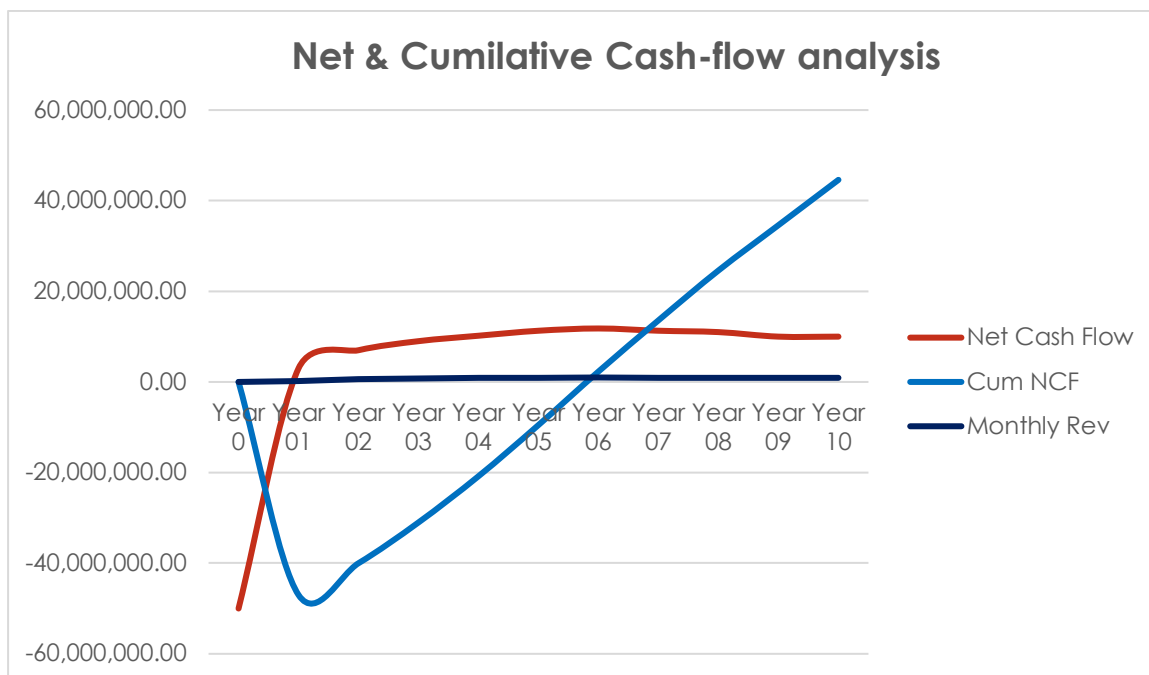
	Amount in USD Mn.
<b>Purchase of Property</b>	15,000,000.00
<b>Structure, Plant &amp; Equipment</b>	22,000,000.00
<b>Working Capital &amp; Statutory expenses</b>	10,000,000.00
<b>Miscellaneous</b>	3,000,000.00
<b>Total</b>	<b>50,000,000.00</b>

The LIL facility will be developed in a 25+ Acre land in a strategically beneficial area with wide roads and easy access to the Colombo Port and Air Port.

Phase (i) of the Project will develop a 500,000SqFt area for immediate revenue generation and later expand another 500,000SqFt at Phase (ii) including the deep cold storage.



# Financial performance Forecast



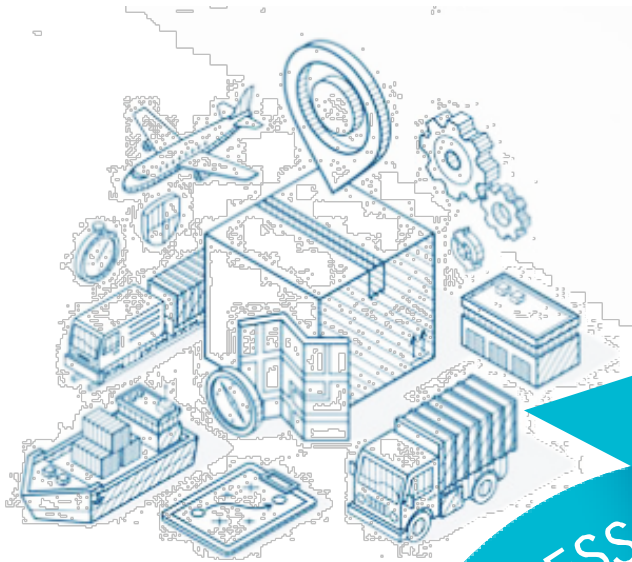
	Net cash flow	Cumulative net cash flow	Monthly Revenue
<b>Year 0</b>	(50,000,000.00)		
<b>Year 1</b>	3,000,000.00	(47,000,000.00)	250,000.00
<b>Year 2</b>	7,000,000.00	(40,000,000.00)	583,333.33
<b>Year 3</b>	9,000,000.00	(31,000,000.00)	750,000.00
<b>Year 4</b>	10,200,000.00	(20,800,000.00)	850,000.00
<b>Year 5</b>	11,300,000.00	(9,500,000.00)	941,666.67
<b>Year 6</b>	11,800,000.00	2,300,000.00	983,333.33
<b>Year 7</b>	11,300,000.00	13,600,000.00	941,666.67
<b>Year 8</b>	11,000,000.00	24,600,000.00	916,666.67
<b>Year 9</b>	10,000,000.00	34,600,000.00	833,333.33
<b>Year 10</b>	10,000,000.00	44,600,000.00	833,333.33
<b>IRR</b>	<b>12%</b>		
<b>Payback</b>	<b>6 years</b>		



# Introduction to LIL



Strategic administration and visionary innovation for differentiation



To develop sustainable strategic relationships with equal benefits to our corporate partners by developing a platform through our logistics Centre of Excellence.



- Our Country
- Customers
- Local industry
- Trade partners
- Cost efficiencies

To provide innovative and cost-effective supply chain solutions for global and domestic trade.





# Construction & Premises development



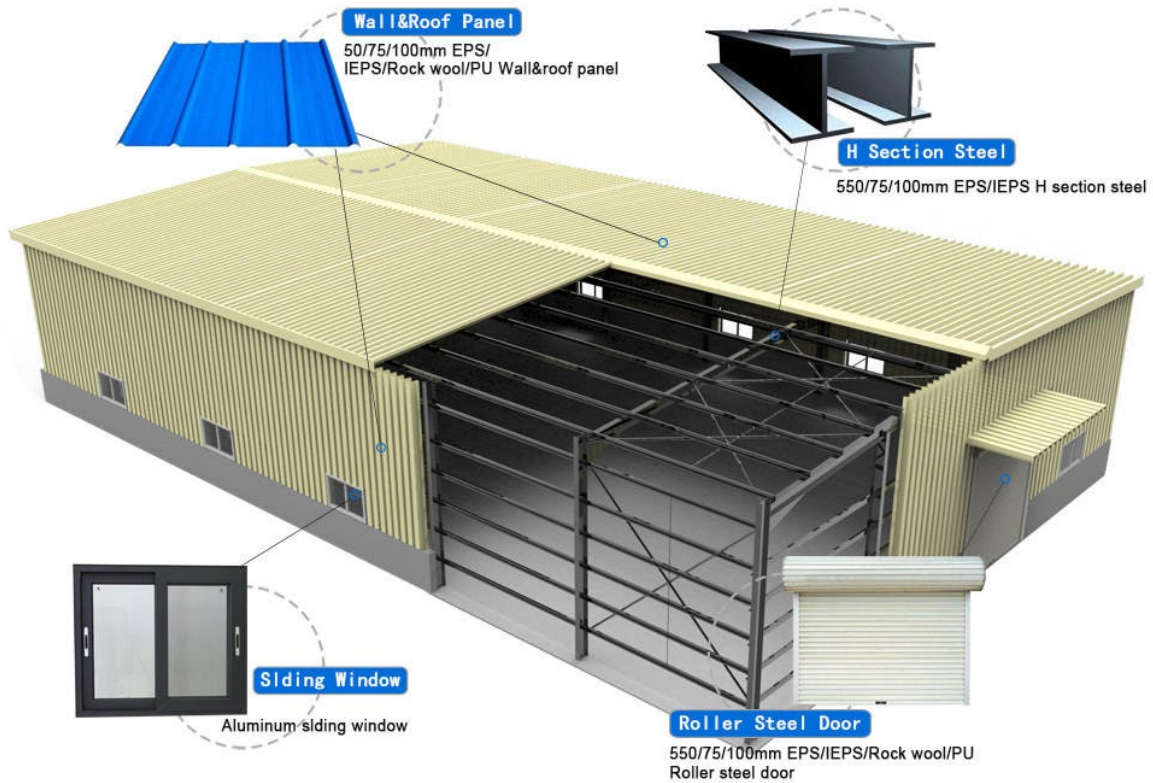
The LIL compound will be built with minimum impact to the environment. Greenery & vegetation will be emphasized at all times with ample space for right round container access.



All roofs within the compound will be fitted with Solar panels. In addition to the main facilities of LIL the compound will include an administrative office area, multiple security points with a central CCTV monitoring station, weigh bridges, dormitories with washrooms and canteen area and a medical centre.







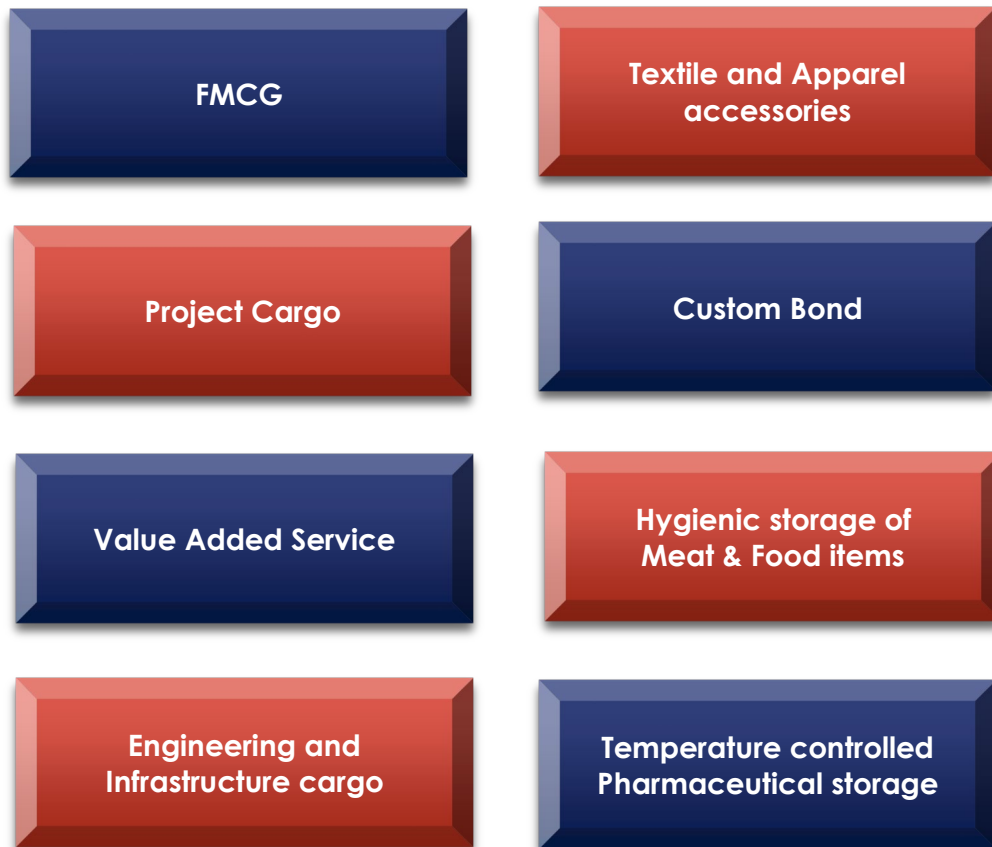
All warehouse complexes and other buildings will be designed using eco-friendly heat & fire-resistant prefabricated material. The rest of the fabrications will use high tensile steel for trusses and beams and aluminum. Floor areas will be coated with anti-slippery coatings and non-reactive floor paint, on self-leveling concrete.





## **Lakreh INTERNATIONAL Logistics**

LIL will be established as a Centre of Excellence providing 24hours of innovative supply chain solutions to private, international and government clients, spanning in areas of;





# AIL Service Portfolio

## Supply Chain Consultation

- Project approach for solution design & implementation
- Multi Country Consolidation – MCC
- Consolidation Centre - CFS
- Bond facility-for exporters/local importers
- Benefit from out-source operations
- Project Cargo Management

## Undertake 3PL / PL Supply chain operations

- JV & long term contracts
- Sharing expertise and provision of resources

## Temperature controlled

- 200,000 SqFt quality Pharma / food graded facility

## Transport and distribution management

- Transport Planning
- Track and trace
- Group own vehicles in use

## International Air freight / Ocean freight / Customs clearance

## VAS – Value Added Services





# Delivering customized Value Added Services



Our customers will receive customized VAS tailor-made for their logistics requirements. LIL will develop the provision of VAS as a core-competency which is expected to be used as a sustainable competitive advantage in becoming the market leader in future operations.



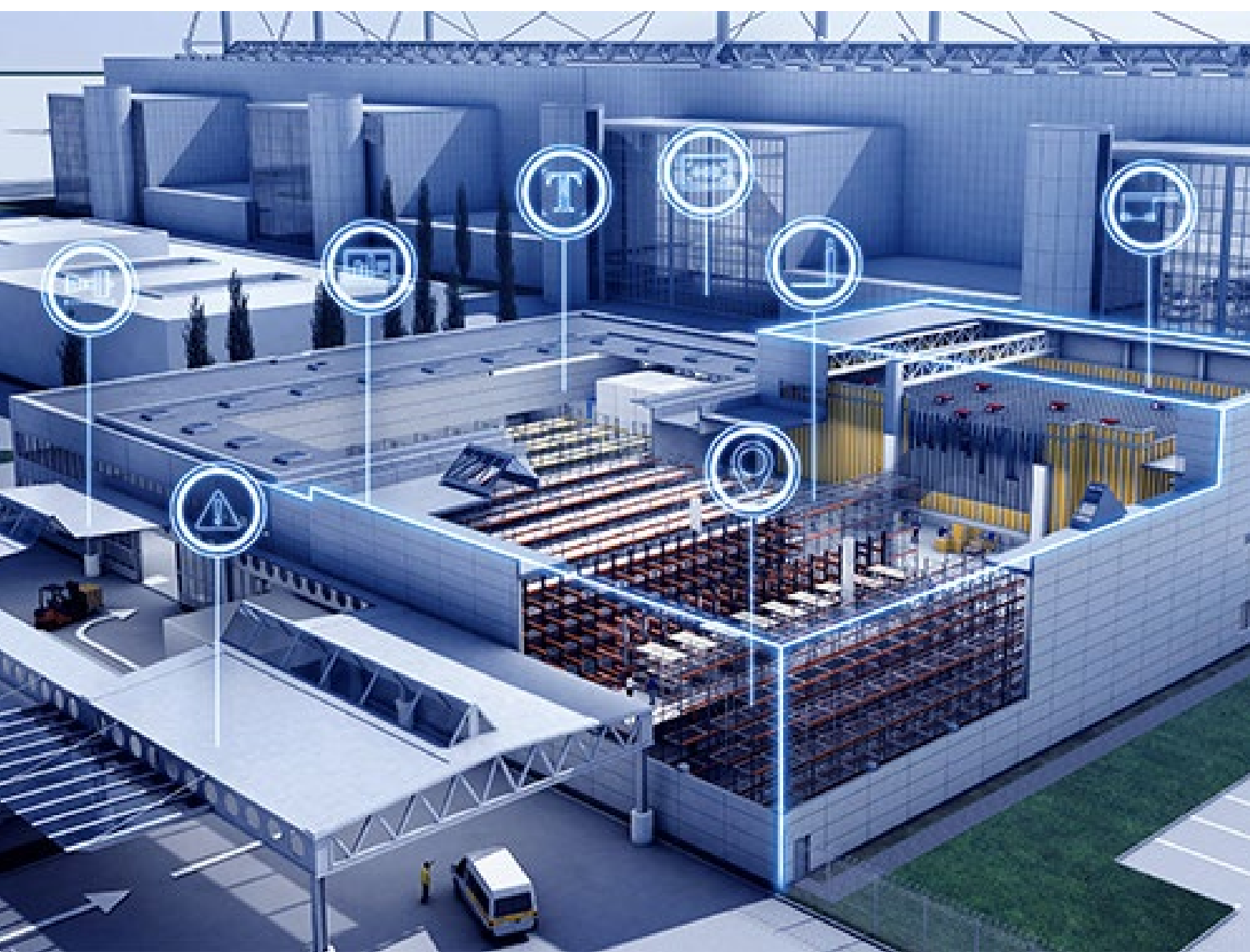
# SMART Automated Racking

All general cargo areas will be fitted with automated retrieval SMART racking with digital QR and Bar-code systems. Retrieval and storage of cargo will be linked to the digital supply chain system of LIL to enhance efficiency and convenience.



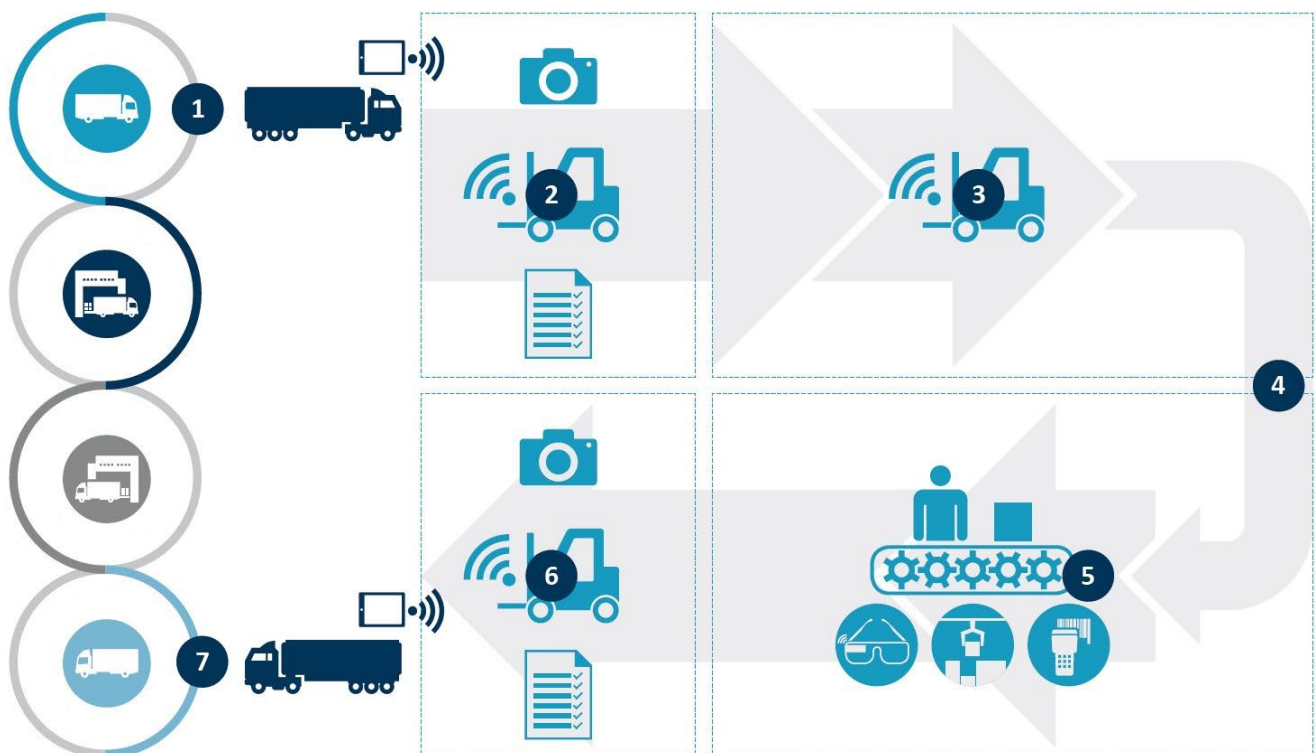


# Embracing the DIGITAL Revolution

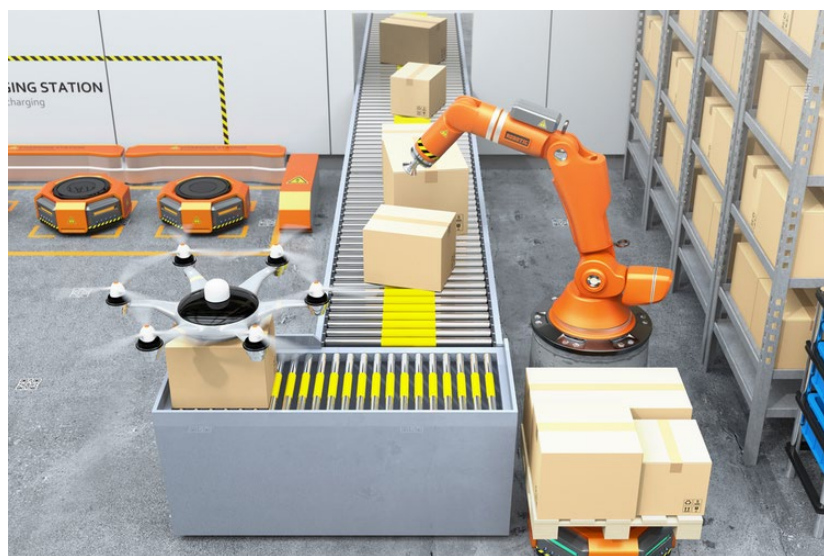


All LIL facilities will be digitalized using state of the art technology to ensure maximum productivity and efficiency at each stage of the operation. Customers will be enabled to monitor and control their respective portions of the cargo once accepted into the system.

The digitalization process will also collaborate with the overall GREEN concept of LIL with minimum use of paper, thus being eco-friendly at all times.







# Robotic handling with minimum human intervention

As a facility that operates 24hours and 365 days to serve global customers, LIL will use robotic technology in its handling and conveyor procedures.







# Carbon Free eVehicle Mobility



In additions to robot handling, the required inhouse fleet of operational vehicles will all be electric and carbon free. Complimenting the saving of operational expenditure through the Solar generated electricity, these e-vehicles will create a safe, carbon free environment within all LIL facilities.

All operations of LIL will be  
**100% ECO Friendly**  
including a **Fully Solar fitted Roof**,  
minimum paper use, **in-house**  
Recycling **and** water purification.





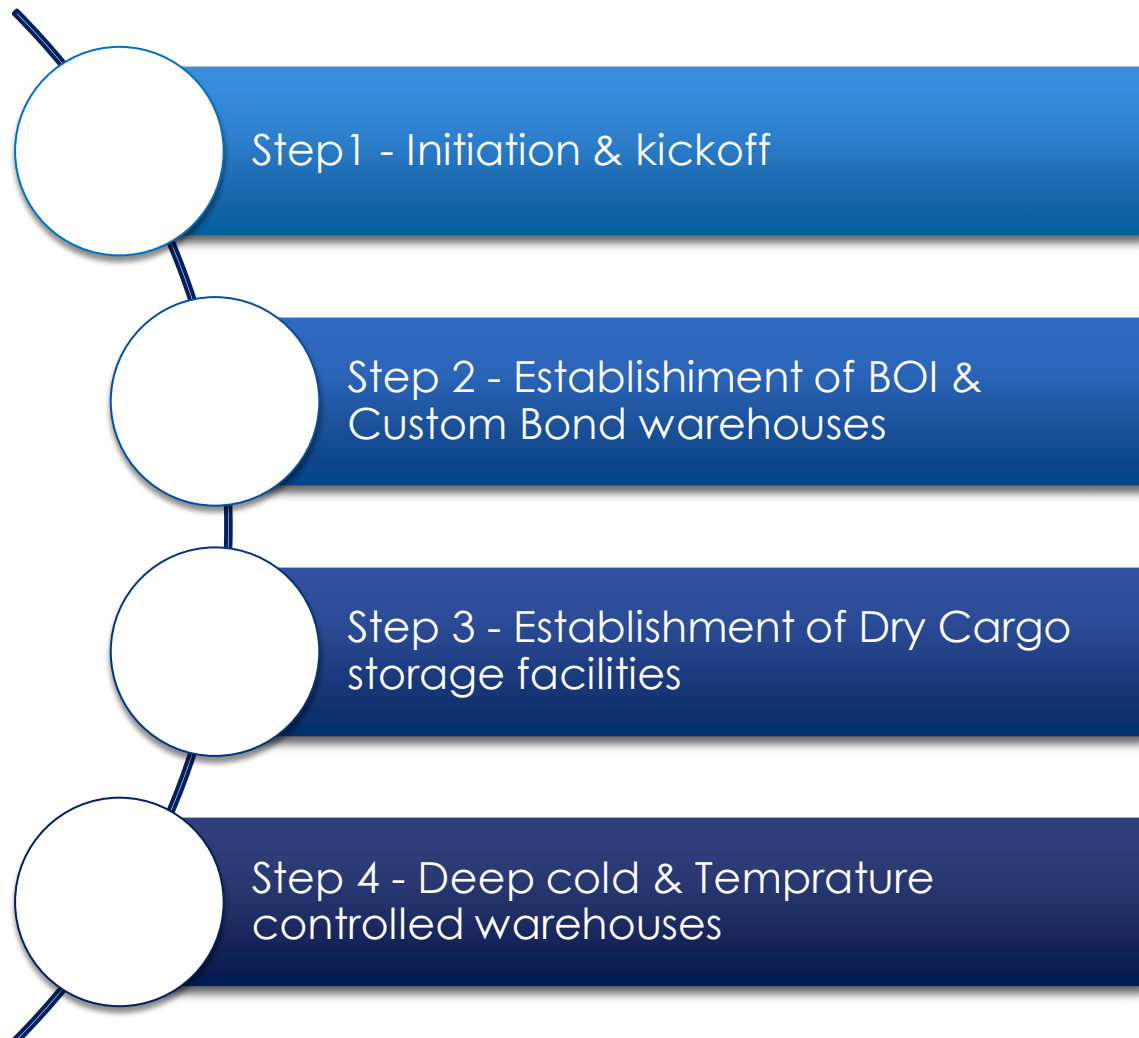
# Project Brief







# Project development stages





Step 01 will commence with the development of the existing 13000SqFt warehouse at the project site, with emphasis on the façade, roadways and loading bays. The landscape of the premises will be developed at this phase in order to prepare for the construction of the main warehouses.

1

2

The construction of the BOI and Custom Bond warehouses will also commence at this step. The required compliance regulations will be developed and adhered in order to obtain the required licenses and establish the company as an international trading - house.

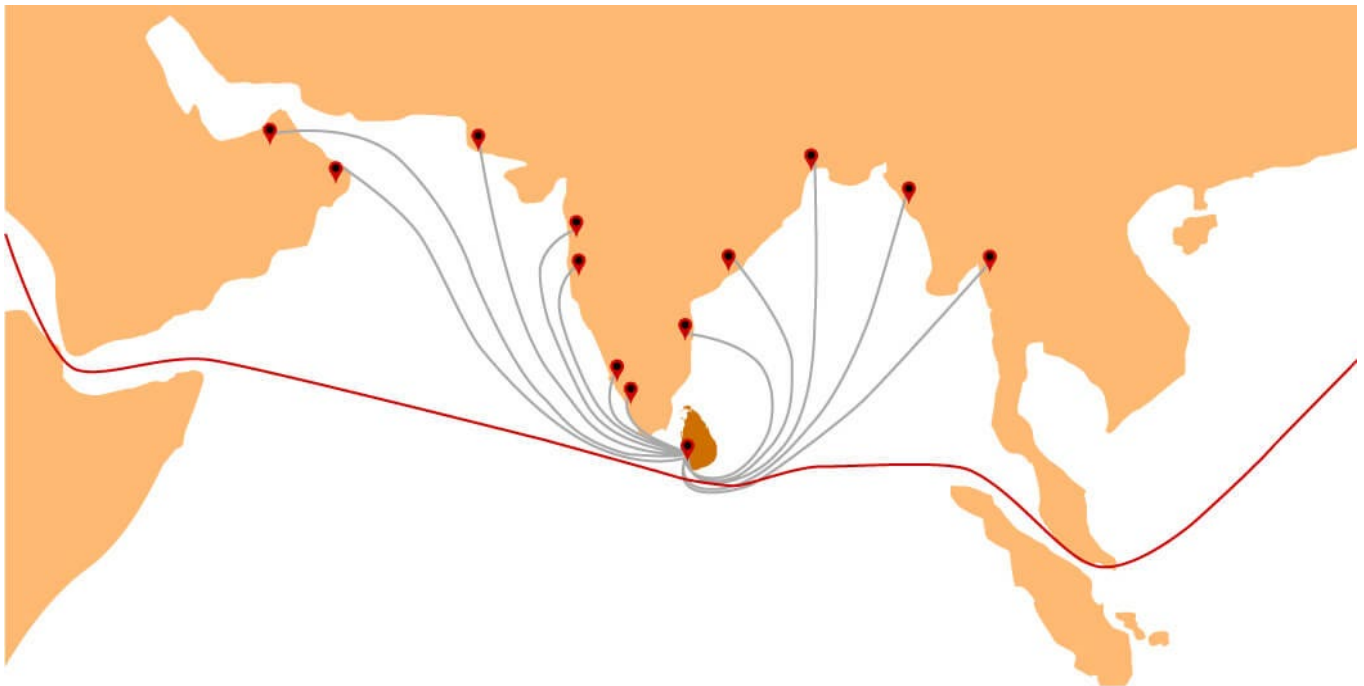
The dry-cargo storage facility amounting to a total of 200,000SqFt will be developed, with internal partitions; enabling each client to manage their cargo through a mini-workstation and individually partitioned cargo spaces.

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The final step of the project will introduce the deep cold and temperature controlled warehouses into the compound. These will target the storage of meat items for export and other pharmaceutical imports. The services will be rendered to both normal custom bond requirements.

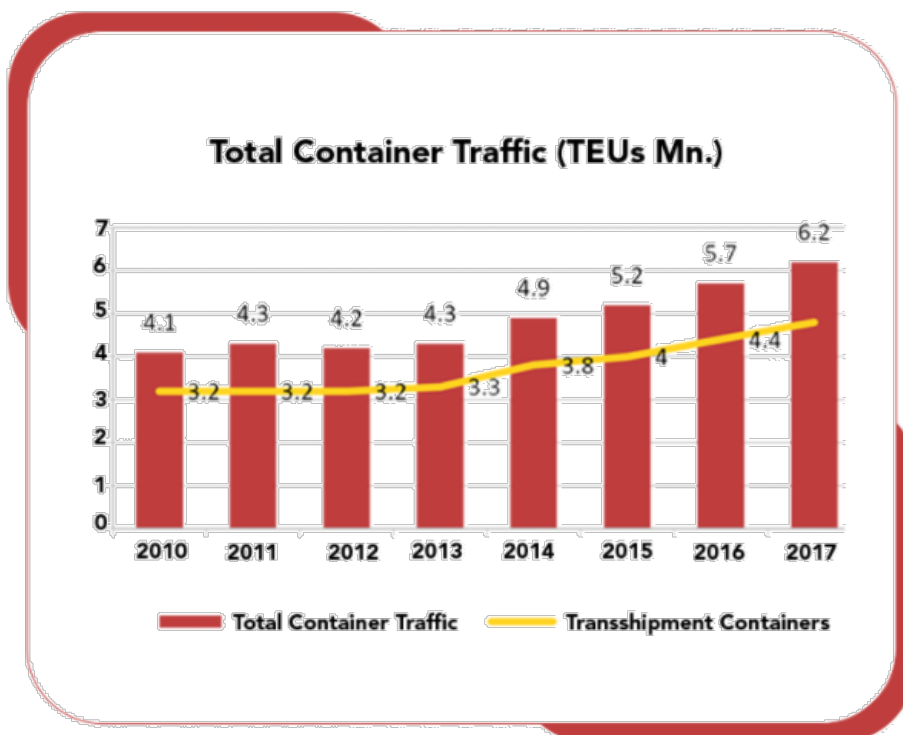
# Industry Overview



Sri Lankan logistics services contribute 2.5% of gross domestic product, which represents around USD 2 billion. Logistics services include container trucking, warehousing, ports and shipping, but exclude domestic transport of passengers, fisheries and interregional domestic cargo transportation.

The total share of logistics in national exports is estimated at 7%. The industry provides full-time direct employment to over 40k–50k people. Around 70% of registered service providers are of local origin while the rest are multinational. Currently, there are 130 shipping agencies and 120 freight forwarders in associations, and 500+ companies registered with the Merchant Shipping Secretariat (MSS), which also includes clearing agents. (EDB, 2020)

# Industry Highlights





**a detailed financial feasibility analysis  
will be provided upon approval of this  
primary project concept proposal**

**Thank you**