

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry

The Year 2018 saw Indian Warehousing sector become fully established, outshining some of the conventional real estate assets and attracting global investors. As per the study by JLL India Industrial Services, 2018 witnessed 22% year on year growth in total warehousing space in top eight cities at 169 million sq.ft compared to 138 million sq.ft year ago, absorption clocked an unprecedented growth of 60% year-on-year growth to nearly 32 million sq.ft last year from around 20 million sq.ft in 2017. It was estimated that the warehousing industry may pull in Rs.1000 Crores in the next 4 to 5 years.

Opportunities and Threats

Logistics business today is not mere warehousing. It is an end to end solution for making the goods available from the manufacturing point to the end user. The gambit of logistics involves today various activities

such as Storage, Just in time inventory maintenance, Assembling, Import, Finishing, Billing,

Delivery, Post clearance shipping / airlifting services. It is very evident that the development of logistics industry is utmost important for the industrial growth of a region. Our facility is situated close to ICT terminal in Cochin and located on the fringes of the seaport-airport road with a high potential to be a big player in the logistic industry providing local employment and generate sufficient revenue for the state.

Our Company has received all the statutory approvals from District Industries Centre, Kerala and other allied statutory bodies for the amendment of the object/business of the company from manufacture of kraft paper to logistics activity. Since we already have factory space at our land at Edayar, we have converted the existing factory space of 88000 sq.ft into warehouse and have leased out 56,137 sq.ft out of 88,000 sq.ft to Ms.Fine Tech Corporation Pvt. Ltd.