



Lancer Container Lines Ltd.

Dear Members,

The Financial Year 2019-20 has ended on an unexpected note, with the world contending with an unprecedented health, humanitarian and economic crisis due to the outbreak of the COVID-19 pandemic. My heart goes out to those, whose friends and families have been impacted by the pandemic. Your Company endeavours to ensure the good health and safety of all those, who are directly and indirectly associated with Lancer, while also continuing to contribute to the society towards fighting the pandemic.

Business Performance

We started this year riding high on the success of completing nine glorious years in the logistics industry and continue to achieve new milestones. We strive at all times to improve our customer-centric service operations and continue to enjoy strong customer loyalty. The financial performance of your company for the year under review FY2019-20 is with you. As you may have seen, our FY2019-2020 Revenues at Rs. 2,653 Million, were a robust 34% YoY higher and PAT stable at Rs. 80 Million.

Having achieved an economical size of owned 9000+ containers, your management has over the last year increased focus on growth with an asset-light model. We see immense potential and are working to increase our market share in container volumes. During the year, we added an office at Cochin and has started servicing the area of "Red Sea" where we are now competing with the Main Line Operators.

One of the reasons to fund growth through the leased model is to grow while strengthening Balance-Sheet quality and improving ROI (Return on Investments). Further your Company has been working regressively to reduce the total Debt, we have been able to bring down our Debt/Equity now to 0.77 from 1.28 in March,2019.

We were able to manage our cash-flows despite the challenges, without taking any moratorium from banks and working on innovative solutions in collaboration with customers, partners and vendors. We have put in HR policies to promote reward for performance, to improve productivity while keeping cost containment measures in place.

Embracing change

As the world continues to grapple with the fallout of COVID-19, business environment is increasingly becoming more volatile. Your company has effectively put in place measures to enable continuing operations and client support, with our teams operating from homes where possible while sufficiently staffed at our CFSs warehouses, offices and other facilities. Every safety precaution including distancing disinfection using sanitizers masks and temperature checks for staff members and visitors has been taken along with complete adherence to all the requisite restrictions and protocols.

CIN: L74990MH2011PLC214448

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.: www.lancermarine.in

H.O. : Mumbai **Branch :** • Delhi • Ludhiana • Jaipur • Ahmedabad • Mundra • Visakhapatnam • Tuticorin • Chennai • Kolkata • Hyderabad • Jalandhar • Cochin



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We are on the way to gradual recovery and business-as-usual the prospects for the logistics sector seem bright. According to a recently published report Post COVID-19 the global logistics market size is projected to grow from USD 2734 billion in 2020 to USD 3215 billion by 2021 at a Y-O-Y of 17.6%. New ideas are integral to our business. We continuously seek to maximise our impact through value creation for our clients by delivering world-class solutions leveraging IT digital platforms and newer technologies that present themselves in the future.

Outlook

Our Container inventory volumes have been growing at 20%+ over the last two years, currently more than 9,000 TEUS. We are confident to maintaining this growth, adding containers as required to cater to customer demand. While the current situation in H1FY2020-21 is challenging, we are actively working on our strategy to improve volumes, exploring new business opportunities and expanding in new geographies. India's manufacturing industry is expected to have spike by having shifting of many major factories shifting from China to India. This creates an opportunity to Shipping & Logistics biz. We are targeting to grow our own network of offices to take care of every opportunity.

We are committed to growth by conducting business in a fair transparent manner meeting the highest standards of ethics and corporate governance. On behalf of the Board of Directors I take this opportunity to thank all of you for continuing with us in this exciting journey. I look forward with positivity to the days ahead and will keep updating you at regular intervals.

Disclaimer: The statement in speech is including forward looking statement. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and valuations to differ materially from those contemplated by the relevant forward looking statement.

Thank You,

Date: September 29, 2020

Place: Navi Mumbai

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