



Lancer Container Lines Ltd.

RISK MANAGEMENT POLICY

INTRODUCTION

The Board of Directors of Lancer Container Lines Limited (“The Company”) at its meeting of Board of Directors held on August 12, 2024 had adopted this Risk Management Policy (“Policy”) which is formulated under the requirements of Regulation 21 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Regulation states as under:

To formulate a detailed Risk Management Policy which shall include:

- a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks, legal and regulatory risks or any other risk as may be determined by the Committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks; and
- Business continuity plan.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

a. The Board has constituted the “Risk Management Committee” and it is in line with the requirements of the Listing Regulations. This Policy and the Terms of Reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together.

b. The Board has authority to reconstitute the Risk Management Committee from time to time as it deems appropriate.

RISKS FACTORS

The business of the Company is subject to risks that are external and internal as enumerated below:

External Risk Factors	Internal Risk Factors
Economic Environment and Market conditions	Financial Reporting Risks
Fluctuations in Foreign Exchange	Contractual Compliance
Political Environment	Compliance with Local laws
Competition	Quality and Project Management
Revenue Concentration	Environmental Management

CIN: L74990MH2011PLC214448

Registered Office : Mayuresh Chambers Premises Co-Operative Society Ltd, Unit No.H02-2, H02-3 & H02-4, Plot No.60, Sector-11, CBD Belapur, Navi Mumbai-400614 Tel.: +91 22 2756 6940/41/42 Web.:

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Inflation and Cost structure	Human Resource Management
Technology Obsolescence	Culture and values

GUIDING PRINCIPLES

In order to fulfil the objectives of this policy and lay a strong foundation for the development of an integrated risk management framework, the policy outlines the following guiding principles of Risk Management:

1. All business decisions will be made with the prior information and acceptance of risk involved;
2. The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses;
3. All employees of the company shall be made aware of risks in their respective domains and their mitigation measures;
4. The risk mitigation measures adopted by the company shall be effective in the long-term;
5. Risk tolerance levels will be regularly reviewed and decided upon depending on the change in company's strategy;
6. The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

ROLE OF RISK MANAGEMENT COMMITTEE

The Company has a committee of the Board, namely, the Risk Management Committee, which was constituted with the overall responsibility of overseeing and reviewing risk management across the Company. The terms of reference of the Risk Management Committee are as follows:

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

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- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- review of operational risks;
- review of financial and reporting risks;
- review of compliance risks;
- review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- review the extent to which management has established effective enterprise risk management at the Company;
- inquiring about existing risk management processes and review the effectiveness of those processes
- review of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- review periodically key risk indicators and management response thereto.

RISK STRATEGY OR MITIGATION OF RISK POLICY

The company mitigates the day to day risks with the following ideologies:

- Compliance with Fair Practices Code: All employees are trained and instructed to follow fair practices as per RBI prescribed guidelines in all their dealings with the customers.
- Grievance Redressal Mechanism(GRM): The Company has a defined GRM in place and the same is communicated to all shareholders and stakeholders of company.
- Legal Obligations: All employees, vendors and associates are required to sign legal contracts wherein specific clauses related to non-disclosure are entered so as to ensure the Company from any reputational risks.
- Market Risk: Management regularly reviews its business model including the areas it wants to operate. The management carries out regular competitive analysis of its peers in the industry so as to remain in competition and change its markets if required.
- Whistle Blower/Fraud Prevention - The Company encourages all its employees to report any non-compliance of stated company processes or policies without fear. All issues reported are categorized for nature and severity:
 - Financial or Non-Financial

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- Major or Minor
 - Procedural Lapse or Gross Violation
 - Breach in Process or Disciplinary Issue
-
- Technology Infrastructure: At the facilities where financial operations take place, alternate/back-up connectivity has been provisioned such that in the event connectivity is lost with one service provider, the alternate connection can be utilized.
 - Financial Risk: Measuring and managing liquidity needs are vital for effective operations of the company. The Company will identify any short term liquidity gaps and thereby take immediate corrective actions to bridge the same.
 - Credit Risk: Key elements of the credit risk management include a structured and standardized credit approval process supported by a strong system, effective training programs, legal and technical due diligence, monitoring and a robust credit risk management strategy at a senior management level.
 - Compliance Risk: The responsibility for ensuring compliance with regulatory requirements on a day-to-day basis rests with the Heads, who will comply with the Compliance requirements of the Company. The Internal Audit function assures audit of the compliance levels. Relevant Committees of the board provide oversight for the management of these compliances.

BUSINESS CONTINUITY PLAN

Business Continuity Plans (BCP) are required to be defined for High Impact & High Velocity risk, to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the Internal Controls and Crisis Management framework for products, systems and processes etc.

REVIEW & AMENDMENTS OF THE POLICY

The Policy shall be reviewed once in every two years by the Risk Management Committee. Any changes or modification to the Policy shall be recommended by the Committee and be placed before the Board of Directors for approval. The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

WEBSITE

The Policy shall be disclosed on the website of the company.

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