



Lancer Container Lines Ltd.

To,
BSE Limited
Pheroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai- 400001

Sub: Disclosure of material impact of Covid-19 Pandemic.

Ref: Lancer Container Lines Limited (Scrip Code -539841).

Dear Sir,

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, Please find enclosed herewith disclosure on material impact of COVID-19 pandemic on the Company.

The above is for your information and record.

Kindly acknowledge the same.

Thanking you,

**On behalf of Board of Directors
For Lancer Container Lines Limited.**

**Sumit R. Sharma
Company Secretary & Compliance Officer**

**Place: Navi Mumbai
Dated: 02nd June, 2020**

**Email: -Secretarial@Lancermarine.in;
Tel: - 022-27566940/41/42**

**Add: - Mayuresh Chambers Premises, Co-Op. Society Ltd.,
Unit No.H02-2, H02-3 & H02-4, Plot No.60, Sector-11,
CBD Belapur, Navi Mumbai MH 400 614 IN.**

LANCER CONTAINER LINES

COVID-19 BUSINESS UPDATE, 30th MAY 2020



The Goal is to build relationships with flexibility to meet client needs

**Abdul Khalik Chataiwala, Chairman & Managing Director
Lancer Container Lines Limited., Navi Mumbai**

Dear Friends/Stakeholders,

We, are facing unprecedented challenges, as the world tries to come together to find solutions to contain the COVID-19 pandemic. We are closely monitoring the situation and adapting business operations and taking all necessary steps to help our employees, valued clients and their families remain healthy and safe.

Key measures:

- To counter the challenge of mobility cuts, we put in place Business Continuity Plan and work-from-home processes, in accordance with both Central & State government guidelines and regulations;
- Virtual command activated with a core team, to monitor business continuity and container movements across geographies;
- Monitoring working capital and cash flows;

Impact on Business:

Container movement at Indian ports have been impacted as most large liners continuing to skipping Indian ports. Container Volumes at ports have gone down drastically and we are witnessing almost 50 to 60 percent fall in traffic, in the last three months.

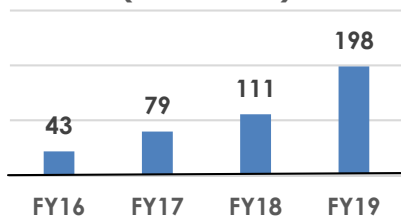
Larger ports including JNPT, Mundra are working 24x7 to clear the container congestion at ports, but most ports are still operating at just around 30-40 percent capacity. The situation continues to be challenging with important states like Maharashtra and Gujarat continue to face an increase in Covid-19 cases. The congestion problem is expected to take some time to be sorted, with backlog from China coming in en-mass with opening up ports and further adding to the pressure.



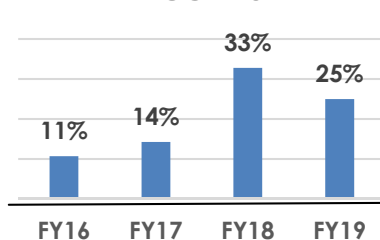
Outlook FY2021

The impact of COVID-19 had a limited impact on our FY2019-20 financials, as we operated almost as normal till the 3rd week of March, 2020. But, the full national lockdown since 24th March has severely impacted our container movement, which has almost come to a stand-still since April. This has been accentuated by the staff shortage at ports due to rotational rostering since the lockdown. There has been a partial lifting of lockdown, but truck movements at major ports still remain low. We believe H1FY2020-21 will bear the full brunt of the pandemic, with its continued impact our container movements & volumes.

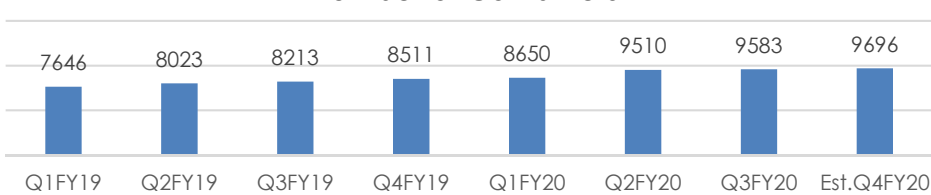
Gross Revenue (Rs.Crores)



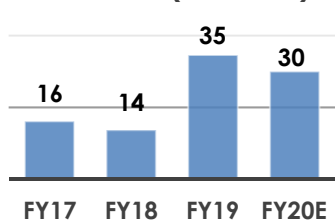
ROCE %



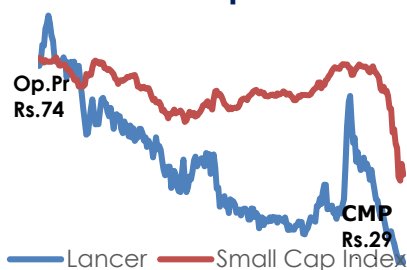
Number of Containers



Total Debt (Rs.Crores)



Ap.2019 to Mar.2020 Stock Comparison



Liquidity & Balance-Sheet Remain Comfortable

We, have sufficient liquidity and did not need to avail of the monetarium offered by RBI as of now. In Q4FY20 we had already started measures to reduce debt, especially US\$ denominated credit. Hence, we have been able to improve our Debt/Equity ratio currently to approx. 0.85x from 1.28x a year ago. We continue to take steps to keep a tight control on operating expenses and capital expenditure, enabling us to draw down credit facilities.

The uncertainty has impacted global financial market sentiment, also reflected in our Share Prices. While our operating results depend on future developments, we believe the disruption is temporary. We will remain optimistic of rebound of operations in H2FY2020-21. It's more important now to talk about life with COVID-19 rather than life after COVID-19. We are getting back to work with this new normal, continuously monitoring the situation and taking all possible measures to smoothly tide over this difficult time. I, would like to take this opportunity, on behalf of the Board of Directors to thank all you and all our stakeholders for your continuing support.

Stay Safe

Abdul Khalik Chataiwala



Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of CoVID-19 pandemic are as follows:-

S.N	Particulars	Disclosures
1.	Impact of COVID-19 pandemic on Business.	The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain the coronavirus or treat its impact. The related impact cannot be reasonably estimated at this time. We are carefully reviewing all rules, regulations, and orders and responding accordingly.
2.	Ability to maintain operations including factories/ units/ office spaces functioning and closed down.	The Company's office remained shut from March 23, 2020 due to lockdown which has impacted its operations during April & May 2020. However, staff was operating from home and operational impact is minimized using secured cloud server for accessing data.
3	Schedule, if any, for restarting the operations.	Work from Home is already in place and Company is planning to open offices from June, adhering to the safety norms prescribed by Government of India.
4	Steps taken to ensure smooth functioning of operations.	The Company is taking utmost care of its staff and work force like sanitization, social distancing, sanitizing Containers and storage space, mandatory mask wearing, thermal check, maintaining proper hygiene. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.
5.	Estimation of future impact of COVID - 19 on its operations.	March - May' 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalize during 3rd and 4th quarter.
6.	Capital and Financial Resources	The Company's capital and Banking facilities remain intact. No Moratorium on loans are availed. However, the company is witnessing delay in receivable collection from buyers as buyers are extending payment terms.



DISCLOSURES (CONT)

7.	Profitability	In view of lock down, the profitability during 1 st quarter (April to June) is likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalize during 3rd and 4th quarter.
8.	Liquidity Position	As explained above, there are no liquidity concerns as we have sufficient Banking limits available. Further, banks have offered additional limits. However, due to our receivable getting delayed, the cash position will be under stress. The company do hope cash position to be normal by third quarter.
9.	Ability to service debts and other Financing arrangements	The Company has sufficient unutilized working capital limits to meet financial requirements. Though the cash position is challenging, with our limits and tight control over expenditure, the company will be able to serve its debt and other financing arrangement.
10.	Internal Financial Reporting and Control	The Company has taken Cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review the account receivables and measures taken to control the capital expenditure.
11.	Demand for the services	There is temporary reduction in demand due to lock down, which we expect to improve in 3rd quarter and normalize by 4th quarter.
12.	Existing contracts/ agreements where non fulfilment of the obligations by any party will have significant impact on listed entity business	<p>Most of the private ports and terminals operating in the country have invoked the force majeure clause as most of them are involved in end-to-end contracts and operations were badly disrupted for a variety of reasons in past two months. The industry might soon result to normalcy as the virus severity gets decreased due to flattening of curve.</p> <p>However, it might take some time more to resume the freight operation in its original state. While the decrease in expected volume of containers to be shipped will remain a major problem for the global supply chain.</p>



About Lancer Container Lines Ltd

The Company was formed in 2011 and operates in the logistic sector. Listed on the mainboard of the Bombay Stock Exchange (BSE), the company made its Initial Public offering in April 2016 at a price of Rs.12. Services provided include shipping, freight forwarding, provision of yards for storage of empty containers, inland transport services. The company deploys its own containers, a majority of which are self-owned, giving it the edge to cost efficiently co-ordinate logistic chain in imports and export activities of clients.

Our Services

N.V.O.C.C



Container Trading



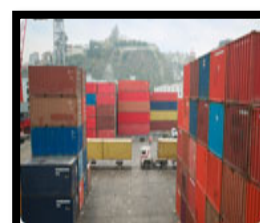
Transportation



DNV2.7-1 Offshore



Storage Yard



For more details Please Visit: www.lancermarine.in;

Follow us on  [@LancerContainer](https://twitter.com/LancerContainer)

For any Investor Relations query, please contact:

Sumit Sharma, Company Secretary,

Email: secretarial@lancermarine.in

Contact: 022 2756 6940/41/42

Vidit Gupta, Investor Relations

Email vidit.gupta@valuewiseir.com

Contact: +91 9082848380

DISCLAIMER: Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. Lancer Container Lines Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.