



UNITED SHIPPERS LIMITED

67TH ANNUAL REPORT 2019-2020

United Shippers Limited

BOARD OF DIRECTORS

(AS ON 19TH JUNE, 2020)

MR. SEVANTILAL JIVANLAL PAREKH	- Chairman & Managing Director
MRS. SUJATA PAREKH KUMAR	- Jt. Managing Director
MR. SUHRID SOMANI	- Director
MR. KRISHNAGOPAL GUPTA	- Independent Director
DR. SURESH PARIKH	- Independent Director
CAPT. DINYAR P KARAI	- Director & CEO
MR. PARAS DAKALIA	- Director – Finance
MR. BALKRISHNA SABOO	- Director – Technical
MR. MANISH HOLANI	- Director – Commercial & Operations

COMPANY SECRETARY & HEAD - LEGAL

MR. NAGENDRA AGARWAL

AUDITORS

M/s. BATLIBOI & PUROHIT

Chartered Accountants, Mumbai.

INTERNAL AUDITORS

Maximus Management Advisory Services Pvt. Ltd.

REGISTRAR & SHARE TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit No. 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai - 400 072.

Tel. : 91-22-2851 5606 / 5644 • Fax : 91-22-2851 2885

Web : www.sharexindia.com • Email : sharexindia@vsnl.com

BANKERS

CANARA BANK • ICICI BANK LTD. • KOTAK MAHINDRA BANK

REGISTERED OFFICE:

Prospect Chambers
3rd Floor, D. N. Road,
Fort, Mumbai – 400001.
Tel. : 91-22-6756 8400 / 401
Fax : 91-22-6756 8496 Gujarat
Web : www.unitedshippers.com
CIN : U35110MH1952PLC009445

CORPORATE OFFICE:

United India Building,
2nd Floor, Sir P. M. Road,
Fort, Mumbai - 400 001.

WORKS :

Corporate House, 2nd Floor,
P. N. Road,
Opp. St. Ann's High School,
Jamnagar - 361008,
Gujarat.

DIRECTORS' REPORT

To,
The Members,

Your Directors take pleasure in presenting the **Sixty Seventh Annual Report** along with the audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March, 2020.

FINANCIAL RESULTS:

Rupees in Lakhs

	Particulars	Current year 2019-20	Previous Year 2018-19
	Profit before Finance Cost, Depreciation and amortization. Exceptional item and Tax expenses	7560.97	5641.53
Less:	Finance cost	246.05	433.23
	Depreciation/ amortization	5119.70	4,632.10
	<u>Profit before exceptional item and income Tax</u>	<u>2195.22</u>	<u>576.20</u>
Less :	Exceptional item : Impairment of Investment in subsidiary	200.00	--
	<u>Profit before tax</u>	<u>1995.22</u>	<u>576.20</u>
Less:	<u>Tax expenses</u>		
	Current Tax-MAT	450.00	410.00
	Deferred Tax	(1100.93)	(457.25)
	Earlier year Tax adjustments	--	(100.32)
	Net Profit (profit after income Tax)	2646.15	723.77
	Other comprehensive income (net of Tax)	73.61	6.04
	Total comprehensive income	2719.76	729.81

DIVIDEND

The directors in their board meeting held on 03rd March, 2020 declared and paid an interim dividend @ 325% for the financial year 2019-2020 on total share capital of 4,618,745 Equity Shares of Rs. 10/- each to the shareholders of the Company whose names appear in the Register of Members as on 03rd March, 2020. The aggregate outflow on account of the total interim dividend was Rs. 1501.09 lakhs.

BUSINESS PERFORMANCE AND COMPANY AFFAIRS

Business review

For the financial year ended March 31, 2020 the Company handled 9.13 million MT of bulk cargo against 10.11 million MT in the previous year 2018-2019, which is a reduction in cargo handling at various ports by 9.70%. The company handled 2.41 million Mt of cargo through Floating cranes as compared to 3.14 million MT of cargo in the previous year 2018-2019, which is a reduction in floating tonnage cargo handled of 23%.

Company review

Share Capital

The authorized share capital of the company is Rs. 6,050.00 lakhs and the issued, subscribed and paid up share capital is Rs. 461.87 lakhs.

Financial performance

The company has achieved revenue from operations of Rs. 24,080.76 lakhs in the financial year 2019-2020 against Rs. 31,709.04 lakhs in the previous year.

The Company has achieved a profit before tax & exceptional items of Rs. 2195.22 lakhs in the financial year 2019-2020, including dividend of Rs. 2362.61 lakhs received from wholly owned foreign subsidiary company as against Rs. 576.19 lakhs in the previous year. Profit after tax and exceptional item is Rs. 2,646.15 lakhs in the financial year 2019-2020 as against Rs. 723.76 lakhs in the previous year. The decrease in the revenue is mainly due to an exceptionally long and severe monsoon hampering the operations.

Your Company has long term rating of CRISIL A+/stable and short term rating of CRISIL A1.

Consolidated Financial Statements

The consolidated financial statements have been prepared by the Company in accordance with the Accounting principles generally accepted in India including the Indian accounting standards (IndAs) as per the Companies (Indian accounting standards) Rules, 2015 (including relevant amendments and rules issued thereafter) and other relevant provisions of the Act. The audited consolidated financial statements, together with Auditors' Report, form part of this Annual Report.

The consolidated revenue for the year 2019-2020 of the Company including subsidiaries is Rs. 34,711.80 lakhs as against Rs. 48,780.27 lakhs in the previous year. The profit before tax & exceptional items is Rs. 406.47 lakhs as against Rs.

987.40 lakhs in the previous year. Profit after tax is Rs. 850.87 lakhs in the financial year 2019-2020 as against Rs. 1128.59 lakhs in the previous year.

Subsidiaries

The Company has the following 100% subsidiaries and the report on performance of the subsidiaries is as follows:

- 1) USL Shipping DMCEST, Dubai:** The principal activities of the company during the year under review were shipping and ship chartering. The company achieved a revenue of US\$ 15.13 million (Rs. 1077.05 million] against US\$ 25.15 million (Rs. 1772.59 million] in the previous year and reported a profit of US\$ 0.84 MILLION (Rs. 59.89 million] as against profit of US\$ 0.72 million (Rs. 50.68 million] in the previous year.
- 2) Shakti Clearing Agency Private Limited:** During the year the Company achieved revenue from operations of Rs. 197.62 lakhs as against Rs. 282.26 lakhs in the previous year. The company has incurred a loss of Rs. 44.12 lakhs as against loss of Rs. 103.43 lakhs in the previous year.
- 3) USL Lanka Logistics (Pvt.) Ltd.:** The Principal activity of this company is shipping and agency related services. The company has incurred a loss of Rs. 8.15 lakhs as against loss of Rs. 8.96 lakhs in the previous year.

The financial information of the subsidiary companies is not attached with the financial statements of the Company. The company will make available the Annual Accounts of each of the subsidiary companies and related detailed information upon request from any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company.

A separate statement containing the salient features of financial statements of all subsidiaries of your Company forms part of Annual Report in the prescribed form AOC-1 as Annexure-I in compliance with section 129 and other applicable provisions, if any of the Companies Act, 2013.

Transfer of Unpaid /Unclaimed Dividend to IEPF

During the year under review the Company has transferred a sum of Rs. 1000/- and Rs. 500/- to the Investor Education and Protection Fund (IEPF) established by the Central Government, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said dividends were pertaining to financial year 2011-12 (Final Dividend) & 2012-13 (Interim Dividend) respectively. The dividend which remains unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF as and when the respective dividend become due.

FLEET:

The Company has added Rs. 2,992.61 lakhs to the fixed assets. These additions mainly comprised of Vessels & barges dry dock Rs. 1,998.63 lakhs, Excavators & Pay loaders of Rs. 831.13 lakhs, Dumper trucks amounting to Rs. 116.33 lakhs and Motor Car amounting to Rs. 33.59 lakhs. Apart from the above the other additions are of normal nature and the details of the same are shown in the accounts.

CORPORATE GOVERNANCE

Your Directors reaffirm their commitment to good corporate governance practices in compliance with the provisions specified under the Companies Act, 2013.

The detail report on Corporate Governance is incorporated in a separate section which is annexed hereto with this Annual Report.

DIRECTORS RETIRE BY ROTATION

Pursuant to Section 152(6) and other applicable provisions, if any, of the Act, one third of such of the Directors are liable to retire by rotation shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently, Mr. Suhrid Somani (DIN 00217379), Director of the Company retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment in accordance with the provisions of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year 2019-2020 the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2020 and of the profit of the Company for that period;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the directors have prepared the annual accounts on a going concern basis.

- e) that the directors have laid down internal financial controls and that such internal financial controls are adequate and were operating effectively; and
- f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS AND ITS MEETINGS

As on 31st March, 2020, the Company's Board comprised of nine members. The Board Consists of 6 (six) executive directors, 1 (One) Non-Executive director and 2 (Two) Independent directors. The Board met 6 (six) times during the year 2019–2020. The new appointment, reappointment of the directors and the details of the board meetings, names and categories of director, their attendance at the respective meetings held during the year and at the last Annual General Meeting are given in the Corporate Governance Report annexed to this Annual Report.

COMMITTEES

Audit Committee

The Company has properly constituted an Audit Committee as per the provisions of section 177 of Companies Act, 2013. The committee met 4(four) times during the year, the details of the audit committee are incorporated in the Corporate Governance Report annexed to this Annual report.

Nomination and Remuneration Committee

The Company has properly constituted Nomination and Remuneration Committee as per the provisions of section 178 of Companies Act, 2013. The details of the Nomination and Remuneration Committee are incorporated in the Corporate Governance Report annexed to this Annual report.

Corporate Social Responsibility Committee

In compliance with Section 135 of the Companies Act, 2013 and Rules made there under, the Company has Corporate Social Responsibility (CSR) Committee. The details of the CSR Committee and amount of CSR to be incurred and spent during the year are incorporated in the Corporate Governance Report annexed to this Annual report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans given, investment made and guarantees given which are required to be disclosed in the annual accounts of the company are disclosed from time to time in the financial statements. The Audit Committee has scrutinized the loans given, investments made and guarantees given by the company.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of the business and on an arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013. However, the transactions done with related parties are entered in Note No. 37 of the standalone financial statements. The Related Party Transactions are approved by the Audit Committee.

KEY MANAGERIAL PERSONNEL

The Company has following persons as Key Managerial Personnel which fulfils the requirement of the provisions of the Companies Act, 2013.

Sr. No.	Name of the person	Designation
1.	Mr. Sevantilal J. Parekh	- Chairman & Managing Director
2.	Mrs. Sujata Parekh Kumar	- Jt. Managing Director
3.	Capt. Dinyar Karai	- Whole Time Director & CEO
4.	Mr. Paras Dakalia	- Whole Time Director (Director – Finance)
5.	Mr. Manish Holani	- Whole Time Director (Director – Commercial & Operations)
6.	Mr. Nagendra Agarwal	- Company Secretary & Head- Legal

DISCLOSURES RELATING TO REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The information required in terms of the provisions of Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of Directors and Key Managerial Personnel of your Company is set out in Annexure II.

AUDIT REPORTS & AUDITORS

Audit Reports

The Auditors' Report for the financial year 2019-2020 does not contain any qualification, reservation or adverse remark. There is an emphasis on the outstanding amount receivable from Essar Power Gujarat Limited however management is of the view that the same is recoverable. The notes of the financial statements referred to in the Auditors Report are self - explanatory and do not call for any further comments. The Auditors' report is enclosed with financial statements in this Annual report

The Secretarial Audit Report for the financial year 2019-2020 does not contain any qualification, reservation or adverse remark. The Report of the Secretarial Audit is annexed herewith as Annexure III.

Statutory Auditors

M/s Batliboi & Purohit, Chartered Accountants, Mumbai, (Firm regn no. 101048W) were appointed for five (5) consecutive years as statutory auditors of the Company at the Annual General Meeting held on 24th September, 2018. The requirement for annual ratification for appointment of auditors' at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017. The Auditors' have confirmed in writing that they are not disqualified from continuing as Auditors of the Company.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Siddharth Sharma & Associates (FCS 7890), Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2019-2020.

INTERNAL CONTROL SYSTEM

The company has a defined system of internal controls for financial reporting of transactions and compliance with relevant laws and regulations commensurate with its size and nature of business. There is an active internal audit system which is carried out partly by internal resources and the rest is outsourced to Maximus Management Advisory Services Private Limited.

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

As the company has no manufacturing activity, the disclosure of particulars as required u/s 134(3)(m) of the Companies Act, 2013, in so far as it relates to the conservation of energy and technology absorption is not applicable and also expenses incurred on conservation is not material.

- a) Foreign Exchange Earnings - US\$ 72,18,575.14 (INR 5184.03 lakhs)
- b) Foreign Exchange Outgo
 - US\$ 4,204,932.72 (INR 2993.01 lakhs)
 - Euro 415,287.50 (INR 325.64 lakhs)
 - GBP 174.90 (INR 0.16 lakhs)
 - DIRHAM-15000 (INR 3.03 lakhs)
 - MUR- 25000(INR 0.59 lakhs)

EXTRACT OF ANNUAL RETURN

Pursuant to section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with relevant Rules framed there under, the extract of Annual Return under Form MGT-9 as on 31st March, 2020 forms part of this Report as Annexure IV.

RISK MANAGEMENT

The Company has a Risk Management Policy in place wherein all associated business risks are factored, identified, estimated and assessed. The Company has introduced several improvements to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. The business, operational and financial risks are reviewed periodically

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company in compliance with Section 177 of the Companies Act, 2013 has in place Vigil Mechanism/Whistle Blower Policy, for Directors and Employees of the Company. The mechanism encourages the Whistle Blower to report genuine concerns or grievances. The policy has been laid down to report the fraud, breach of company's code of conduct and any other reportable matters. It also provides adequate safeguard to the Whistle Blower against victimization. The Whistle Blower has direct access to the Chairman of the Audit Committee.

HUMAN RESOURCE

Your Company has introduced contemporary Human Resource practices to enhance technical and managerial competence of the employees and to further leverage their capabilities to enhance the performance. Further the Company has taken a series of initiatives to enhance emotional and intellectual engagement of employees.

ACKNOWLEDGEMENT

Directors take this opportunity to express their thanks to the company's stakeholders, clients, vendors, business associates, bankers and government departments, auditors for their continued contribution, support and guidance during the year.

Your Directors also wish to place on record their appreciation for all executives, staff and workers for their hard work and dedication.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 19th June, 2020

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S. J. Parekh
Chairman & Managing Director
(DIN 00010767)

**Annexure -I to the Directors Report
AOC - 1 (Part - A)**

Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing the salient features of financial of all subsidiaries as on 31/03/2020

Particulars	Details		
Name of the subsidiary	USL Lanka Logistics (Pvt.) Ltd.	Shakti Clearing Agency Pvt. Ltd.	USL Shipping DMCEST, Dubai
	Subsidiary	Subsidiary	Subsidiary
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	in LKR exchange rate as on 31/03/2020 is Rs.0.40 per LKR	Rs.	in US\$ exchange rate as on 31/03/2020 is Rs.75.3859 per US\$
Share capital	85,42,933	1,15,63,200	2,05,35,496
Reserves & surplus	(21,50,396)	1,50,45,025	99,99,17,975
Total assets	98,73,367	7,31,21,004	62,68,16,119
Total Liabilities	34,80,830	4,65,12,781	83,73,42,326
Investments		-	1,23,09,79,678
Turnover	36,23,295	1,99,63,821	1,16,59,81,756
Profit before taxation	(8,14,670)	(37,59,304)	5,98,94,554
Provision for taxation	-	6,53,134	-
Profit after taxation	(8,14,670)	(44,12,438)	5,98,94,554
Proposed Dividend/paid			23,62,61,232
% of shareholding	100%	100%	100%

Annexure II to the Directors' Report

Information as per section 197 of the Companies Act, 2013 for the year ended 31st March, 2020.

Name	Age	Qualification	Designation	Date of commencement of employment	No. of year's experience	Remuneration (Rupees in lakhs)	Last employment held
Mr. Sevantilal J. Parekh	87	B.Com.	Chairman & Managing Director	01-11-1990	65	64.10	G. Claridge & Co. Ltd.
Mrs. Sujata Parekh Kumar	60	B.Com., MBA (USA)	Jt. Managing Director	01-06-2011	33	62.83	Parekh Integrated Services Pvt. Ltd
Mr. Paras Dakalia	70	M.Com, F.C.A.	Director – Finance	01-04-2010	44	60.00	IFFCO Ltd.
Capt. Dinyar P. Karai	65	Inter com.	Director & CEO	01-04-2014	30	92.40	Halar Maritime Agency
Mr. Manish Holani	42	B.Com, MICS, PGDBA	Director- Commercial & operations	10-04-1999	21	53.47	-
Mr. Nagendra Agarwal	50	B.Com., LLB, ACS	Company Secretary & Head Legal	15-09-2016	24	33.10	-

For and on behalf of the Board of Directors

Place : Mumbai
Date : 19th June, 2020

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S. J. Parekh
Chairman & Managing Director
(DIN 00010767)

Annexure -III to the Directors Report

SECRETARIAL AUDIT REPORT

(For the Financial Year Ended on March 31, 2020)

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

United Shippers Limited

Prospect Chambers,

3rd Floor, D. N. Road,

Fort, Mumbai - 400 001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **United Shippers Limited** (hereinafter called 'the Company' CIN: U35110MH1952PLC009445). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of (as amended):

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. Secretarial Standards issued by the Institute of Company Secretaries of India.
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

B) In our opinion and as identified and informed by the Management, the following laws are specifically applicable to the company as the Company is engaged in the activity of lighterage, stevedoring and logistics business including the loading and unloading of bulk cargo from or to the mother vessel:

1. The Merchant Shipping Act, 1958.
 2. Inland Vessel Act, 1917.
 3. The Motor Vehicles Act, 1988.
 4. Acts as prescribed under Shop and Establishment Act of local authorities.
- C) During the period under review and as per the explanations and clarifications given to us and the representation made by the management, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above, except the following:
- i. The Company has amount of Rs. 0.80 Lacs remaining to be spent on CSR as required under Section 135 of Companies Act, 2013.
 - ii. The Index of Charges available at Website of Ministry of Corporate Affairs does not match with the Register of Charges maintained by the Company. As informed to us, mismatch is due to merger of certain banks, further company has initiated action to rectify the same.
- D) During the period under review, provisions of the following regulations/ guidelines/standards were not applicable to the Company:
- a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - j) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - k) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- E) We further report that the Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, including GST etc., has not been reviewed in this Audit since the same has been subject to review under/by the Statutory Financial Audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive

Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act; however in few instances e-forms were filed late with additional fees.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members view, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **SIDDHARTH SHARMA & ASSOCIATES**

Company Secretaries

UCN : S2016MH368200

P. R. No. 662/2020

Sidharth Sharma

M. No. FCS 7890

COP. 8872

UDIN F007890B000382319

Date: 19-06-2020

Place: Mumbai

This report is to be read with our letter of even date which is annexed as “**Annexure A**” and forms an integral part of this report.

“Annexure A’

To,
The Members,
United Shippers Limited
Prospect Chambers,
3rd Floor, D. N. Road,
Fort, Mumbai - 400 001.

The Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SIDDHARTH SHARMA & ASSOCIATES**

Company Secretaries
UCN : S2016MH368200
P. R. No. 662/2020

Sidharth Sharma
M. No. FCS 7890
COP. 8872

UDIN F007890B000382319

Date: 19-06-2020
Place: Mumbai

Annexure IV to the Directors Report

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U35110MH1952PLC009445
2	Registration Date	11th November, 1952
3	Name of the Company	United Shippers Limited
4	Category/Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	3rd floor, Prospect Chambers, D. N. Road, Fort, Mumbai – 400001 Maharashtra, Contact details :- 91-22-67568400 / 401 Fax : 91 22 67568496
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Pvt. Ltd. Address :- Unit no. 1, luthra ind. Premises, Safeed pool, Andheri kurla road, Andheri (East), Mumbai – 400072. TEL :- 91-22-28515606/5644

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Shipping & Logistics Services as Stevedores , Ship Charterer, Barge owners & Rail / Road / Sea Logistics	52241 52242	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Oricon Enterprises Limited Add: 1076, Dr. E. Moses Road, Worli, Mumbai - 400018 .	L28100MH1968PLC014156	Holding	64.29%	2(46)
2	USL Shipping DMCEST Add: P.O. Box. No. 118693 6th Floor, 605, Bin Sougat Building Salahuddin Road, Deira, Dubai, United Arab Emirates.	NA	Subsidiary	100%	2(87)(ii)
3	Bulk Shipping Pte. Limited (100% usidiary of USL Shipping DMCEST) Add: 20, Maxwell Road # 11-18, Maxwell House, Singapore 069113	NA	Subsidiary	100%	2(87)(ii)
4	USL Lanka Logistics Private Limited Add: Level 3, Advantage Building, 74A, Dharmapala Mawatha, Colombo 07, Sri Lanka	NA	Subsidiary	100%	2(87)(ii)
5	Shakti Clearing Agency Pvt Ltd Add: 116 Venus, Opp Cricket Bungalow, Jamnagar, Gujarat – 361001.	U60231GJ1990PTC013543	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,96,688	490	3,97,178	8.60%	3,96,688	490	3,97,178	8.60%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	30,81,052	9,000	30,90,052	66.90%	30,81,052	9,000	30,90,052	66.90%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	5,84,218	-	5,84,218	12.65%	5,84,218	-	5,84,218	12.65%	0.00%
Sub Total (A) (1)	40,61,958	9,490	40,71,448	88.15%	40,61,958	9,490	40,71,448	88.15%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	40,61,958	9,490	40,71,448	88.15%	40,61,958	9,490	40,71,448	88.15%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.	-	-	-						
i) Indian	-	-	-	0.00%				0.00%	0.00%
ii) Overseas	-	-	-					0.00%	0.00%
b) Individuals	-	-	-						
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%				0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%				0.00%	0.00%
c) Others (specify)									
Foreign Boday Corporate		5,47,297	5,47,297	11.85%		5,47,297	5,47,297	11.85%	0.00%
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	5,47,297	5,47,297	11.85%	-	5,47,297	5,47,297	11.85%	0.00%
Total Public (B)	-	5,47,297	5,47,297	11.85%	-	5,47,297	5,47,297	11.85%	0.00%
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)	40,61,958	5,56,787	46,18,745	100.00%	40,61,958	5,56,787	46,18,745	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year					Shareholding at the end of the year			% change in shareholding during the year	
		No. of Shares	% of total Shares of the company				% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company		% of Shares Pledged / encumbered to total shares
1	Mr. Rajendra Somani	50	0.00%				-	50	0.00%	-	0.00%
2	Mr. Surendra Somani	490	0.01%				-	490	0.01%	-	0.00%
3	Mr. Suhrid Somani	15,817	0.34%				-	15,817	0.34%	-	0.00%
4	Mrs. Mridula Somani	40,000	0.87%				-	40,000	0.87%	-	0.00%
5	Mr. Surendra Somani – HUF	3,134	0.07%				-	3,134	0.07%	-	0.00%
6	Debonair Publication	9,000	0.19%				-	9,000	0.19%	-	0.00%
7	Mrs. Jaya Somani	2,755	0.06%				-	2,755	0.06%	-	0.00%
8	Mr. Suhrid Somani	50	0.00%				-	50	0.00%	-	0.00%
9	Ms. Namrata Somani	8,255	0.18%				-	8,255	0.18%	-	0.00%
10	Ms. Nupur Somani	8,255	0.18%				-	8,255	0.18%	-	0.00%
11	Mr. Susheel Somani	5,000	0.11%				-	5,000	0.11%	-	0.00%
12	Mr. Surendra Somani	60,540	1.31%				-	60,540	1.31%	-	0.00%
13	Mr. Hridai Somani	17,671	0.38%				-	17,671	0.38%	-	0.00%
14	Mrs. Sujata Parekh Kumar	82,181	1.78%				-	82,181	1.78%	-	0.00%
15	Mr. Sevantlal J. Parekh	36,810	0.80%				-	36,810	0.80%	-	0.00%
16	Mrs. Sarla Sevantlal Parekh	26,400	0.57%				-	26,400	0.57%	-	0.00%
17	Mr. Sevantlal J. Parekh	36,140	0.78%				-	36,140	0.78%	-	0.00%
18	Uni Recyclers Pvt. Ltd	86,800	1.88%				-	86,800	1.88%	-	0.00%
19	Parekh Innovative Logistics Solutions Private Limited (Formerly known as Morganite Trading Company Pvt Ltd)	17,500	0.38%				-	17,500	0.38%	-	0.00%
20	Fisalcon Pvt Ltd	7,200	0.16%				-	7,200	0.16%	-	0.00%
21	Oricon Enterprises Ltd	29,69,552	64.29%				-	29,69,552	64.29%	-	0.00%
22	Mrs. Sujata Parekh Kumar (Trust)	3,68,647	7.98%				-	3,68,647	7.98%	-	0.00%
23	Mr. Sevantlal J. Parekh (Trust)	1,83,321	3.97%				-	1,83,321	3.97%	-	0.00%
24	Mr. Susheel Somani	10,000	0.22%				-	10,000	0.22%	-	0.00%
25	Mr. Surendra Somani	4,570	0.10%				-	4,570	0.10%	-	0.00%
26	Mr. Adarsh Somani	28,800	0.62%				-	28,800	0.62%	-	0.00%
27	Mr. Sevantlal J. Parekh	10,260	0.22%				-	10,260	0.22%	-	0.00%
28	Mrs. Sarla Sevantlal Parekh (Firm)	32,250	0.70%				-	32,250	0.70%	-	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

No Change

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name:						
	At the beginning of the year						
	Changes during the year						
	At the end of the year						

(iv) Shareholding Pattern of top ten Shareholders :: (NIL)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: Logiscor Limited						
	At the beginning of the year	01-04-2018		5,47,297	11.85%	5,47,297	11.85%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31-03-2019		5,47,297	11.85%	5,47,297	11.85%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
				Mr. Sevantlal J. Parekh			
	At the beginning of the year			83,210	1.80%	83,210	1.80%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			83,210	1.80%	83,210	1.80%
2	Name						
				Mrs. Sujata Parekh Kumar			
	At the beginning of the year			82,181	1.78%	82,181	1.78%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			82,181	1.78%	82,181	1.78%
3	Name						
				Mr. Suhrid Somani			
	At the beginning of the year			15,867	0.34%	15,867	0.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			15,867	0.34%	15,867	0.34%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year : NIL				
i) Principal Amount	1,560.90			1,560.90
ii) Interest due but not paid	6.21			6.21
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	1,567.11	-	-	1,567.11
Change in Indebtedness during the financial year				
* Addition				-
* Reduction	1,567.11			1,567.11
Net Change	1,567.11	-	-	1,567.11
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (amt. in Rs.)
		Mr. Sevantilal J. Parekh Chairman & Managing Director	Mrs. Sujata Parekh Kumar Jt. Managing Director	Capt. Dinyar Karai Director & C.E.O.	Mr. Paras Dakalia Director - Finance	Mr. Manish Holani Director - Commercial & Operations	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,42,674	51,30,990	92,40,000	60,00,000	50,88,792	3,09,02,456
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,22,700	4,61,600		32,400	32,400	10,49,100
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission - as % of profit - others, specify						
5	Others, please specify						
	Total (A)	59,65,374	55,92,590	92,40,000	60,32,400	51,21,192	3,19,51,556

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount (amt. in Rs.)
		Mr. Vishnunaraiyan Khanna	Dr. Suresh Parikh	Mr. Krishnagopal Gupta		
1	Independent Directors					
	Fee for attending board committee meetings	8,000	48,000	24,000		80,000
	Commission					-
	Others, please specify (Conveyance)	2,000	12,000	6,000		20,000
	Total (1)	10,000	60,000	30,000		1,00,000
		Name of Directors				
		Mr. Suhrud Somani				
2	Other Non-Executive Directors					-
	Fee for attending board committee meetings	24,000				24,000
	Commission					-
	Others, please specify (Conveyance)	6,000				6,000
	Total (2)	30,000	-	30,000		30,000
	Total (B)=(1+2)	40,000	60,000	30,000		1,30,000
	Total Managerial Remuneration					3,20,51,556

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel						Total Amount (amt. in Rs.)
		Name						
	Designation	CEO				CFO	Mr. Nagendra Agarwal Co. Secretary & Head - Legal	
1	Gross salary	-				-		-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-				-	33,09,794	33,09,794
	(b) Value of perquisites u/s 17(2) Income-tax	-				-	21,600	21,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-				-	-	-
2	Stock Option	-				-	-	-
3	Sweat Equity	-				-	-	-
4	Commission - as % of profit - others, specify	-				-	-	-
5	Others, please specify	-				-	-	-
	Total	-				-	33,31,394	33,31,394

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Changes in the composition of the Board by appointment/ reappointment.

During the year there was no change in the composition of the Board.

Board & General Meetings

The names, status and attendance of the Directors at the Board Meetings during the financial year 2019-2020 and at the General Meetings :

Name of the Director	DIN	Status	No. of Board Meetings		Attendance at the General Meetings	
			Held	Attended	EOGM (05/04/2019)	AGM (09/08/2019)
Mr. Sevantilal J. Parekh	00010767	Chairman & Managing Director	6	6	YES	YES
Mrs. Sujata Parekh Kumar	00016335	Jt. Managing Director	6	5	YES	NO
Mr. Suhrid Somani	00217379	Director	6	3	YES	YES
*Mr. Krishnagopal Gupta	00064502	Independent Director	6	3	NO	NO
Mr. Paras Dakalia	03035672	Director – Finance	6	6	YES	YES
Capt. Dinyar P. Karai	00362086	Director & CEO	6	4	YES	YES
Dr. Suresh Parikh	01419880	Independent Director	6	6	YES	YES
Mr. Balkrishna Saboo	02526450	Director – Technical	6	2	NO	NO
Mr. Manish	0185702	Director – Commercial	6	6	NO	YES

Holani	7	& Operations				
**Mr. Vishnunarain Khanna		Independent Director	6	1	NO	NO

*Mr. Krishnagopal Gupta was appointed as an Independent Director of your Company w.e.f. 09/07/2019.

**Mr. Vishnunarain Khanna resigned from the directorship of your Company on 09/07/2019.

INDEPENDENT DIRECTORS

Independent Directors Statement

Independent Directors on your Company board have submitted their declarations of Independence to the effect that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Independent Directors Meeting

As stipulated by the Code of Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 8th November, 2019 to review the performance of Non - Independent Directors and the Board as a Whole. The Independent Directors also reviewed the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Disclosures pursuant to section 197 Part II Section II in respect of Remuneration paid to Executive Directors.

Particulars	Mr. Sevantilal J Parekh	Mrs. Sujata Parekh Kumar	Capt. Dinyar P. Karai	Mr. Paras Dakalia	Mr. Manish Holani
Designation	Chairman & Managing Director	Jt. Managing Director	Director & CEO	Director - Finance	Director – Commercial & Operations
Terms of Appointment / Reappointment Period	16/03/2018 to 15/03/2021	01/06/2019 to 31/05/2022	01/10/2018 to 30/09/2021	01/4/2018 to 31/3/2021	14/11/2018 to 13/11/2021

Basic Salary	27,50,00,000	44,00,000	60,00,000	60,00,000	10,34,400
House Rent Allowance	1,100,000	440,000	900,000	-	1,77,600
Other allowance	-	-	300,000	-	-
Leave Travel Allowance / Encashment	-	-	-	-	1,63,746
Reimbursement of Medical Expenses / Allowance	15,92,674	2,90,990	-	-	86,166
Exgratia	-	-	-	-	1,20,714
Bonus	-	-	-	-	86,166
City Compensatory Allowance / Special allowance	-	-	2,040,000	-	34,20,000
Club Fees	247,800	-	-	-	-
Minimum Remuneration	The aggregate of Salary, allowances, and perquisites in any financial year shall be within the limits prescribed from time to time under sections 197 and other applicable provisions of the Companies Act, 2013 read with	The aggregate of Salary, allowances, and perquisites in any financial year shall be within the limits prescribed from time to time under sections 197 and other applicable provisions of the Companies Act, 2013 read with Section II of	The aggregate of Salary, allowances, and perquisites in any financial year shall be within the limits prescribed from time to time under sections 197 and other applicable provisions of the Companies Act, 2013 read with Section II of	The aggregate of Salary, allowances, and perquisites in any financial year shall be within the limits prescribed from time to time under sections 197 and other applicable provisions of the Companies Act, 2013	The aggregate of Salary, allowances, and perquisites in any financial year shall be within the limits prescribed from time to time under sections 197 and other applicable provisions of the Companies Act, 2013 read with Section II of

	Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modifications or any re-enactment thereof for the time being in force).	Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modifications or any re-enactment thereof for the time being in force).	Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modifications or any re-enactment thereof for the time being in force).	read with Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modifications or any re-enactment thereof for the time being in force).	Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modifications or any re-enactment thereof for the time being in force).
Notice period	One Month	One Month	One Month	One Month	One Month
Severance Fees	Nil	Nil	Nil	Nil	Nil

Remuneration paid to Non Executive Directors

Particulars	Mr. Suhrid Somani	Mr. Vishnunarain Khanna	Dr. Suresh Parikh	Mr. Krishnagopal Gupta
	Sitting Fees / Conveyance	30,000	10,000	60,000
No. of Shares held	15,867	NIL	NIL	NIL

Commission to Non-Executive Directors	NIL	NIL	NIL	NIL
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Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board has carried out the annual evaluation of its own performance its committees and Directors individually.

COMMITTEES

Audit Committee

As on 31st March, 2020 the Audit Committee comprises of the following directors:

- 1) Mr. Paras Dakalia - Director – Finance
- 2) Mr. Krishnagopal Gupta - Independent Director
- 3) Dr. Suresh Parikh - Independent Director

The Company Secretary shall act as Secretary to the committee.

The Audit Committee has met 4 times during the year i.e. on 16th May, 2019, 8th August, 2019, 8th November, 2019 and 5th February, 2020. The statutory Auditors of the Company were invited to attend the meetings. The audit committee is reviewing periodic financial results and statements and the accounting policies of your company so as to ensure that the financial statements are correct. The Board has reviewed all the observations made by the committee and accepted all recommendations made from time to time by Audit Committee.

Nomination and Remuneration Committee:

As on 31st March, 2020 the Nomination and Remuneration Committee comprises of the following directors:

- 1) Mr. Suhrid Somani - Director
- 2) Mr. Krishnagopal Gupta - Independent Director
- 3) Dr. Suresh Parikh - Independent Director

The Company Secretary shall act as Secretary to the committee.

The purpose of the committee is to review and to discharge the Boards responsibilities related to appointment, reappointment & the remuneration payable to Managing Director, Whole Time Director, Key Managerial Personnel and Senior Management persons. The committee also has responsibility to formulate the criteria for evaluation of Independent Directors and to identify the other persons who are qualified to become directors and appointment of Key Managerial Personnel and Senior Management persons.

The Nomination and Remuneration Committee has met twice in the year i.e. on 16th May, 2019, 9th July, 2019 to decide the appointment, re-appointment and remuneration of the Directors of the company.

Pursuant to the provisions of Companies Act, 2013, the performance evaluation of every Director was done by Nomination and Remuneration Committee.

Corporate Social Responsibility Committee:

In compliance with Section 135 of the Companies Act, 2013 and Rules made there under, the Company has Corporate Social Responsibility (CSR) Committee. The members of the Committee have meet once during the year i.e on 16th May, 2019. The composition of the CSR Committee is as follows:

- 1) Mrs. Sujata Parekh Kumar - Jt. Managing Director,
- 2) Mr. Krishnagopal Gupta - Independent Director
- 3) Mr. Paras Dakalia - Director - Finance

The Company Secretary shall act as Secretary to the committee.

The function of the Committee include review of corporate social responsibility initiatives, policies & practices undertaken by the Company and recommendation to the board about the amount of expenditure to be incurred on such activities, reviewing & recommending the annual CSR plan to the board. The committee also monitors the CSR activities, implementation & compliance with the CSR policy or any other matter related to CSR activities.

The gross amount required to be spent under Corporate Social Responsibility as per Provisions of Section 135(1) of Companies Act 2013 for the current Financial Year 2019-2020 was Rs. 28,81,134/- (Rupees Twenty Eight Lakhs Eighty One thousand one hundred thirty four only) (which includes balance of Rs. 18,404/- of the previous FY 2018-2019), calculated and arrived at as per the provisions of the Companies Act, 2013, towards CSR activities.

The Company has given Rs. 28.00 lakhs (Rs. Twenty eight lakhs) to a trust called Desh Apnayen Sahayog Foundation as it was decided to do the CSR expenditure through the trust instead of directly spending into CSR activities as per the provisions of Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility) Rules 2014.

For and on behalf of the Board of Directors

--sd--

Place: Mumbai
Date: 19th June, 2020

Sevantilal J. Parekh
Chairman & Managing Director
(DIN 00010767)

FLEET PROFILE

SR. NO.	NAME OF THE VESSEL	YEAR BUILT	DWT
	SELF PROPELLED BARGES		
1	M.V. Gajadhar	2004	1700
2	M.V. Adeshwara	2004	1850
3	M.V. Jai Hanuman	2005	1600
4	M.V. Ganesh	2005	1600
5	M.V. Venkatesh	2005	1785
6	M.V. Padmavati	2007	1780
7	M.V. Moreshwar	2008	2039
8	M.V. Chintamani	2008	1780
9	M.V. Shankar	2008	1800
10	M.V. Shree Sainath	2008	2212
11	M.V. Mahaganpati	2009	1786
12	M.V. Adinath	2009	2021
13	M.V. Gajanan	2010	1750
14	M.V. Neeleshwar	2010	2292
15	M.V. Saideep	2010	2200
16	M.V. Vasudev	2010	1328
17	M.V. Bajrang	2011	1750
18	M.V. Bheem	2010	1758
19	M.V. Giridhari	2010	1759
20	M.V. Shantinath	2010	1738
21	M.V. Jalgamini	2011	1750
22	M.V. Nilamber	2011	1750
23	M.V. Bhagirathi	2011	1750
24	M.V. Bhalchandra	2011	1750
25	M.V. Vaidyanath	2011	1750
26	M.V. Bramhanath	2011	1750
27	M.V. Pashupati	2011	2220
28	M.V. Eslinda II	2011	2204
29	M.V. Ekdant	2012	1750
30	M.V. Vighneshwar	2012	1750
31	M.V. Someshwar	2012	1750
32	M.V. Balaji	2012	1750
33	M.V. Jay Lakshmi Narayan	2012	2200
34	M.V. Vakratunda	2014	1171

INDEPENDENT AUDITOR'S REPORT

To the Members of UNITED SHIPPERS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **UNITED SHIPPERS LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of matter

We draw attention to the note 12.1 of the financial statements in respect of trade receivables of Rs. 1,554.38 lakhs due from Essar Power Gujrat Limited (EPGL) which is outstanding for more than two years as on the reporting date. The management believes that the amount will be recovered in full and no provision is required.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the ‘Annexure A’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : June 19, 2020
ICAI UDIN: 20111749AAAACE7006

Annexure - A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were observed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of the inventories of stores and spares once during the year, which in our opinion is reasonable. No material discrepancies were noted on such physical verification.
- (iii) During the year, the Company granted unsecured loans to two private companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted loans secured or unsecured to other bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions of unsecured loans mentioned above are not, prima-facie, prejudicial to the interest of the Company.
 - (b) According to the information and explanations given to us, in respect of one of two companies mentioned above, the loan and interest were repayable on demand and the borrower company has been regular in the repayment of principal and payment of interest as and when demanded and in respect of the other company, no repayment of principal and/or interest are due as on the reporting date.
 - (c) According to the information and explanations given to us, no amount is overdue in respect of the above mentioned loans. Accordingly, paragraph 3(iii)(c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, paragraph 3(vi) of the Order is not applicable.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, except for Provident Fund contributions relating to certain employees as follows:

Name of the Statute	Nature of dues	Amount (Rs in lakhs)	Period to which it relates	Date of Payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Contribution, Employer's Contribution and Administrative Charges	1.55	April 2019 – August 2019	April, 30 2020

- (c) According to information and explanations given to us, there were no dues of income tax, sales tax, service tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per information and explanation given to us, the Company has not defaulted in repayment of loans to banks. The Company did not have any outstanding dues in respect of loans or borrowings from any financial institution, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been

disclosed in the financial statements as required by the applicable Accounting Standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No.101048W

Kaushal Mehta

Partner

Membership No. 111749

Place : Mumbai

Date : June 19, 2020

ICAI UDIN: 20111749AAAACE7006

Annexure - B to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **UNITED SHIPPERS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the 'Guidance Note on Audit of Internal Financial Controls over Financial Reporting' issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The

procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BATLIBOI & PUROHIT

Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta

Partner
Membership No. 111749

Place : Mumbai
Date : June 19, 2020
ICAI UDIN: 20111749AAAACE7006

United Shippers Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(All amounts are in Rupees in Lakhs unless otherwise stated)

1. Corporate information

United Shippers Limited ('USL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at 3rd floor, prospect chambers, D.N. Road, fort, Mumbai-400001, Maharashtra. Established in 1952, United Shippers Limited (USL) is a shipping company providing Shipping and Logistic services as stevedores, ship charterer, barge owners and rail/ road/ sea logistic services to its clients. Since 1995, it expanded into providing integrated services including stevedoring, the chartering of coastal vessels, rail road and sea logistic services to its customers.

The Standalone financial statements are approved for issue by the Company's Board of Directors on June 19, 2020.

2. Application of new and revised Ind -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

Recent accounting pronouncements:

There were no material amendments or new Indian Accounting Standards which are issued but not yet effective and would have any material impact on the subsequent financial statements of the Company.

3. Significant accounting policies

3.1. Basis of preparation

3.1.1 Compliance with Ind AS

These standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (including relevant amendments and rules issued thereafter) and other relevant provisions of the act.

3.1.2. Historical Cost Convention

The Standalone Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities that are measured at fair value or net present value;
- defined benefit plans plan assets measured at fair value; and

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded to Rupees in Lakhs except where otherwise stated.

3.2 Business combinations

Business combination of entities under common control is accounted using pooling of interest method as per appendix c to Ind AS 103 – “Business combinations of entities under common control”. Accordingly, the difference between the consideration and the amount of share capital of the transferor companies has been transferred to capital reserve and is presented separately from other reserves.

3.3 Investment in subsidiary

The Company has elected to record the investments in subsidiaries at cost in accordance with Ind AS 27 ‘Separate financial statements’.

3.4 Current and non-current classification

- (i) The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
 - a) Expected to be realized or intended to be sold or consumed in normal operating cycle
 - b) Held primarily for the purpose of trading, or
 - c) Expected to be realized within twelve months after the reporting period other than for (a) above, or
 - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- (ii) All other assets are classified as non-current.
- (iii) A liability is current when:
 - a) It is expected to be settled in normal operating cycle
 - b) It is held primarily for the purpose of trading
 - c) It is due to be settled within twelve months after the reporting period other than for (a) above, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- (iv) All other liabilities are classified as non-current

3.5 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

Level 1 — Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

- (a) quoted prices for similar assets or liabilities in active markets.
- (b) quoted prices for identical or similar assets or liabilities in markets that are not active.
- (c) inputs other than quoted prices that are observable for the asset or liability.
- (d) Market – corroborated inputs.

Level 3

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.6 Property Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

- Recognition

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes

professional fees and borrowing costs for qualifying assets.

Significant Parts of an item of PPE (including major inspections) having different useful lives and material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

- Depreciation

Depreciation of these PPE commences when the assets are ready and available for their intended use.

Depreciation has been calculated on Straight Line method (SLM) based on the estimated useful life estimated in Schedule II of the Companies Act, 2013, on a pro-rata basis. Lease hold improvements are amortized over the period of lease being lower of lease period and useful life.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Capitalized expenditure on dry dock is depreciated until the next planned dry-docking.

The useful life of property, plant and equipment are as follows:-

Asset Class	Useful Life
Freehold Buildings	Office Building : 60 years
	Factory Building : 30 years
Leasehold Improvements	Over the period of lease
Plant and Machinery	15 years
Furniture and Fixtures	10 years
Electrical Installations	3-10 years
Computers, Printer and Laptop	3 – 6 years
Office Equipments	2-8 years
Vehicles	8-10 years
Server, UPS	6 years
Barges and Speed Boats	14 years
Pay-loaders	4- 9 years
Excavators	9 years

3.7 Intangible assets under development

Expenditure on development eligible for capitalization in accordance with Ind AS 38 Intangible Assets is carried as intangible assets under development where such assets are not ready for their intended use.

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

3.8.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments are measured at fair value. Equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to P & L, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset is de-recognized only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Financial assets that are debt instruments and are measured as at FVTOCI;
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;
- d) Loan commitments which are not measured as at FVTPL;
- e) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

3.8.2 Financial liabilities

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

3.9 Cash and Cash Equivalent

Cash and cash equivalent in balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash and cash equivalent consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management.

3.10. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

3.11. Trade Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using effective interest method.

3.12. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

3.13 Inventories

Inventories being stores and spares are valued at the lower of cost and net realizable value. The cost is computed on First-In-First Out basis. The cost includes purchase price, inward freight and other incidental expenses net of taxes wherever applicable.

3.14 Revenue recognition

a) Revenue from contract with customers

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was not material.

Revenue from providing of services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The company accounts for demurrages based on the expected amount of the claim to be received only when it is highly probable that there will not be a significant reversal of revenue in a future period.

b) Interest and dividends

Interest income is recognized on time proportionate basis using the effective interest method. Dividend income is recognized when the entity's right (as a shareholder) to receive payment is established.

3.15 Leases

As a lessee

The Company has adopted modified retrospective approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of Rs. 1,551.80 lakhs, accumulated amortisation of Rs. 716.35 lakhs and present value of lease liabilities of Rs. 597.19 lakhs as on April 01, 2019 and the difference of Rs. 12.88 Lakhs (net of deferred taxes of Rs. 6.11 lakhs) has been adjusted with opening retained earnings. In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is additional expense of Rs. 104.42 lakhs.

The Company's leases primarily consist of leases for Jetty, land surrounding and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.16 Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the economic environment in which it operates.

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the profit and loss account as income or expense.

Non - monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on such assets and liabilities carried at fair value are reported as part of fair value gain or loss.

3.17 Employee Benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Long-Term employee benefits

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

i. Defined contribution plans

Provident Fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.

The Company's contribution is expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

ii. Defined benefit plans

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Ind AS 19, "Employee Benefits". The Company makes annual contributions to the LIC of India for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Leave Encashment

The company provides for the liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

3.18 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.20 Cash Flow Statement

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

3.21 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.22 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

United Shippers Limited

BALANCE SHEET AS AT MARCH 31, 2020

(Rs.in Lakhs)

Assets	Notes	As at March 31, 2020	As at March 31, 2019
		Audited	Audited
Non-current Assets			
(a) Property, Plant and Equipment	4	21,481.09	23,417.86
(b) Right of use Assets	4	854.14	-
(c) Capital work-in-progress	5	1,195.35	128.23
(d) Intangible Assets under development		12.50	12.50
(e) Financial Assets			
(i) Investments	6	5,674.98	6,309.78
(ii) Others	7	104.34	353.43
(f) Income Tax Asset	8	1,519.05	1,368.61
(g) Other non-current assets	9	0.40	8.17
Total non-current assets		30,841.85	31,598.58
Current Assets			
(a) Inventories	10	384.10	324.23
(b) Financial Assets			
(i) Investments	11	2.45	2,594.12
(ii) Trade Receivables	12	4,303.08	5,063.60
(iii) Cash and Cash Equivalents	13	5,051.78	1,664.50
(iv) Loans	14	95.71	1.05
(v) Others	15	20.99	0.46
(c) Other current assets	16	1,238.24	1,306.88
Total current assets		11,096.35	10,954.84
Total Assets		41,938.20	42,553.42
Equity and Liabilities	Notes	As at March 31, 2020	As at March 31, 2019
Equity			
(a) Equity Share capital	17	461.87	461.87
(b) Other Equity	18	33,898.54	33,270.09
Total Equity		34,360.41	33,731.96
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	127.07
(ii) Lease liabilities		462.63	-
(b) Deferred tax liabilities (Net)	20	1,527.71	2,625.16
Total non-current liabilities		1,990.34	2,752.23
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(a) Dues to Micro and Small	21	74.67	39.38
(b) Dues to Other Creditors	21	5,004.21	4,327.79
(ii) Current maturities of lease liabilities		259.08	-
(iii) Other financial liabilities	22	145.27	1,605.74
(b) Other current liabilities	23	104.22	96.32
Total current liabilities		5,587.45	6,069.23
Total Liabilities		7,577.79	8,821.46
Total Equity and Liabilities		41,938.20	42,553.42

The accompanying notes from 1 to 50 form an integral part of these financial statements.

As per our report of even date attached
For **BATLIBOI & PUROHIT**
Chartered Accountants
ICAI Firm Reg.No.101048W

For and on behalf of the Board of Directors of United Shippers Limited

Kaushal A. Mehta
Partner
M.No. 111749
Mumbai
Date : June 19, 2020

Nagendra Agarwal
Company Secretary

Paras Dakalia
Director (Finance)

S. J. Parekh
Chairman & Managing Director

United Shippers Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs.in Lakhs)

Particulars	Notes	Year ended	Year ended
		March 31,	March 31,
		2020	2019
INCOME			
Revenue from Contract with Customers	24	24,080.76	31,709.04
Other Income	25	3,136.00	655.93
Total Revenue		27,216.76	32,364.97
EXPENSES			
Direct operating cost	26	17,512.68	23,891.38
Employee benefits expense	27	1,249.79	1,757.82
Finance Cost	28	246.05	433.24
Depreciation and Amortization	29	5,119.70	4,632.10
Other Expenses	30	893.31	1,074.25
Total Expenses		25,021.53	31,788.78
Profit / (loss) before exceptional items and income tax		2,195.23	576.19
Exceptional item - Impairment of investment in subsidiary		(200.00)	-
Profit / (Loss) before tax for the year		1,995.23	576.19
Tax expense			
Current tax		450.00	410.00
Deferred Tax Charge / (Credit)		(1,100.93)	(457.25)
Earlier year Tax adjustments		-	(100.32)
Profit / (Loss) after tax for the year		2,646.16	723.76
Other Comprehensive Income			
Items that will not be re-classified to profit and loss			
(i) Remeasurement of defined benefit plans (net of taxes)		1.49	(34.17)
(ii) Equity Instruments through OCI (net of taxes)		72.12	40.21
Other Comprehensive Income after tax for the year		73.61	6.04
Total Comprehensive Income for the year		2,719.77	729.81
Earnings per share attributable to the equity holders of the Company:			
Basic earnings per share	31	57.29	15.67
Diluted earnings per share	31	57.29	15.67

The accompanying notes from 1 to 50 form an integral part of these financial statements.

As per our report of even date attached

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg.No.101048W

For and on behalf of the Board of Directors of United Shippers Limited

Kaushal A. Mehta
Partner
M.No. 111749
Mumbai
Date : June 19, 2020

Nagendra Agarwal
Company Secretary

Paras Dakalia
Director (Finance)

S. J. Parekh
Chairman & Managing Director

United Shippers Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs.in Lakhs)

	Particulars	For the year March 31, 2020	For the year March 31, 2019
I	Cash Flow From Operating Activities		
	Profit before income tax	1,995.23	576.19
	Depreciation and Amortization expenses	5,119.70	4,632.11
	Loss on sale of Property, Plant and Equipment (net)	137.59	202.47
	Profit on sale / Fair valuation of Investment (FVTPL)	(240.94)	(424.56)
	Reversal of provision Expected credit loss	(40.03)	(89.91)
	Amortisation of Processing Fees	30.81	33.60
	Interest expenses and unwinding of discounts	215.24	399.62
	Interest received	(295.00)	(150.92)
	Bad Debts written off	73.20	129.10
	Unrealised foreign exchange (gain)/loss (net)	43.19	160.74
	Dividend Income	(2,539.68)	(158.18)
	Excess provisions written back	(146.34)	-
	Provision for impairment in subsidiary	200.00	-
	Operating cash flows before working capital changes	4,552.99	5,310.26
	Changes in working capital		
	(Increase)/Decrease in trade receivables	684.15	1,669.17
	(Increase)/Decrease in inventories	(59.87)	(80.92)
	Increase/(Decrease) in trade payables	711.71	(1,117.43)
	(Increase)/Decrease in Loans and Advances	(9.81)	3.49
	(Increase)/Decrease in other financial assets (Non current)	249.09	(63.46)
	(Increase)/Decrease in other financial assets (Current)	(20.53)	18.32
	(Increase)/Decrease in other non-current assets	7.77	(7.77)
	(Increase)/Decrease in other current assets	70.13	(516.98)
	Increase/(Decrease) in other financial liabilities	(102.10)	(89.21)
	Increase/(Decrease) in other current liabilities	7.90	(138.07)
	Cash generated from operations	6,091.42	4,987.40
	Taxes paid (including tax deducted at source)	(600.44)	(673.40)
	Net cash flows generated from operating activities	5,490.98	4,314.00
II	Cash flows from investing activities		
	Purchase of Fixed Assets including CWIP	(4,066.47)	(2,641.00)
	Proceeds from Sale of Fixed Assets	113.12	85.96
	Purchase of intangible assets under development	-	(6.49)
	Sale/(Purchase) of current investments (net)	2,632.62	2,919.17
	Sale/(Purchase) of non current investments (net)	711.00	(2,677.73)
	Loan given to Subsidiary	(80.00)	-
	Loan given to Other	(2,000.00)	-
	Loan from Other received back	2,000.00	-
	Dividend received from subsidiaries	2,362.61	-
	Dividend Received from other Investments	177.07	158.18
	Interest received	290.16	171.25
	Net cash flows (used in) investing activities	2,140.11	(1,990.66)
III	Cash flows from financing activities		
	Payment of lease liabilities	(396.38)	-
	Interest paid	(170.53)	(351.83)
	Proceeds/(Repayment) of long term borrowings including current maturities	(1,598.44)	(1,785.00)
	Dividend Paid	(2,078.45)	(461.87)
	Tax on Dividend Paid	-	(94.96)
	Net cash flows (used in) financing activities	(4,243.81)	(2,693.66)
IV	Net increase (decrease) in cash and cash equivalents	3,387.28	(370.32)
V	Cash and cash equivalents at the beginning of the year	1,664.50	2,034.82
VI	Cash and cash equivalents at end of the year	5,051.78	1,664.50

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

As per our report of even date attached

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg.No.101048W

For and on behalf of the Board of Directors of United Shippers Limited

Kaushal A. Mehta

Partner

M.No. 111749

Mumbai

Date : June 19, 2020

Nagendra Agarwal

Company Secretary

Paras Dakalia

Director (Finance)

S. J. Parekh

Chairman & Managing Director

United Shippers Limited
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Equity Share Capital

(Rs.in Lakhs)	
Particulars	Amount
As at April 1, 2018	461.87
Changes in equity share capital	-
As at March 31, 2019	461.87
Changes in equity share capital	-
As at March 31, 2020	461.87

Other equity

	Reserves and Surplus				Equity instrument through other Comprehensive Income	Total
	Capital Reserve (on merger)	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at April 1, 2018	(184.24)	865.05	5,913.66	26,459.65	43.00	33,097.11
Profit after tax for the year	-	-	-	723.76	-	723.76
Other Comprehensive Income for the year	-	-	-	(34.17)	40.21	6.04
Transferred to retained earnings	-	-	-	0.16	(0.16)	-
Payment of Dividend	-	-	-	(461.87)	-	(461.87)
Tax on Dividend	-	-	-	(94.96)	-	(94.96)
Balance as at March 31, 2019	(184.24)	865.05	5,913.66	26,592.57	83.05	33,270.09
Ind AS 116 transition adjustment (Refer note 3.15)	-	-	-	(12.88)	-	(12.88)
Profit after tax for the year	-	-	-	2,646.16	-	2,646.16
Other Comprehensive Income for the year	-	-	-	1.49	72.12	73.61
Transferred to retained earnings	-	-	-	4.09	(4.09)	-
Payment of Dividend	-	-	-	(2,078.44)	-	(2,078.44)
Tax on Dividend (net after set off)	-	-	-	-	-	-
Balance as at March 31, 2020	(184.24)	865.05	5,913.66	27,152.99	152.08	33,898.54

The accompanying notes from 1 to 50 form an integral part of these financial statements.

As per our report of even date attached
For **BATLIBOI & PUROHIT**
Chartered Accountants
ICAI Firm Reg.No.101048W

For and on behalf of the Board of Directors of United Shippers Limited

Kaushal A. Mehta
Partner
M.No. 111749
Mumbai
Date : June 19, 2020

Nagendra Agarwal
Company Secretary

Paras Dakalia
Director (Finance)

S.J. Parekh
Chairman & Managing Director

United Shippers Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

4 Property, Plant and Equipment and Right of Use assets

(A) Property, Plant and Equipment

(Rs.in Lakhs)

Costs	Building	Vessel and Barges	Vessel and Barges Dry Dock	Furniture and Fixtures	Air Condition	Motor Car	Motor Trucks	Plant and Machinery	Excavator and payload	Office Equipment	Computer	Electrical Installation	Leasehold Improvement	Total
As at April 1,2018 (Deemed Cost)	366.79	26,636.42	2,254.57	113.51	30.28	597.28	3,001.40	1,256.32	6,043.37	43.74	42.06	17.74	983.26	41,386.73
Additions	-	188.51	1,453.39	1.33	0.29	27.52	264.89	-	524.53	5.21	1.42	-	157.41	2,624.51
Disposals / Adjustments	-	-	-	-	-	(35.89)	(654.48)	(163.45)	(1,249.06)	-	-	-	-	(2,102.87)
As at March 31,2019 (Deemed Cost)	366.79	26,824.93	3,707.96	114.84	30.58	588.92	2,611.81	1,092.87	5,318.85	48.94	43.47	17.74	1,140.67	41,908.36
Additions	-	-	1,998.64	0.18	0.72	33.59	116.33	-	831.13	5.83	6.20	-	-	2,992.62
Exchange difference / adjustments	-	6.73	-	-	-	-	-	-	-	-	-	-	-	6.73
Disposals	-	-	-	-	-	-	(623.94)	-	(523.91)	-	-	-	-	(1,147.85)
As at March 31, 2020	366.79	26,831.66	5,706.60	115.02	31.30	622.51	2,104.20	1,092.87	5,626.07	54.77	49.67	17.74	1,140.67	43,759.86
Accumulated depreciation and impairment	Building	Vessel and Barges	Vessel and Barges Dry Dock	Furniture and Fixtures	Air Condition	Motor Car	Motor Trucks	Plant and Machinery	Excavator and payload	Office Equipment	Computer	Electrical Installation	Leasehold Improvement	Total
As at April 1,2018 (Deemed Cost)	83.15	7,873.20	915.36	71.14	26.22	384.66	2,021.12	864.08	3,299.08	29.31	34.31	17.74	53.46	15,672.84
Depreciation for the year	5.92	2,376.40	1,153.75	7.53	2.72	48.73	280.92	103.01	542.06	9.04	4.39	-	97.64	4,632.10
Disposals / Adjustments	-	-	-	-	-	(27.03)	(536.44)	(143.38)	(1,107.60)	-	-	-	-	(1,814.43)
As at March 31,2019 (Deemed Cost)	89.07	10,249.60	2,069.11	78.67	28.94	406.36	1,765.61	823.71	2,733.55	38.35	38.70	17.74	151.10	18,490.50
Depreciation for the year	5.92	2,298.80	1,407.76	7.56	0.84	44.93	206.79	42.73	549.58	7.39	3.61	0.00	109.50	4,685.41
Disposals / Adjustments	-	-	-	-	-	-	(471.38)	-	(425.77)	-	-	-	-	(897.14)
As at March 31, 2020	94.98	12,548.40	3,476.87	86.23	29.79	451.29	1,501.02	866.44	2,857.36	45.75	42.31	17.74	260.60	22,278.77
Net Book Value	Building	Vessel and Barges	Vessel and Barges Dry Dock	Furniture and Fixtures	Air Condition	Motor Car	Motor Trucks	Plant and Machinery	Excavator and payload	Office Equipment	Computer	Electrical Installation	Leasehold Improvement	Total
As at March 31, 2020	271.80	14,283.26	2,229.72	28.79	1.51	171.23	603.18	226.43	2,768.71	9.02	7.36	-	880.07	21,481.09
As at March 31, 2019	277.72	16,575.33	1,638.85	36.17	1.63	182.56	846.20	269.16	2,585.30	10.59	4.78	0.00	989.57	23,417.86

(B) Right of Use assets

(Rs.in Lakhs)

Costs	Land	Jetty	Premises	Total
As at April 1, 2019	675.52	830.11	46.17	1,551.80
Additions	-	452.99	-	452.99
Disposals / Adjustments	-	-	-	-
As at March 31, 2020	675.52	1,283.10	46.17	2,004.79
Accumulated depreciation and impairment	Land	Jetty	Premises	Total
As at April 1, 2019	38.60	654.75	23.00	716.35
Depreciation for the year	167.97	250.86	15.47	434.30
Disposals / Adjustments	-	-	-	-
As at March 31, 2020	206.57	905.61	38.47	1,150.65
Net Book Value	Land	Jetty	Premises	Total
As at March 31, 2020	468.95	377.49	7.70	854.14

(Refer Note 3.15 for transition effect of first time adoption of Ind AS 116)

5 Capital Work-in-Progress

(Rs.in Lakhs)

Costs	Vessel and Barge Dry Dock	Building	Total
As at April 1, 2019	128.23	-	128.23
Additions	2,464.42	601.34	3,065.75
Capitalised During the year	1,998.64	-	1,998.64
As at March 31, 2020	594.01	601.34	1,195.35

6 Non-Current Financial Assets - Investments

(Rs.in Lakhs)

Particulars	Shares/ Units (Numbers)	As at March 31, 2020	Shares/ Units (Numbers)	As at March 31, 2019
A) Investments in Equity shares				
(i) Subsidiary (At Cost)				
Unquoted				
USL Shipping DMCEST	1	125.42	1	125.42
Shakti Clearing Agency Private Limited	11,56,320	800.00	11,56,320	800.00
Less: Provision for impairment (Ref.Note No.6.2)		(200.00)		-
USL Lanka Logistic Private Limited	21,50,000	93.01	21,50,000	93.01
(ii) Investments in Equity instruments of other entities (FVOCI)				
Unquoted				
Great United Energy Private Limited	36,00,000	360.00	36,00,000	360.00
Less: Provision for impairment		(360.00)		(360.00)
Aluminium Industries Limited	45,000	4.50	45,000	4.50
(iii) Investments in Equity instruments of other entities (FVOCI)				
Quoted				
Canara Bank	5,700	5.15	5,700	16.60
Punjab National Bank	18,410	5.96	18,410	17.58
Abbott India Limited	1,227	189.64	1,227	89.63
R System International	26,644	22.14	27,373	13.65
GMR Infrastructure Limited	2,30,000	37.38	5,00,000	67.32
B) Investments in preference shares (Amortised Cost)				
Unquoted				
8.15% L&T Finance Holdings Limited	1,00,000	1,000.00	1,00,000	1,000.00
7.50% Tata Capital Limited	1,00,000	1,000.00	1,00,000	1,000.00
7.75% Tata Capital Limited	25,000	250.00	25,000	250.00
C) Investments in Tax Free Bonds (Amortised Cost)				
Quoted				
Housing and Urban Development Corporation Limited	3,012	30.77	3,012	30.77
Indian Railway Finance Corporation Limited	1,176	12.16	1,176	12.16
National Bank for Agriculture and Rural Development	1,002	10.04	1,002	10.03
National Highway Authority of India	1,542	15.99	1,542	15.99
D) Investments in Debentures (Amortised Cost)				
Quoted				
HDB Financial Services Limited	30	327.28	30	302.06
Embassy REIT NCD	20	219.32	-	-
E) Investments in Mutual Funds (FVTPL)				
Unquoted				
Aventus Absolute Return Fund - Class A2		-	30,000	349.02
Canara Robeco FMP Series 8 - Direct Growth	20,00,000	231.48	20,00,000	211.84
HDFC FMP 1124D June 2018 (1) - Regular Growth	50,00,000	567.43	50,00,000	520.46
Kotak FMP Series 232 (1137 Days) - Growth (Regular Plan)	50,00,000	578.15	50,00,000	529.92
Kotak FMP Series 247 (1308 Days) - Growth (Regular Plan)	20,00,000	234.35	20,00,000	213.81
Reliance Low Duration Fund - Direct Growth Plan	-	-	20,099	530.70
Tata FMP Series 56 - Scheme D - Regular Plan	10,00,000	114.81	10,00,000	105.31
Total		5,674.98		6,309.78

Aggregate amount of quoted investments	875.81	575.80
Aggregate market value of quoted investments	895.33	607.48
Aggregate amount of unquoted investments	5,359.14	6,093.98
Aggregate amount of impairment in value of investments	(560.00)	(360.00)

6.1 Details of Subsidiaries

Name of subsidiary	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2020	As at March 31, 2019
(a) USL Shipping DMCEST	Shipping & Logistic	Dubai	100%	100%
(b) Bulk Shipping PTE Ltd. (Subsidiary of USL Shipping DMCEST)	Shipping & Logistic	Singapore	100%	100%
(c) Shakti Clearing Agency Private Limited	Shipping & Logistic	India	100%	100%
(d) USL Lanka Logistics Private Limited	Shipping & Logistic	Sri Lanka	100%	100%

6.2 During the year, the Company has impaired its investment in wholly owned subsidiary, namely Shakti Clearing Agency Private Limited by Rs 200 lakhs. The impairment was based on recoverable amount of the investment in the subsidiary calculated based on the discounted estimated cash flows of the said subsidiary. While calculating the recoverable amount, the Company used a discount rate of 12.52% which is a post tax estimated weighted-average cost of capital of the subsidiary with the possible debt leveraging of 25%. The cash flow projections include specific estimates for five years and a terminal growth rate of 2% thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make. Sales growth rate has been considered based on past performance duly adjusted with future growth as envisaged by the subsidiary.

United Shippers Limited
Notes to Financial Statements for the year ended March 31, 2020

7 **Non-Current Financial Assets - Others** (Rs.in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits		
(i) Unsecured, considered good	70.61	96.25
Other Bank Balance		
(i) Bank deposits with more than 12 months maturity	33.73	257.18
Total	104.34	353.43

8 **Income Tax Assets** (Rs.in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax (Net of provisions for income tax)	1,519.05	1,368.61
Total	1,519.05	1,368.61

9 **Other Non-Current Assets** (Rs.in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	-	7.77
Balances with Government authorities (Security Deposits)	0.40	0.40
Total	0.40	8.17

United Shippers Limited

Notes to Financial Statements for the year ended March 31, 2020

10 Inventories (Rs.in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories (At lower of cost and net realisable value)		
Stores, Spares and Consumables	384.10	324.23
Total	384.10	324.23

11 Current Financial Assets - Investments (Rs.in Lakhs)

Particulars	Shares/ Units (Numbers)	As at March 31, 2020	Shares/ Units (Numbers)	As at March 31, 2019
A) Investment in Mutual Funds (FVTPL)				
Unquoted				
Canara Robeco Savings Plus Fund - Regular Growth	-	-	12,36,733	361.52
Canara Robeco Corporate Bond Fund - Regular Growth	-	-	80,746	12.00
Canara Robeco Liquid Fund - Regular Growth	103	2.45	6,684	150.58
ICICI Prudential Corporate Bond Fund - Growth	-	-	82,31,796	1,572.30
B) Investment in Commercial Papers (Amortised Cost)				
Unquoted				
IIFL Wealth Finance Finance Limited	-	-	-	497.72
Total		2.45		2,594.12

Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	2.45	2,594.12
Aggregate amount of impairment in value of investments	-	-

12 Current Financial Assets - Trade Receivables (Rs.in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	4,529.56	5,330.10
Less: Expected Credit Loss	(226.48)	(266.51)
Total	4,303.08	5,063.60

- 12.1 The amount includes trade receivables due from Essar Power Gujarat Limited of Rs.1,554.38 lakhs outstanding for more than two years as on the reporting date. However based on discussions with the customer and balance confirmation received from party, the management believes that no provision for doubtful debts is required to be made against this receivable as the full amount is expected to be received.

United Shippers Limited

Notes to Financial Statements for the year ended March 31, 2020

13 Current Financial Assets - Cash and Cash Equivalents

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
A) Balance with banks		
In current / Cash Credit accounts	1,542.75	1,660.42
In short term fixed deposits	3,501.85	-
B) Cash on hand	7.18	4.08
Total	5,051.78	1,664.50

14 Current Financial Assets - Loans

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
A) Loans to employees:		
Unsecured, considered good	10.87	1.05
B) Loans to related parties:		
Unsecured, considered good	84.84	-
Total	95.71	1.05

15 Current Financial Assets -Other Assets

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(A) Unsecured, considered good:		
Security Deposits with ports and others	20.99	0.46
Total	20.99	0.46

16 Other Current Assets

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Unsecured, considered good:		
Advance to suppliers	571.39	632.02
Pre-paid expenses	157.75	150.82
Balance with Government authorities	247.74	283.33
Employee benefit plan assets:		
Leave Encashment	227.86	199.93
Gratuity	33.50	40.78
Total	1,238.24	1,306.88

17 Share Capital

Authorized

A) Equity Shares of Rs.10 each

	No of Shares	Rs.in Lakhs
As at April 1, 2019	4,85,00,000	4,850.00
Increase during the period	-	-
As at March 31, 2020	4,85,00,000	4,850.00

B) Preference Shares

	No of Shares	Rs.in Lakhs
Preference Shares of Rs. 100 each		
As at April 1, 2019	2,00,000	200.00
Increase during the period	-	-
As at March 31, 2020	2,00,000	200.00
Preference Shares of Rs. 10 each		
As at April 1, 2019	70,00,000	700.00
Increase during the period	-	-
As at March 31, 2020	70,00,000	700.00

C) Unclassified Shares

	No of Shares	Rs.in Lakhs
As at April 1, 2019	30,00,000	300.00
Increase during the period	-	-
As at March 31, 2020	30,00,000	300.00

Issued and Fully Paid up

Movement in Equity Share Capital

	No of shares	(Rs.in Lakhs) Equity Share Capital par value
As at April 1, 2019	46,18,745	461.87
Less: Share bought back during the period	-	-
As at March 31, 2020	46,18,745	461.87

Rights, preference and restrictions attached to the shares

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company.

In the event of liquidation, the equity shareholders are entitled to receive remaining assets of Company (after distribution of all preferential amounts) in the proportion of equity shares held by the Shareholders.

The Board of Directors, in their meeting held on May 16, 2019 recommended, a dividend of Rs. 12.50 per equity share for the year ended 31 March 2019, and subsequently paid the same on August 22, 2020. The Board of Directors, in their meeting held on March 03, 2020 recommended an interim dividend of Rs. 32.50 per equity share for the year ended March 31, 2020 and subsequently paid the same on March 09, 2020. The total dividend outgo, during the year, aggregated to Rs. 20,78,43,525.

(i) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	As at March 31, 2020	As at March 31, 2019
	No. of share held	No. of share held
Oricon Enterprises Limited	29,69,552	29,69,552
Holding in %	64.29%	64.29%
Logiscor Ltd	5,47,297	5,47,297
Holding in %	11.85%	11.85%
Sujata Parekh Kumar (Parekh Family Trust)	3,68,647	3,68,647
Holding in %	7.98%	7.98%

(ii) Shares held by holding/ultimate holding company and /or their subsidiary/associates

	As at March 31, 2020	As at March 31, 2019
Oricon Enterprises Limited, the holding company		
Equity shares of Rs.10/-each fully paid	29,69,552	29,69,552

(iii) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
	No.of Shares	No.of Shares	No.of Shares	No.of Shares	No.of Shares
Buy Back of Equity Shares of Rs.10/- each fully paid	-	-	4,10,473	8,87,510	-

18 Other Equity

	(Rs, in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital Reserve (Created on merger of entities under common control)	(184.24)	(184.24)
Capital Redemption Reserve	865.05	865.05
General Reserve	5,913.66	5,913.66
Retained Earnings	27,152.99	26,592.57
Equity Instruments through other comprehensive income	151.08	83.05
	33,898.54	33,270.09

Movements during the year in each reserve:

(i) Capital Reserve (Created on merger of entities under common control)

	(Rs, in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
As at the beginning of the year	(184.24)	(184.24)
Movements during the year	-	-
As at the end of year	(184.24)	(184.24)

(ii) Capital Redemption Reserve

	(Rs, in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
As at the beginning of the year	865.05	865.05
Movements during the year	-	-
As at the end of year	865.05	865.05

(iii) General Reserve

	(Rs, in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
As at the beginning of the year	5,913.66	5,913.66
Movements during the year	-	-
As at the end of year	5,913.66	5,913.66

(iv) Retained Earnings

	(Rs, in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	26,592.57	26,459.65
Addition / (Reduction) on account of :		
Ind AS 116 transition adjustment (Refer Note 3.15)	(12.88)	-
Profit after tax for the year	2,646.16	723.76
Other Comprehensive income for the year	1.49	(34.17)
Transfer from Equity Instrument -Other Comprehensive Income	4.09	0.16
Payment of dividend	(2,078.44)	(461.87)
Tax on dividend (net after set off)	-	(94.96)
As at the end of year	27,152.99	26,592.57

(v) Equity Instruments through Other Comprehensive Income (OCI)

	(Rs, in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Reserve	83.05	43.00
Addition during the year	72.12	40.21
Transferred to retained earnings	(4.09)	(0.16)
As at the end of year	151.08	83.05

United Shippers Limited

Notes to Financial Statements for the year ended March 31, 2020

19 Non-Current Financial Liabilities - Borrowings (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Non Current Borrowings		
a) Term Loan from Banks		
External Commercial Borrowings (Refer Note 19.1)	-	127.07
Total	-	127.07

- 19.1** In previous year, ECB Loan from State Bank of India were secured against Exclusive charge over two barges of the company and Floating Crane Pontoon - "Unipride", assignment of insurance policy of barges and floating crane hypothecated, and lien on fixed deposit of INR 190.59 lakhs. The Company has repaid the entire loan during the year.

20 Deferred Tax Liabilities (Net) (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Deferred tax liabilities:		
On account of Property, plant and equipment	1,545.22	2,417.63
Fair Value of Investment (FVTPL)	56.95	234.53
Fair Value of Investment (FVOCI)	14.28	4.68
Processing Fees amortisation	-	10.77
Dry dock expenses amortisation	-	50.68
Deferred Tax Assets:		
Impairment losses on investments (at cost)	22.88	-
Expected Credit Loss	57.00	93.13
Lease liabilities / ROU assets (net)	8.86	-
Total	1,527.71	2,625.16

United Shippers Limited
Notes to Financial Statements for the year ended March 31, 2020

21 Current Financial Liabilities - Trade Payables

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Trade Payables		
a) Total outstanding dues of Micro Small & Medium Enterprises (MSME)	74.67	39.38
b) Total outstanding dues of trade payable other than Micro and small enterprises	5,004.21	4,327.79
Total	5,078.88	4,367.17

Micro, small and medium enterprises disclosures:

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	74.67	39.38
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

22 Current Financial Liabilities - Other Liabilities

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Current maturities of long-term debts	-	1,433.83
Interest Payable	29.75	52.96
Unpaid dividends	0.04	0.05
Salary Payable	115.48	118.90
Total	145.27	1,605.74

23 Other Current Liabilities

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
TDS Payable	71.66	75.21
ESIC payable	0.01	0.09
Professional tax payable	0.28	0.31
Provident fund payable	10.17	6.57
Goods and Service Tax	22.10	14.12
Total	104.22	96.32

United Shippers Limited

Notes to Financial Statements for the year ended March 31, 2020

24 Revenue from Contract with Customers (Rs.in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Revenue from contract with customers		
Goods Transport Service -By Road	1,860.76	6,345.38
Technical Testing and Analysis Services	342.97	-
Maintenance and Repair Service	-	20.00
Support Services to other Mining	18.00	52.46
Water Transport Service	18,879.44	22,551.43
Water Transport Service - Srilanka Division	2,791.18	2,421.89
Revenue from leasing activities		
Leasing / Rental Services (Exports)	15.87	-
Leasing / Rental Services (Barges)	35.46	31.70
Leasing / Rental Services (Shore Equipment)	137.08	286.18
Total	24,080.76	31,709.04

(Rs.in Lakhs)

Reconciliation with Contract Price	March 31, 2020	March 31, 2019
Contract Price	25,314.90	32,583.71
Less: Demurrage Charges	1,234.14	874.67
Revenue recognised	24,080.76	31,709.04

25 Other Income (Rs.in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Interest Income on:		
Bank Deposits	14.09	54.17
Loans and advances	198.70	-
Bonds and Debentures	47.38	35.64
Income Tax Refund	34.82	61.11
Dividend Income from:		
Subsidiaries	2,362.61	-
Other investments	177.07	158.18
Profit / (loss) on sale of:		
Fixed assets (net)	(137.59)	(202.47)
Investments	96.00	230.87
Gain / (loss) on change in fair value of investments	144.95	193.69
Expected credit loss reversal	40.03	89.91
Excess provisions of earlier year written back	146.34	-
Other non operating income	11.60	34.84
Total	3,136.00	655.93

United Shippers Limited
Notes to Financial Statements for the year ended March 31, 2020

26 Other Direct Cost (Rs.in Lakhs)

Particulars	March 31, 2020	March 31. 2019
Consumption of stores and spares parts	1,259.45	1,273.62
Vessel Expense	2,093.13	2,104.58
Port Expense	211.48	169.64
Repairs and maintenance	332.83	323.82
Dumper and Tipper, Payloader and Excavator Expenses	453.07	515.11
Fuel Charges	4,947.45	6,020.75
Port dues and other expense	3,284.73	3,374.66
Barges and tug hire charges	709.13	665.01
Machinery Charges	789.17	895.04
Transportation	1,900.01	6,355.34
Railway Freight	-	1.75
Charter Freight Charges	139.43	-
Shortages	-	491.25
Stevedoring Charges	355.21	414.79
Handling Charges	169.22	286.98
Storage Charges	303.68	232.85
Water Charges	67.22	69.82
Security Charges	36.94	48.73
Weighment Charges	27.27	47.87
Jetty Utilisation Charges	4.46	193.32
Jetty Repairing and Maintenance	27.51	24.48
Insurance	225.57	252.86
Bad Debts written off	73.20	129.10
Technical Testing and Analysis Services expenses	102.50	-
Total	17,512.68	23,891.38

27 Employee benefits expenses (Rs.in Lakhs)

Particulars	March 31, 2020	March 31. 2019
Salaries and allowances	850.57	1,327.98
Contribution to Provident and other funds	46.64	61.55
Gratuity	11.81	26.74
Superannuation	5.32	6.15
Staff welfare expenses	2.65	3.89
Managerial remuneration	332.81	331.51
Total	1,249.79	1,757.82

28 Finance costs / Finance Income (Net) (Rs.in Lakhs)

Particulars	March 31, 2020	March 31. 2019
Interest paid on Term loans	11.06	190.81
Interest paid on Other borrowings	1.72	14.93
Bank and other finance Charges	30.29	16.05
Processing Fees Amortised	30.81	33.60
Other Interest to Related Parties (DMCEST)	104.25	177.84
Unwinding of lease liabilities	67.91	-
Total	246.05	433.24

United Shippers Limited

Notes to Financial Statements for the year ended March 31, 2020

29 Depreciation / Amortization (Rs.in Lakhs)

Particulars	March 31, 2020	March 31. 2019
Depreciation of Property, plant and equipment	3,168.14	3,380.71
Amortization of capitalised Dry Dock expenditure	1,407.76	1,153.75
Amortization of leasehold improvements -Navlakhi Jetty	109.50	97.64
Amortisation of ROU assets	434.30	-
Total	5,119.70	4,632.10

30 Other expenses (Rs.in Lakhs)

Particulars	March 31, 2020	March 31. 2019
Rent expense relating to short term leases	165.21	140.99
Repairs and Maintenance of buildings	8.07	9.75
Computer and software expenses	29.25	25.45
Electricity Charges	21.24	23.48
Insurance	8.48	7.48
Postage, courier and telephone charges	3.07	4.25
Printing and Stationery	16.39	19.97
Communication Expense	26.94	29.59
Office Expense	21.65	25.48
Vehicle Expenses	147.00	133.05
Travelling expenses	122.51	163.25
Rates and taxes	5.08	14.27
Director sitting Fees	1.41	1.20
Donations to Political Parties	-	100.00
Donations others	0.85	1.01
Gift Expense	3.55	4.40
Brokerage and Commission	0.15	0.25
Legal and Professional charges	177.66	176.35
Foreign Exchange Fluctuations	75.07	121.68
Payment to Auditors	10.34	9.13
Advertisement Charges	4.97	12.68
Corporate Social Responsibility Expense	28.00	42.00
Conference Participation fees	0.12	-
Entertainment Expense	3.96	4.46
Books, Periodicals and Subscriptions	8.58	1.50
Miscellaneous expenses	3.77	2.56
Total	893.31	1,074.25

United Shippers Limited
Notes to Standalone Financials for the year ended March 31, 2020

31 Earning Per Share

Particulars	As at March 31, 2020 (Rs.in Lakhs)	As at March 31, 2019 (Rs.in Lakhs)
Profit/(Loss) after tax for the year	2,646.16	723.76
Weighted average number of shares for basic earnings per share	46,18,745	46,18,745
Weighted average number of shares for diluted earnings per share	46,18,745	46,18,745
Basic earning per Share	57.29	15.67
Diluted earning per Share	57.29	15.67

Basic earnings per share is calculated by dividing the Profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the Profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The Company did not have any dilutive shares during the year.

32 Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

1. Estimation of useful life of property, plant and equipments

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

2. Estimation of defined benefit obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

3. Estimation of Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. The use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

4. Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

5. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

6. Expected credit loss

The Company determines the allowance for credit losses based on percentages derived on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss percentage, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

- 33 The company has taken certain land, building premises and Jetty under cancellable and non-cancellable operating leases. In respect of non-cancellable lease, the agreements contain lock in period of 3-5 years. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement.

The Company had entered into an agreement with Gujarat maritime Board (GMB) vide agreement dated October 07, 1998 and was obtained license to develop, complete, construct, renovate and use existing jetty/wharf including construction of offshore and onshore goods facilities and right to use jetty for 10 years on guarantee of minimum cargo to be handled 4.00 lakhs M.T. p.a. or minimum wharfrage of Rs. 120/- lakhs p.a. payable to GMB. GMB had extended the right to use jetty for a further period of 5 years i.e. 23.02.2010, with stipulation of minimum guaranteed wharfrage of Rs. 120 lakhs p.a.. The GMB vide letter dated December 18, 2015 had granted extension of the license period for 5 years from February 23, 2015 for the use of 101 M jetty at Navlakhi. As per the latest terms of the agreement, there is stipulation of minimum cargo of 4.00 lakhs tonnes to be handled by the company and if there is a short fall in handling the minimum cargo, then in that case, the company will have to pay additional wharfrage at prevailing wharfrage rate for the short fall of such minimum guaranteed cargo. The said lease has expired on February 23, 2020 and is under renewal process which has been slightly delayed due to country-wide lockdown on account of COVID-19 pandemic. The management is of the opinion, the the renewal process will be duly completed and the changes in the terms of renewal agreement, if any, are not likely to be significant or to have any material impact on the financial statements.

The Company has recognised Right of Use assets and corresponding lease liabilities in respect of leases of identified assets (other than short term lease of 12 months or less or leases for low value assets). The maturity profile of lease liabilities are as follows:

Particulars	2019-20
Lease payments due next 1 year	259.08
Lease payments due next 1-2 years	274.66
Lease payments due next 2-3 years	187.97

Lease rentals of Rs. 165.21 lakhs in respect of short term lease have been recognised in the statement of profit and loss as rent expense.

- 34 Balances of certain debtors, creditors and advances for which confirmations have not been received, are subject to reconciliation / settlement. However the management is of the opinion that the impact on such reconciliation will not be material.

United Shippers Limited

Notes to Standalone Financials for the year ended March 31, 2020

35 During the year, Company has recognised the following amounts in the financial statements as per Ind AS 19 "Employees Benefits"

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year as under :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund	55.93	70.33

b) Defined Benefit Plan

The employees' gratuity fund scheme is managed by LIC which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognised in the same manner as gratuity.

The Company's Leave Encashment Scheme is also managed by LIC.

Actuarial assumptions	Rupees in Lakhs Gratuity (Funded)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.72%	7.69%
Withdrawal Rate	5.00%	5.00%
Normal Retirement Age	60 Years	60 Years
Average Future Service	15.00	15.00
Salary Escalation	5.00%	5.00%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult

Table showing changes in present value of obligations :

Present value of obligation as at the beginning of the year	223.00	346.04
Current Service Cost	16.13	25.02
Interest Cost	15.97	24.24
Benefits payments from planned assets	(16.20)	(197.96)
Actuarial (gain)/ loss on obligations	1.67	25.66
Present value of obligation as at the end of the year	240.57	223.00

Table showing changes in the fair value of plan assets :

Fair value of plan assets at beginning of the year	263.79	371.63
Employer Contribution	3.04	68.46
Interest Income	20.29	19.00
Benefit payments from planned assets	(16.21)	(186.79)
Benefit payments from employer	-	-
Remeasurements - Return on Assets	3.16	(8.51)
Fair value of plan assets at year end	274.07	263.79

Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss

Service Cost	16.12	25.02
Net Interest Cost	(4.31)	5.24
Past Service Cost	-	-
Administrative expenses	-	-
Net Defined Benefit Cost/(Income) included in Statement of Profit and Loss	11.81	30.26

Actuarial Gain / loss recognised in OCI

Actuarial (gain) / loss for the period - Obligation	1.67	25.66
Actuarial (gain) / loss for the period - Plan assets	(3.16)	8.51
Actuarial (gain) / loss recognised in OCI	(1.49)	34.17

The amounts to be recognized in Balance Sheet and Statement of Profit and Loss:

Present value of obligation as at the end of the period	240.57	223.00
Fair value of plan assets as at the end of the period	274.07	263.79
Funded Status	33.50	40.79
Net asset / (liability) recognised in Balance Sheet	33.50	40.79

Maturity profile of defined benefit obligation :

Year 1	60.04	48.65
Year 2	18.92	21.70
Year 3	13.98	17.79
Year 4	15.07	14.61
Year 5	20.91	15.58
Year 6 and onwards	78.34	89.11

Investment Details

The company's planned assets are managed by Life Insurance Corporation of India.

United Shippers Limited**Notes to Standalone Financials for the year ended March 31, 2020****36 Commitments and Contingencies****(a) Contingent Liabilities not provided for in respect of :**

Sr No	Particulars	Rs.in Lakhs	
		As at March 31, 2020	As at March 31, 2019
(i)	Income Tax Matters	11.28	2.29
(ii)	Service Tax Matters	-	100.64

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with Income Tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

In addition, the Company is subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

(b) Capital Commitments

Sr No	Particulars	Rs.in Lakhs	
		As at March 31, 2020	As at March 31, 2019
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	279.73

37 Disclosures as required by Ind AS - 24 "Related Party Disclosures":

(i) Name and description of related parties

Relationship	Name of related party
(a) Holding Company	Oricon Enterprise Limited
(b) Subsidiary of holding company	Oricon Properties Private Limited
(c) Wholly owned subsidiary companies	USL Shipping DMCEST, Dubai Bulk Shipping Pte Limited (Subsidiary of USL Shipping DMCEST) Shakti Clearing Agency Private Limited USL Lanka Logistics (Private) Limited
(d) Key management personnel (KMP)	Mr. S J Parekh (Chairman and Managing Director) Mrs. Sujata Parekh Kumar (Joint Managing Director) Mr. Paras Dakalia (Director Finance) Captain Dinyar P Karai (Director and CEO) Mr. Nagendra Agarwal (Company Secretary) Mr. Manish Holani (Director Commercial and Operations)
(e) Entities in which KMPs have controlling interest or significant influence	Elian Trading Company Private Limited Practical Financial Services Private Limited Parekh Integrated Services Private Limited Venkatesh Karriers Limited Sunil Family Trust

(ii) The transactions entered into with the related parties during the year along with related balances as at March 31, 2020 are as under:

(Rs.in Lakhs)

Particulars	2019-20	2018-19
Revenue		
Shakti Clearing Agency Private Limited	-	13.28
Rent Expense		
Sunil Family Trust	4.20	4.20
Practical Financial Services Private Limited	-	2.04
Venkatesh Karriers Limited	1.20	0.10
Purchase of Goods, Services and Facilities		
Elian Trading Company Private Limited	46.16	41.43
Shakti Clearing Agency Private Limited	172.78	155.34
Practical Financial Services Private Limited	331.11	45.74
Capital Work in Progress (Purchase of Residential Premises)		
Oricon Enterprises Limited	567.98	-
Interest expenses		
USL Shipping DMCEST	104.25	120.79
Service Charges		
USL Lanka Logistics (Private) Limited	25.58	25.16
Venkatesh Karriers Limited	18.00	-
Miscellaneous Vessel Charges		
USL Lanka Logistics (Private) Limited	10.66	10.48
Reimbursement of Expenses		
USL Lanka Logistics (Private) Limited	588.59	572.38
Sunil Family Trust	0.54	0.69
Practical Financial Services Private Limited	-	0.09
Shakti Clearing Agency Private Limited	24.85	11.94
Venkatesh Karriers Limited	0.07	0.04
Charter Freight charges		
USL Shipping DMCEST	139.43	-
Interest income		
Shakti Clearing Agency Private Limited	5.38	-
Parekh Integrated Services Private Limited	193.72	-
Loans Given		
Shakti Clearing Agency Private Limited	80.00	-
Parekh Integrated Services Private Limited	2,000.00	-
Repayment of loans received		
Parekh Integrated Services Private Limited	2,000.00	-
Dividend Received		
USL Shipping DMCEST	2,362.61	-
Dividend Paid		
Oricon Enterprises Limited	1,336.30	296.96

Particulars	2019-20	2018-19
Remuneration to key managerial personnel		
Mr. Sevantilal J. Parekh	64.10	68.71
Mrs. Sujata Parekh Kumar	62.83	71.40
Capt. Dinyar Karai	92.40	92.40
Mr. Paras Dakalia	60.00	78.90
Mr. Manish Holani	53.47	20.09
Mr. Nagendra Agarwal	33.10	33.22

The above remuneration excludes provision for gratuity and leave encashment which is provided on an overall basis for the Company.

United Shippers Limited

Notes to Standalone Financials for the year ended March 31, 2020

(iii) Balances with Related Parties:

Particulars	(Rs. in Lakhs)	
	2019-20	2018-19
Trade Receivables		
USL Lanka Logistics (Private) Limited	-	7.33
Shakti Clearing Agency Private Limited	19.22	19.22
Venkatesh Karriers Limited	21.77	3.66
Trade payable		
Ellan Trading Company Private Limited	8.92	8.92
Shakti Clearing Agency Private Limited	24.50	5.57
USL Shipping DMCEST	1,154.45	1,964.46
USL Shipping DMCEST (Interest payable)	34.00	53.42
USL Lanka Logistics (Private) Limited	(34.31)	-
Sunil Family Trust	0.32	-
Oricon Enterprises Limited	512.47	-
Investment in equity shares		
USL Shipping DMCEST	125.42	125.42
USL Lanka Logistics (Private) Limited	93.01	93.01
Shakti Clearing Agency Private Limited	800.00	800.00
Loan and Advances (including interest accrued)		
Shakti Clearing Agency Private Limited	84.84	-
Guarantees given		
Shakti Clearing Agency Private Limited	120.00	120.00

United Shippers Limited

Notes to Standalone Financials for the year ended March 31, 2020

38 Corporate social responsibility expenses:

(Rs. in Lakhs)

Particulars	for the year ended	for the year ended
	March 31, 2020	March 31, 2019
Gross amount to be spent by the Company during the year	28.62	41.59
Unspent amount of earlier years	0.18	0.59
Amount spent during the year in cash	(28.00)	(42.00)
Unspent amount of current year	0.80	0.18

39 Payment to Auditors (excluding goods and service tax):

(Rs. in Lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Statutory Audit	3.00	2.20
Quarterly Limited Review	4.20	3.30
Other Services and Certifications	1.34	2.13
Tax Audit	1.80	1.50
Total	10.34	9.13

40 Segment Information:

The Company is in the business of operation of Ships and related services incidental to the shipping. Due to the nature of business and risks and return profile, the business of the company is considered as a single segment. Under geographical sector within India the revenue was Rs. 21,289.57 Lakhs (P.Y. Rs. 29,287.15 Lakhs) and outside India Rs. 2,791.17 Lakhs (P.Y. Rs. 2,421.89 Lakhs).

41 Movement in financial liabilities included under financing activities in statement of cash flows:

(Rs. in Lakhs)

Particulars	Balance as on April 1, 2019	Cash Inflow/ (Outflow)	Non Cash Movement		Balance as on March 31, 2020
			Amortisation of Processing Fees	Foreign Exchange Difference	
Non current Borrowings including current maturities	1,560.90	(1,598.44)	30.81	(6.73)	-

42 Income Tax

a) Income Tax Expense

Particulars	(Rs. in Lakhs)	
	2019-20	2018-19
Current Tax		
Current Tax expense	450.00	410.00
Deferred Tax		
Increase (decrease) in Deferred tax Liability	(1,100.93)	(457.25)
Total Income Tax Expenses	(650.93)	(47.25)

b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate

Particulars	(Rs. in Lakhs)	
	2019-20	
Profit before tax as per financials	1,995.23	
Statutory Tax rate	25.17%	
Tax at the Indian Statutory tax rate	502.16	
Adjusted for the effects of:		
Change in income tax rates on opening balances	(736.31)	
Tax effect on income taxable at lower rates	(242.47)	
Incomes not taxable	(45.81)	
Deferred tax re-assessment on FVTPL investments and rate differences	(148.11)	
Other allowances/ disallowances	19.61	
Income tax expense for the year	(650.93)	

c) Movement in Deferred Tax Liability / (Deferred Tax Assets)

Movement in deferred tax assets/ liability	(Rs. in Lakhs)					
	Property Plant and Equipment	Financial assets at FVTPL	Financial assets at FVOCI	Lease Liabilities / ROU assets	Others (net)	Total
As at March 31, 2019	2,417.63	234.53	4.68	-	(31.68)	2,625.16
-Transition effect of Ind AS 116 (Refer Note 3.15)	-	-	-	(6.11)	-	(6.11)
-Charged / (Credited) to Profit and loss	(872.41)	(177.58)	-	(2.75)	(48.20)	(1,100.94)
-Charged / (Credited) to Other Comprehensive Income	-	-	9.60	-	-	9.60
As at March 31, 2020	1,545.22	56.95	14.28	(8.86)	(79.88)	1,527.71

United Shippers Limited**Notes to Standalone Financials for the year ended March 31, 2020****43 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and support to its operations. The Company's principal financial assets include trade and other receivables, investments in equity and debt instruments and mutual funds and equity shares and cash and cash equivalents.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework.

Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Rs.in Lakhs					
Particulars	Note Nos.	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2020					
Trade payables	21	5,071.33	5,071.33	-	5,071.33
Other financial liabilities	22	115.51	115.51		115.51
As at March 31, 2019					
Borrowings	19	127.07	-	127.07	127.07
Trade payables	21	4,367.14	4,367.14	-	4,367.14
Other financial liabilities	22	1,605.74	1,605.74	-	1,605.74

United Shippers Limited

Notes to Standalone Financials for the year ended March 31, 2020

44 Management of Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. Price Risk		
<p>The company is mainly exposed to the price risk due to its investment in equity instruments (other than subsidiaries) and mutual fund. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>The price risk arises due to uncertainties about the future market values of these investments.</p> <p>(i) As at March 31, 2020, the investment in equity amounts to Rs. 264.76 lakhs (March 31, 2019: Rs.209.28 lakhs)</p> <p>(ii) As at March 31 2020, the investment in mutual fund amounts to Rs. 1,728.66 lakhs (March 31, 2019: Rs. 5,055.17 lakhs)</p>	<p>In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The use of any new investment must be approved by the Director (Finance).</p>	<p>As an estimation of the approximate impact of price risk investments in equity instruments, the company has calculated the impact as follows.</p> <p>(i) For equity instruments, a 10% increase in prices would affect the profit by Rs 26.47 Lakhs for year ending March 31, 2020 (Rs.20.92 lakh for year ending March 31, 2019) in other comprehensive income. A 10% decrease in prices would have led to an equal but opposite effect.</p> <p>(ii) For mutual fund, a 10% increase in prices would affect the profit by Rs.172.86 lakh for year ending March 31, 2020 (Rs.505.51 lakh for year ending March 31, 2019) in profit and loss. A 10% decrease in prices would have led to an equal but opposite effect.</p>
2. Interest Rate Risk		
<p>Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p> <p>During previous year, the Company had Foreign currency loan with Banks amounting to Rs. 660.90 lakh as at March 31, 2019.</p> <p>The Company had Indian Rupee loan from banks amounting to Rs. 900 lakh as at March 31st, 2019.</p> <p>As at March 31, 2020, the Company's is not exposed to any significant interest rate risk since the Company has repaid all its borrowings and its investments in bonds, debenture, commercial papers and fixed deposits carry fixed rate of interest.</p>	<p>In order to manage its interest rate risk The Company diversifies its portfolio in accordance with the risk management policies and primarily invests in fixed rate instruments.</p>	<p>As at March 31, 2020, a 0.25 increase in interest rates would affect the profit approximately by Rs.7.63 lakh due to additional interest cost. A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p> <p>As at March 31, 2020, the Company is not exposed to any significant interest rate risk.</p>
3. Foreign Currency Risk		
<p>Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities, borrowings and the company's net investments in foreign subsidiaries.</p>	<p>The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which the company is primarily exposed to risk are US dollars (USD) and SriLankan Rupees (LKR).</p> <p>The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract and interest rate swap.</p>	<p>A 2% favourable change in currency rates as on March 31, 2020 will increase profit of the Company by Rs. 35.08 Lakhs. A 2% negative change will have equal and opposite impact of the profit of the Company.</p>

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Indian Rupees is given below:

Nature of Transaction	Rs. in Lakhs	
	Currency	Equivalent INR
Payables	USD	1,154.45
Receivables	USD	599.70
Receivables	LKR	9.29
Investment in subsidiaries	USD	125.42
Investment in subsidiaries	LKR	93.01

United Shippers Limited
Notes to Standalone Financials for the year ended March 31, 2020

45 Capital management
Management of Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments in bonds and debentures and redeemable preference shares and other financial instruments.

Trade Receivables :

Company's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period. This credit period has been determined by considering the business environment in which the Company operates. The Company considers dealing with creditworthy customers, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Provision for expected credit loss:

The Company provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simplified basis of recognition of expected credit losses in case of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. Receivables that are more than 3 years old are considered uncollectible. Further for customers declaring bankruptcy, 100% provisioning is made i.e. such customers do not form part of this impairment exercise and provided for separately.

Reconciliation of Trade Receivables:

Particulars	Rs.in Lakhs	
	March 31, 2020	March 31, 2019
Gross Amount of trade receivables	4,529.56	5,330.10
Less: Expected Credit Loss	(226.48)	(266.51)
Carrying amount of trade receivables	4,303.07	5,063.59

Other Investments and provisions for impairment:

The Company periodically reviews its investment and credit ratings of the financial instruments or the issuer of the financial instruments in which the Company has investments. Expected credit loss, if any, is recognised as per Ind AS 109.

Capital Management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value. During the current year, the Company has repaid all its external borrowings.

Particulars	Rs.in Lakhs	
	March 31, 2020	March 31, 2019
Borrowings	-	127.07
Current Maturities of Long Term Payables	-	1,433.83
Less : Cash and Cash equivalents	-	(1,664.50)
Total Debt	-	(103.60)
Equity	34,537.52	33,731.98
Total Capital	34,537.52	33,731.98
Capital and Total debt	34,537.52	33,628.38
Gearing ratio	-	(0.003)

United Shippers Limited
Notes to Standalone Financials for the year ended March 31, 2020

46 Fair Value measurement

Rs.in Lakhs

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
1) Financial Assets (Current and Non Current)						
I) Investments						
A) Equity Instruments	-	264.76	-	-	209.28	-
B) Mutual funds	1,728.66			4,557.45		
C) Debentures and Bonds	-		615.54			371.02
D) Preference Shares	-		2,250.00			2,250.00
E) Commercial Paper	-			497.72		
II) Trade receivables	-		4,303.07			5,063.59
III) Cash and Cash equivalents	-		5,049.93			1,664.50
V) Loans	-	-	95.71			1.05
VI) Other receivables	-		124.33			354.29
Total financial assets	1,728.66	264.76	12,438.58	5,055.17	209.28	9,704.45
2) Financial liabilities (Current and Non Current)						
I) Borrowings			462.62			127.07
II) Trade payables			5,077.03			4,367.14
III) Other liabilities			404.35			1,605.74
Total Financial liabilities	-	-	5,944.00	-	-	6,099.95

United Shippers Limited
Notes to Standalone Financials for the year ended March 31, 2020

47 Fair value hierarchy

Fair Value Hierarchy and valuation technique used to determine fair value are as follows:

A) Year ended March 31, 2020

Rs.in Lakhs

Financial Assets measured at Fair Value	Note Nos.	Level 1	Level 2	Level 3
Financial instrument measured at FVTPL				
Mutual Funds	6 and 11	-	1,728.66	-
Financial instrument measured at FVTOCI				
Equity Instruments	6	260.26	-	4.50
Total Financial Assets		260.26	1,728.66	4.50

B) Year ended March 31, 2019

Rs.in Lakhs

Financial Assets measured at Fair Value	Note Nos.	Level 1	Level 2	Level 3
Financial instrument measured at FVTPL				
Mutual Funds	6 and 11	-	5,055.17	-
Financial instrument measured at FVTOCI				
Equity Instruments	6	204.78	-	4.50
Total		204.78	5,055.17	4.50

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes equity instruments that have a quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Unlisted equity instruments are included under this level.

48 Disclosure pursuant to Section 186 of the Companies Act, 2013:

Name of Entity	Terms and conditions of the loan and purpose
Shakti Clearing Agency Private Limited	Unsecured loan given at an interest rate of 9% per annum for the purpose of primary business activities of the company. The loan is repayable after 3 years from the date of disbursement along with accumulated interest thereon.
Parekh Integrated Services Private Limited	Unsecured loan given at an interest rate of 12% per annum for the purpose of primary business activities of the company. The loan was repayable on demand along with accumulated interest thereon and the same has been repaid fully during the year.

49 In view of the lockdown across the country due to the outbreak of COVID-19 pandemic, operations of the Company were scaled down or shut down for certain days from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. As per the current assessment, no significant impact on carrying amounts of property, plant and equipment, trade receivables and other financial assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The operations have resumed at various location of the Company in compliance with Government directives in April, 2020. Further, the Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern.

50 Previous year figures have been regrouped wherever necessary.

**INDEPENDENT AUDITOR'S REPORT
To the Members of UNITED SHIPPERS LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **UNITED SHIPPERS LIMITED** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as “the Company” or “the Group”), which comprise the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter

- a. We draw attention in note 12 of the financial statements in respect of trade receivables amounting to Rs. 1,554.38 lakhs due from Essar Power Gujrat Limited (EPGL) outstanding for more than two years as on the reporting date and there is no recovery against these receivables till the date of audit, however, the management believes that the amount will be received in full and no provision is required.
- b. In respect of one subsidiary group, namely, USL Shipping DMCEST Group incorporated outside India, where the consolidated financial statements have been audited by other auditors in their country; the other auditors have drawn emphasis of matter in their report in respect of trade receivables amounting to Rs. 896.87 lakhs outstanding since more than three years as on the reporting date and there is no subsequent recovery till the date of audit, however the management believes that the amount will be recovered in full and no provision is required.

Our opinion is not modified in respect of the above two matters.

Other Matters

- a. The consolidated financial statements of the Company for the year ended March 31, 2020 include total assets of Rs. 18,676.69 lakhs, total revenues of Rs. 11,714.26 lakhs and net cash outflows of Rs. 564.61 lakhs in respect of 3 subsidiaries incorporated outside India whose financial statements and other financial information have been prepared under generally accepted accounting principles in respective countries ('the Local GAAP') and are audited by their respective auditors in those countries. Audit reports issued by these auditors have been furnished to us by the management. For the purpose of preparation of consolidated financial statements of the Group, the aforesaid Local GAAP financial statements have been restated by the management of the Company to conform to Ind AS and the conversion adjustments are audited by us. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries, apart from the aforesaid conversion adjustments, is based on the reports of other auditors.
- b. The consolidated financial statements of the Company for the year ended March 31, 2020 include total assets of Rs. 731.21 lakhs, total revenues of Rs. 199.64 lakhs and net cash inflows of Rs. 16.37 lakhs in respect of 1 subsidiary incorporated in India whose financial statements and other financial information have been audited by other auditor, whose audit report has been furnished to us by the management. Our opinion, in so far as it relates to the balances and affairs of this subsidiary, is based on the report of other auditor.

Our opinion on the above consolidated financial statements and our report on other Legal and Regulatory requirements below, is not modified in respect of the other matters with respect to our reliance on the work done and the reports of the other auditors.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting

frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Company and its subsidiary incorporated in India and relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company and reports other auditors.
 - c) The consolidated balance sheet, the statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account maintained by the Company and its subsidiary incorporated in India including the relevant records relating to the preparation of the aforesaid consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the auditors of the subsidiary incorporated in India, none of the directors of the Company and its subsidiaries incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiary incorporated in India and the operating effectiveness of such controls,

refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of such controls.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on reports of auditor of its subsidiary incorporated in India, the remuneration paid by the Company and its subsidiary incorporated in India to respective directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : June 19, 2020
ICAI UDIN: 20111749AAAACF3225

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **UNITED SHIPPERS LIMITED** ("the Holding Company") and its subsidiary incorporated in India (the Holding Company and its subsidiary incorporated in India collectively referred to as "the Company" or "the Group")

In our opinion, the Company and its subsidiary incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and

testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary incorporated in India is based on the corresponding reports of the auditor of the said subsidiary. Our opinion is not modified in respect of this matter.

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No.101048W

Kaushal Mehta

Partner

Membership No. 111749

Place : Mumbai

Date : June 19, 2020

ICAI UDIN: 20111749AAAACF3225

UNITED SHIPPERS LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts are in Rupees in Lakhs unless otherwise stated)

1. Corporate information

United Shippers Limited ('USL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at 3rd floor, prospect chambers, D.N. Road, fort, Mumbai-400001, Maharashtra. Established in 1952, United Shippers Limited (USL) is a shipping company providing Shipping & Logistic services as stevedores, ship charterer, barge owners & rail/ road/ sea logistic services to its clients. Since 1995, it expanded into providing integrated services including stevedoring, the chartering of coastal vessels, rail road and sea logistic services to its customers.

The consolidated financial statements include financial statement of the Company and its following Subsidiaries (collectively referred as the Group).

The Consolidated financial statements are approved for issue by the Company's Board of Directors on June 19, 2020.

2. Application of new and revised Ind -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

Recent accounting pronouncements:

There were no or new Indian Accounting Standards which are issued by the Ministry of Corporate Affairs which are not yet effective and would have any material impact on the subsequent consolidated financial statements of the Company.

3. Significant accounting policies

3.1. Basis of preparation

3.1.1 Compliance with Ind AS

These Consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (including relevant amendments and rules issued thereafter) and other relevant provisions of the act.

3.1.2. Historical Cost Convention

The Consolidated Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans plan assets measured at fair value; and

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded to Rupees in Lakhs except where otherwise stated.

3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity

- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Details of Subsidiaries Consolidated as on 31st March 2020:

Name of subsidiary	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2020	As at March 31, 2019
(a) USL Shipping DMCEST	Shipping and Logistics	Dubai	100%	100%
(b) Bulk Shipping PTE Ltd.(Subsidiary of USL Shipping DMCEST)	Shipping and Logistics	Singapore	100%	100%
(c) Shakti Clearing Agency Private Limited	Shipping and Logistics	India	100%	100%
(d) USL Logistics Lanka Private Limited	Shipping and Logistics	Sri Lanka	100%	100%

3.3 Business combinations and goodwill

Business combination of entities under common control is accounted using pooling of interest method as per appendix c to Ind AS 103 – “Business combinations of entities under common control”. Accordingly, the difference between the consideration and the amount of share capital of the transferor companies has been transferred to capital reserve and is presented separately from other reserves.

3.4 Current and non-current classification

- (i) The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
 - a) Expected to be realized or intended to be sold or consumed in normal operating cycle
 - b) Held primarily for the purpose of trading, or
 - c) Expected to be realized within twelve months after the reporting period other than for (a) above, or
 - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period .
- (ii) All other assets are classified as non-current.
- (iii) A liability is current when:
 - a) It is expected to be settled in normal operating cycle
 - b) It is held primarily for the purpose of trading
 - c) It is due to be settled within twelve months after the reporting period other than for (a) above, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- (iv) All other liabilities are classified as non-current.

3.5 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

Level 1 — Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

- a) quoted prices for similar assets or liabilities in active markets.
- b) quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) inputs other than quoted prices that are observable for the asset or liability.
- d) Market – corroborated inputs.

Level 3

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.6 Property Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

- Recognition

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

Significant Parts of an item of PPE (including major inspections) having different useful lives and material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

- Depreciation

Depreciation of these PPE commences when the assets are ready and available for their intended use.

Depreciation has been calculated on Straight Line method (SLM) based on the estimated useful life estimated in Schedule II of the Companies Act, 2013, on a pro-rata basis. Lease hold improvements are amortized over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Capitalized expenditure on dry dock are depreciated until the next planned dry-docking.

The useful life of property, plant and equipment are as follows:-

Asset Class	Useful Life
Freehold Buildings	Office Building : 60 years Factory Building : 30 years
Leasehold Improvements	Over the period of lease
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Electrical Installations –	3-10 years
Computers, Printer and Laptop	3 – 6 years
Office Equipments	2-8 years
Vehicles –	8-10 years
Server, UPS	6 years
Barges & Speed Boat	14 years
Payloader	4- 9 years
Excavator	9 years

3.7 Intangible Assets

- **Recognition**

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of Profit & Loss.

- **Amortization**

The said software is being amortized over a period of 3 years.

- **Intangible assets under development**

Expenditure on development eligible for capitalization in accordance with Ind AS 38 Intangible Assets is carried as intangible assets under development where such assets are not ready for their intended use.

3.8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

3.8.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

Debt instruments at amortized cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments are measured at fair value. Equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair

value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to P & L, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

d) Loan commitments which are not measured as at FVTPL

e) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

3.8.2 Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

3.9 Cash and Cash Equivalent

Cash and cash equivalent in balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash and cash equivalent consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management.

3.10. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

3.11. Trade Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using effective interest method.

3.12. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

3.13 Inventories

Inventories being stores and spares are valued at the lower of cost and net realizable value. The cost is computed on First In First Out basis. The cost includes purchase price, inward freight and other incidental expenses net of taxes, wherever applicable.

3.14 Revenue Recognition

(a) Revenue from Contracts with Customers

Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was not material.

Revenue from providing of services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Group accounts for demurrages based on the expected amount of the claim to be received only when it is highly probable that there will not be a significant reversal of revenue in a future period.

(b) Interest and dividends

Interest income is recognized on time proportionate basis using the effective interest method.

Dividend income is recognized when the entity's right (as a shareholder) to receive payment is established.

3.15 Leases

The Group has adopted modified retrospective approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Group has recognised 'Right of use (ROU)' assets of Rs. 2,179.77 lakhs, accumulated amortisation of Rs. 1,073.69 lakhs and present value of lease liabilities of Rs. 995.26 lakhs as on April 01, 2019 and the difference of Rs. 106.80 Lakhs (net of deferred taxes of Rs. 42.31 lakhs) has been adjusted with opening retained earnings. In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is additional expense of Rs. 89.83 lakhs.

The Group's leases primarily consist of leases for Jetty, land surrounding and office premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Group recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.16 Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the economic environment in which it operates.

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are

translated at the functional currency spot rate of exchange at the reporting date.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the profit and loss account as income or expense.

Non - monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on such assets and liabilities carried at fair value are reported as part of fair value gain or loss.

3.17 Employee Benefits

Short term employee benefits:-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Long-Term employee benefits

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

i. Defined contribution plans

Provident Fund

All employees of the Company and its Subsidiaries incorporated in India are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.

The Company's contribution is expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

ii. Defined benefit plans

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested

employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Ind AS 19, "Employee Benefits". The Company makes annual contributions to the LIC of India for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

In respect of Subsidiaries incorporated outside India, provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period at the reporting date in accordance with the local labour laws.

Leave Encashment

The company provides for the liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

3.18 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.20 Cash Flow Statement

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

3.21 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.22 Income taxes

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially

enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

United Shippers Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs.in Lakhs)

Assets	Notes	As at March 31, 2020	As at March 31, 2019
		Audited	Audited
Non-current Assets			
(a) Property, plant and equipment	4	21,829.90	23,798.47
(b) Right of Use Assets	4	999.37	-
(c) Capital work-in-progress	5	1,195.35	128.23
(d) Goodwill on consolidation (net of impairment)		269.58	469.58
(e) Intangible assets under development		12.50	12.50
(f) Financial Assets			
(i) Investments	6	12,421.28	18,053.16
(ii) Others	7	114.25	377.60
(g) Income Tax Assets	8	1,519.05	1,368.61
(h) Deferred Tax Assets	8	85.07	55.41
(i) Other non-current assets	9	0.40	8.17
Total non-current assets		38,446.75	44,271.72
Current Assets			
(a) Inventories	10	384.10	324.23
(b) Financial Assets			
(i) Investments	11	4,747.49	12,257.60
(ii) Trade Receivables	12	5,895.54	6,457.79
(iii) Cash and cash equivalents	13	5,842.56	3,003.51
(iiii) Other Bank Balances	13	2,454.41	176.39
(iv) Loans	14	12.81	4.69
(v) Others	15	49.66	5.79
(c) Other current assets	16	1,518.01	1,631.01
Total current assets		20,904.58	23,861.01
Total Assets		59,351.33	68,132.73
Equity and Liabilities			
	Note No.	As at March 31, 2020	As at March 31, 2019
Equity			
(a) Equity Share capital	17	461.87	461.87
(b) Other Equity	18	43,821.23	45,587.98
Total Equity		44,283.10	46,049.85
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	127.07
(ii) Lease Liability		659.28	-
(b) Provisions	20	117.86	93.97
(c) Deferred tax liabilities (Net)	21	1,527.71	2,625.16
Total non-current liabilities		2,304.85	2,846.20
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	7,338.16	13,425.23
(ii) Trade Payables			
(a) Dues to Micro and Small Enterprises	23	74.67	39.38
(b) Dues to Other Creditors	23	4,786.58	3,994.29
(iii) Lease Liability		323.19	-
(iv) Other financial liabilities	24	130.08	1,568.25
(b) Other current liabilities	25	110.70	209.53
Total current liabilities		12,763.38	19,236.68
Total Liabilities		15,068.23	22,082.88
Total Equity and Liabilities		59,351.33	68,132.73

The accompanying notes from 1 to 53 form an integral part of these financial statements.

As per our report of even date attached

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg.No.101048W

For and on behalf of the Board of Directors of United Shippers Limited

Kaushal A. Mehta
Partner
M.No. 111749
Mumbai
Date : June 19, 2020

Nagendra Agarwal
Company Secretary

Paras Dakalia
Director (Finance)

S. J. Parekh
Chairman & Managing Director

United Shippers Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs.in Lakhs)

Particulars	Notes	As at	
		March 31,	March 31,
		2020	2019
INCOME			
Revenue from Contract with Customers	26	34,711.79	48,780.27
Other Income	27	1,573.32	1,389.79
Total Revenue		36,285.11	50,170.07
EXPENSE			
Direct operating cost	28	27,342.51	40,292.37
Employee benefits expense	29	1,721.62	2,231.45
Finance Cost	30	522.53	687.36
Depreciation and Amortization	31	5,197.70	4,669.24
Other Expenses	32	1,094.27	1,302.24
Total Expenses		35,878.64	49,182.67
Profit / (loss) before exceptional items and income tax		406.47	987.40
Exceptional item - Impairment of Goodwill on consolidation		(200.00)	-
Profit / (Loss) before tax		206.47	987.40
Tax expense			
Current tax		450.00	410.00
Deferred Tax		(1,094.40)	(451.90)
Prior year tax adjustments		-	(99.32)
Profit / (Loss) after tax for the year		850.87	1,128.62
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
(i) Remeasurement of defined benefit plans (net of taxes)		1.49	(34.17)
(ii) Equity Instruments through OCI (net of taxes)		72.12	(127.84)
Items that will be reclassified to profit or loss:			
(i) Debt and similar instruments through OCI (net of taxes)		(1,472.16)	-
(ii) Exchange difference in translating to financial statement of foreign operation		966.17	713.07
Other comprehensive income for the year after tax		(432.38)	551.06
Total comprehensive income for the year		418.49	1,679.69
Profit / (Loss) after tax for the year attributable to:			
Owners of the Company		850.87	1,128.62
Non-controlling interests		-	-
Profit / (Loss) after tax for the year attributable to:			
Owners of the Company		418.49	1,679.69
Non-controlling interests		-	-
Earnings per share attributable to the equity holders of the Company during the year:			
Basic earnings per share		18.42	24.44
Diluted earnings per share		18.42	24.44

The accompanying notes from 1 to 53 form an integral part of these financial statements.

As per our report of even date attached
For **BATLIBOI & PUROHIT**
Chartered Accountants
ICAI Firm Reg.No.101048W

For and on behalf of the Board of Directors of United Shippers Limited

Kaushal A. Mehta
Partner
M.No. 111749
Mumbai
Date : June 19, 2020

Nagendra Agarwal
Company Secretary

Paras Dakalia
Director (Finance)

S.J.Parekh
Chairman & Managing Director

United Shippers Limited

Consolidated Statement of Cash Flow for the year ended March 31, 2020

(Rs.in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
I Cash Flow From Operating Activities		
Profit before income tax	206.47	987.40
Depreciation and Amortization expenses	5,197.70	4,669.24
Loss on sale of Property, Plant and Equipment (net)	137.59	202.47
Reversal of expected credit loss	(146.34)	(89.91)
Finance Cost	522.53	687.36
Interest income	(1,060.54)	(828.42)
Dividend Income	(273.82)	(224.59)
Profit on sale of current investment	(32.85)	(219.32)
Fair Value measurement	(144.95)	(193.69)
Unrealised foreign exchange (gain)/loss	43.19	729.92
Foreign currency translation difference	966.17	713.07
Impairment of goodwill on consolidation	200.00	-
Operating cash flows before working capital changes	5,615.16	6,433.52
Changes in working capital		
(Increase)/Decrease in trade receivables	708.59	1,931.14
(Increase)/Decrease in inventories	(59.87)	(80.92)
Increase/(Decrease) in trade payables	791.13	84.10
(Increase)/Decrease in advances	(8.12)	1.03
(Increase)/Decrease in other non current financial assets	263.36	(42.62)
(Increase)/Decrease in other assets	122.26	(586.54)
Increase/(Decrease) in provisions	23.89	(20.81)
Increase/(Decrease) in other financial liabilities	(245.78)	(81.70)
Increase/(Decrease) in other current liabilities	(98.83)	(40.96)
(Increase)/Decrease in other current financial assets	(43.87)	19.73
Cash generated from operations	7,067.91	7,615.98
Taxes paid (net)	(600.44)	(646.88)
Net cash flows generated from operating activities	6,467.47	6,969.09
II Cash flows from investing activities		
Purchase of Fixed Assets, including CWIP and other intangible assets	(4,068.78)	(2,656.26)
Proceeds from Sale of Fixed Assets	113.12	85.96
Sale/(Purchase) of investments (net)	11,919.73	(6,120.72)
Loan given to Other Company	(2,000.00)	-
Loan from Other Company received back	2,000.00	-
Dividend Received from other Investments	273.82	224.59
Interest received	1,060.54	816.41
Movement in other bank balances	(2,278.02)	-
Net cash flows (used in) investing activities	7,020.41	(7,650.02)
III Cash flows from financing activities		
Payment of lease liabilities	(485.27)	-
Finance cost paid	(1,827.23)	(662.01)
Dividend Paid (including tax thereon)	(2,084.65)	(556.83)
Proceeds/(Repayment) of long term borrowings including current maturities	(164.62)	(1,785.01)
Proceeds/(Repayment) of short term borrowings	(6,087.07)	3,738.63
Net cash flows (used in) financing activities	(10,648.83)	734.78
IV Net increase (decrease) in cash and cash equivalents	2,839.05	53.85
V Cash and cash equivalents at the beginning of the financial year	3,003.51	2,949.66
VI Cash and cash equivalents at end of the year	5,842.56	3,003.51
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.		
As per our report of even date attached		
For BATLIBOI & PUROHIT	For and on behalf of the Board of Directors of United Shippers Limited	
Chartered Accountants		
ICAI Firm Reg.No.101048W		
Kaushal A. Mehta	Nagendra Agarwal	Paras Dakalia
Partner	Company Secretary	Director (Finance)
M.No. 111749		S.J. Parekh
Mumbai		Chairman & Managing Director
Date : June 19, 2020		

United Shippers Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity Share Capital

Particulars	Amount
As at April 1, 2018	461.87
Changes in equity share capital	-
As at March 31, 2019	461.87
Changes in equity share capital	-
As at March 31, 2020	461.87

Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Debt and other instruments through OCI	Equity Instruments through OCI	
Balance as at April 1, 2018	0.83	865.05	5,913.66	33,548.59	4,094.00	-	43.00	44,465.12
Profit for the Year	-	-	-	1,128.62	-	-	-	1,128.62
Other Comprehensive Income of the year	-	-	-	(34.17)	713.07	-	(127.84)	551.06
Transferred to retained earnings	-	-	-	0.16	-	-	(0.16)	-
Dividend	-	-	-	(461.87)	-	-	-	(461.87)
Tax on Dividend Distribution Tax	-	-	-	(94.96)	-	-	-	(94.96)
Balance as at March 31, 2019	0.83	865.05	5,913.66	34,086.37	4,807.06	-	(85.00)	45,587.98
Ind AS 116 transition adjustment (Refer note 3.15)	-	-	-	(106.80)	-	-	-	(106.80)
Profit after tax for the year	-	-	-	850.87	-	-	-	850.87
Other Comprehensive Income of the year	-	-	-	1.49	966.17	(1,472.16)	72.12	(432.38)
Transferred to retained earnings	-	-	-	4.09	-	-	(4.09)	-
Fair value reserves re-grouping	-	-	-	-	-	(168.05)	168.05	-
Prior Year Adjustment	-	-	-	(0.01)	-	-	-	(0.01)
Dividend	-	-	-	(2,078.44)	-	-	-	(2,078.44)
Tax on Dividend Distribution Tax (net)	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	0.83	865.05	5,913.66	32,757.58	5,773.24	(1,640.21)	151.08	43,821.23

The accompanying notes from 1 to 53 form an integral part of these financial statements.

As per our report of even date attached

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg.No.101048W

For and on behalf of the Board of Directors of United Shippers Limited

Kaushal A. Mehta
Partner
M.No. 111749
Mumbai
Date : June 19, 2020

Nagendra Agarwal
Company Secretary

Paras Dakalia
Director (Finance)

S.J.Parekh
Chairman & Managing Director

United Shippers Limited- Consolidated Financial Statement
Notes to Consolidated Financial Statements for the year ended March 31, 2020

4 Property, Plant and Equipment and Right of Use assets

A Property, Plant and Equipment

(Rs.in Lakhs)

Costs	Building	Port Jetty	Vessel and Barges	Fleet Dry Dock	Furniture and Fixtures	Air Condition	Motor Car	Motor Trucks	Plant and Machinaries	Excavator and payloader	Office Equipment	Computer	Electrical Installation	Leasehold Improvement	Total
As at April 1, 2018	366.79	541.36	26,636.42	2,254.57	156.48	30.57	720.01	3,001.40	1,257.69	6,116.46	67.16	48.52	17.74	983.26	42,198.42
Additions				1,453.39	2.06	0.29	27.52	264.89	-	524.53	5.55	1.95	-	-	157.41
Exchange difference			188.51	-	1.37	-	0.39	-	-	(2.30)	(0.08)	(0.02)	-	-	187.87
Disposals / Adjustments	-	-	-	-	-	-	35.89	654.48	163.45	1,249.06	-	-	-	-	2,102.87
As at March 31, 2019	366.79	541.36	26,824.93	3,707.96	159.92	30.86	712.04	2,611.81	1,094.24	5,389.64	72.64	50.45	17.74	1,140.67	42,721.03
Additions during the period				1,998.64	0.75	0.72	33.59	116.33		831.13	5.92	6.20	-	-	2,993.29
Exchange difference			6.73	-	1.15	-	0.42	-	-	0.07	0.01	0.00	-	-	8.38
Disposals / Adjustments								623.94		523.91					1,147.85
As at March 31, 2020	366.79	541.36	26,831.66	5,706.60	161.82	31.59	746.05	2,104.20	1,094.24	5,696.93	78.56	56.65	17.74	1,140.67	44,574.85
Accumulated depreciation and impairment	Building	Port Jetty	Vessel and Barges	Fleet Dry Dock	Furniture and Fixtures	Air Condition	Motor Car	Motor Trucks	Plant and Machinaries	Excavator and payloader	Office Equipment	Computer	Electrical Installation	Leasehold Improvement	Total
As at April 1, 2018	83.15	138.26	8,036.50	915.36	85.77	26.26	483.10	2,021.12	865.44	3,253.22	48.35	40.03	17.74	53.46	16,067.75
Additions	5.92	22.11	2,349.53	1,153.75	16.30	2.78	51.95	280.92	103.01	570.34	10.03	4.98	-	97.64	4,669.24
Disposals / Adjustments	-	-	-	-	-	-	27.03	536.44	143.38	1,107.60	-	-	-	-	1,814.43
Exchange difference															
As at March 31, 2019	89.07	160.37	10,386.04	2,069.11	102.07	29.03	508.02	1,765.61	825.07	2,715.96	58.38	45.01	17.74	151.10	18,922.57
Depreciation for the period	5.92	22.11	2,267.84	1,407.76	16.70	0.90	49.66	206.79	42.73	577.10	8.35	4.17	0.00	109.50	4,719.52
Disposals / Adjustments								471.38		425.77					897.14
As at March 31, 2020	94.98	182.47	12,653.87	3,476.87	118.77	29.93	557.68	1,501.02	867.80	2,867.29	66.73	49.18	17.74	260.60	22,744.95
Net Book Value	Building	Port Jetty	Vessel and Barges	Fleet Dry Dock	Furniture and Fixtures	Air Condition	Motor Car	Motor Trucks	Plant and Machinaries	Excavator and payloader	Office Equipment	Computer	Electrical Installation	Leasehold Improvement	Total
As at March 31, 2019	277.72	381.00	16,438.89	1,638.85	57.85	1.83	204.02	846.20	269.16	2,673.68	14.25	5.45	0.00	989.57	23,798.47
As at March 31, 2020	271.80	358.89	14,177.78	2,229.72	43.05	1.66	188.37	603.18	226.43	2,829.64	11.83	7.47	0.00	880.07	21,829.90

(B) Right of Use assets

(Rs.in Lakhs)

Costs	Land	Jetty	Premises	Total
As at April 1, 2019	675.52	1,458.08	46.17	2,179.77
Additions	-	452.99	-	452.99
Disposals / Adjustments	-	(81.51)	-	(81.51)
As at March 31, 2020	675.52	1,829.56	46.17	2,551.25
Accumulated depreciation and impairment	Land	Jetty	Premises	Total
As at April 1, 2019	38.60	1,012.09	23.00	1,073.69
Depreciation for the year	167.97	294.74	15.47	478.18
Disposals / Adjustments	-	-	-	-
As at March 31, 2020	206.57	1,306.83	38.47	1,551.88
Net Book Value	Land	Jetty	Premises	Total
As at March 31, 2020	468.95	522.73	7.70	999.37

(Refer Note 3.15 for transition effect of first time adoption of Ind AS 116)

5 Capital Work-in-Progress

(Rs.in Lakhs)

Costs	Vessel & Barge Dry Dock	Building	Total Amount
As at April 1, 2019	128.23	-	128.23
Additions	2,464.42	601.34	3,065.75
Capitalised During the year	1,998.64	-	1,998.64
As at March 31, 2020	594.01	601.34	1,195.35

United Shippers Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

6 Non-Current Financial Assets - Investments

(Rs.in Lakhs)

Particulars	Shares/ Units (Numbers)	As at March 31, 2020	Shares/ Units (Numbers)	As at March 31, 2019
A) Investments in Equity shares of other entities (FVTOCI)				
Unquoted				
Great United Energy Private Limited	36,00,000	360.00	36,00,000	360.00
Less: Provision for impairment		(360.00)		(360.00)
Aluminium Industries Limited	45,000	4.50	45,000	4.50
Quoted				
Canara Bank	5,700	5.15	5,700	16.60
Punjab National Bank	18,410	5.96	18,410	17.58
Abbott India Limited	1,227	189.64	1,227	89.63
R System International	26,644	22.14	17,548	67.32
GMR Infrastructure Limited	2,30,000	37.38	5,00,000	13.65
B) Investments in preference shares (Amortised Cost)				
Unquoted				
8.15% L&T Finance Holdings Limited	1,00,000	1,000.00	1,00,000	1,000.00
7.50% Tata Capital Limited	1,00,000	1,000.00	1,00,000	1,000.00
7.75% Tata Capital Limited	25,000	250.00	25,000	250.00
C) Investments in Tax Free Bonds (Amortised Cost)				
Quoted				
Housing and Urban Development Corporation Limited	3,012	30.77	3,012	30.77
Indian Railway Finance Corporation Limited	1,176	12.16	1,176	12.16
National Bank for Agriculture and Rural Development	1,002	10.04	1,002	10.03
National Highway Authority of India	1,542	15.99	1,542	15.99
D) Investments in bonds (FVTOCI)				
Quoted				
Bonds and similar products		7,564.76		12,761.81
E) Investments in Debentures (Amortised Cost)				
Quoted				
HDB Financial Services Limited	30	327.28		302.06
Embassy REIT NCD	20	219.32		-
F) Investments in Mutual Funds (FVTPL)				
Unquoted				
Aventus Absolute Return Fund - Class A2		-	30,000	349.02
Canara Robeco FMP Series 8 - Direct Growth	20,00,000	231.48	20,00,000	211.84
HDFC FMP 1124D June 2018 (1) - Regular Growth	50,00,000	567.43	50,00,000	520.46
Kotak FMP Series 232 (1137 Days) - Growth (Regular Plan)	50,00,000	578.15	50,00,000	529.92
Kotak FMP Series 247 (1308 Days) - Growth (Regular Plan)	20,00,000	234.35	20,00,000	213.81
Reliance Low Duration Fund - Direct Growth Plan	-	-	20,099.382	530.70
Tata FMP Series 56 -Scheme D - Regular Plan	10,00,000	114.81	10,00,000	105.31
Total		12,421.28		18,053.16
Aggregate Value of Quoted Investment		8,440.57		13,337.61
Aggregate market value of quoted investments		8,460.09		13,369.28
Aggregate Value of Unquoted Investment		4,340.72		5,075.55
Provision for impairment		(360.00)		(360.00)

United Shippers Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2020

7 Non current - Other Financial Assets (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Security Deposit		
(i) Unsecured, considered good;	80.52	120.42
Other Bank Balance		
(i) Bank deposits with more than 12 months maturity	33.73	257.18
Total	114.25	377.60

8A Income Tax Assets (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advance Income Tax (Net of provisions for income tax)	1,519.05	1,368.61
	1,519.05	1,368.61

8B Deferred Tax Assets (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Deferred Tax Assets		
On account of Property, plant and equipment	58.64	55.41
Lease liabilities / ROU assets (net)	26.43	-
	85.07	55.41

9 Others Non-Current Assets (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Capital Advances;	-	7.77
Balances with Govt. Authorities (Security Deposit)	0.40	0.40
Total	0.40	8.17

10 Inventories (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Inventories (At lower of cost and net realisable value)		
Stores, Spares and Consumables	384.10	324.23
Total	384.10	324.23

United Shippers Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

11 Current Financial Assets - Investments

(Rs.in Lakhs)

Particulars	No of Units/ Shares	As at March 31, 2020	No of Units/ Shares	As at March 31, 2019
Investments				
A) Investments in bonds (FVTOCI)				
Quoted				
Bonds and similar products	-	4,447.60	-	9,339.51
B) Investments in Mututal Funds (FVTPL)				
Unquoted				
Canara Robeco Savings Plus Fund- Regular Growth -FR-GP	-	-	12,36,733	361.52
Canara Robeco Corporate Bond Fund Reg.Gr. Plan	-	-	80,746	12.00
Canara Robeco Liquid Fund - Reg. Growth	103	2.45	6,684	150.58
ICICI Prudential Corpotate Bond Fund - Growth	-	-	82,31,796	1,572.30
C) Investment in Equity Funds (FVTOCI)				
Unquoted				
Sundaram Alternative Opp. Fund		297.44		323.97
D) Investment in Commercial Papers (Amortised Cost)				
Unquoted				
IIFL Wealth Finance Finance Limited	-	-	-	497.72
Total		4,747.49		12,257.60
Aggregate Value of Quoted Investment		4,447.60		9,339.51
Aggregate market value of quoted investments		4,447.60		9,339.51
Aggregate Value of Unquoted Investment		299.89		2,918.09
Provision for impairment		-		-

United Shippers Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2020

12 Current Financial Assets - Trade Receivables

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Unsecured, considered good	6,122.01	6,724.30
Less: Expected Credit Loss	(226.48)	(266.51)
Total	5,895.54	6,457.79

12.1 The amount includes trade receivables due from Essar Power Gujarat Limited of Rs.1,554.38 lakhs outstanding for more than two years as on the reporting date. However based on discussions with the customer and balance confirmation received from party, the management believes that no provision for doubtful debts is required to be made against this receivable as the full amount is expected to be received.

12.2 Trade receivables of subsidiary USL Shipping DMCEST, includes receivable of Rs.896.87 lakhs from a customer since more than 3 years as on the reporting date. There is no subsequent recovery against this receivable till the date of consolidated financial statements. However, management believes that this amount will be received in full and does not require any provision.

13 Current Financial Assets - Cash and Bank Balances

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Cash & Cash Equivalents:		
A) Balance with banks;		
In Current / Cash Credit Accounts	2,330.53	2,996.13
In Short Term Fixed Deposit	3,501.85	-
B) Cash on hands;	10.18	7.38
Total	5,842.56	3,003.51
Other Bank Balances :		
Margin Money deposit with original maturity of less than 12 months	2,454.41	176.39
Total	2,454.41	176.39

United Shippers Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2020

14 Current Financial Assets - Loans (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Loans		
A.) Loans to related parties Unsecured, considered good;	-	-
B.) Other Loans Usecured and Considered Good (i) Loans to employees	12.81	4.69
Total	12.81	4.69

15 Current Financial Assets -Other Assets (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
A.) Capital Advances; B.) Advances other than capital advances; Security Deposits with ports and others (i) Unsecured, considered good;	49.66	5.79
Total	49.66	5.79

16 Other Current Assets (Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Unsecured, considered good:		
Advance to suppliers	835.34	936.18
Pre-paid expenses	159.64	155.92
Balance with Government Authorities	261.67	298.21
Employee benefit plan assets:		
Leave Encashment	227.86	199.93
Gratuity	33.50	40.78
Total	1,518.01	1,631.01

United Shippers Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

17 Share Capital

Authorized

A) Equity Shares of Rs.10 each

	No of Shares	Rs.in Lakhs
As at March 31, 2019	4,85,00,000	4,850.00
Increase during the year		-
As at March 31, 2020		4,850.00

B) Preference Shares

	No of Shares	Rs.in Lakhs
Preference Shares of Rs. 100 each		
As at March 31, 2019	2,00,000	200.00
Increase during the year		-
As at March 31, 2020		200.00
Preference Shares of Rs. 10 each		
As at March 31, 2019	70,00,000	700.00
Increase during the year		-
As at March 31, 2020		700.00

C) Unclassified Shares

	No of Shares	Rs.in Lakhs
As at March 31, 2019	30,00,000	300.00
Increase during the year		-
As at March 31, 2020		300.00

Issued & Subscribed and fully paid up shares of Rs.10/- each

Movement in Equity Share Capital

	No of shares	Equity Share Capital par value
As at March 31, 2019	46,18,745	461.87
Less: Share bought back during the year		-
As at March 31, 2020	46,18,745	461.87

Rights, preference and restrictions attached to the shares

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company.

In the event of liquidation, the equity shareholders are entitled to receive remaining assets of Company (after distribution of all preferential amounts) in the proportion of equity shares held by the Shareholders.

The Board of Directors, in their meeting held on May 16, 2019 recommended, a dividend of Rs. 12.50 per equity share for the year ended 31 March 2019, and subsequently paid the same on August 22, 2020. The Board of Directors, in their meeting held on March 03, 2020 recommended an interim dividend of Rs. 32.50 per equity share for the year ended March 31, 2020 and subsequently paid the same on March 09, 2020. The total dividend outgo, during the year, aggregated to Rs. 20,78,43,525.

(i) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	As at March 31, 2020	As at March 31, 2019
	No. of share held	No. of share held
Oricon Enterprises Limited	29,69,552	29,69,552
	64.29%	64.29%
Logiscor Ltd	5,47,297	5,47,297
	11.85%	11.85%
Sujata Parekh Kumar (Parekh Family Trust)	3,68,647	3,68,647
	7.98%	7.98%

(ii) Shares held by holding/ultimate holding company and /or their subsidiary/associates

	As at March 31, 2020	As at March 31, 2019
Oricon Enterprises Limited, the holding company		
Equity shares of Rs.10/-each fully paid	29,69,552	29,69,552

(iii) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2016	March 31, 2015
	No.of Shares	No.of Shares
Buy Back of Equity Shares of Rs.10/- each fully paid	8,87,510	-

18 Other Equity

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital Reserve	0.83	0.83
Capital Redemption Reserve	865.05	865.05
General Reserve	5,913.66	5,913.66
Retained Earnings	32,757.58	34,086.37
OCI reserves:		
Equity Instruments	151.08	(85.00)
Debt and other instruments	(1,640.21)	-
Foreign Currency Translation Reserve	5,773.24	4,807.06
	43,821.23	45,587.98

(i) Capital Reserve

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	0.83	0.83
Increase during the year	-	-
As at the end of year	0.83	0.83

(ii) Capital Redemption Reserve

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	865.05	865.05
As at the end of year	865.05	865.05

(iii) General Reserve

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	5,913.66	5,913.66
As at the end of year	5,913.66	5,913.66

(iv) Retained Earnings

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	34,086.37	33,548.59
Addition / (Reduction) on account of :		
Ind AS 116 transition adjustment (Refer Note 3.15)	(106.80)	-
Profit And Loss Account-Current year	850.87	1,128.62
Other Comprehensive Income	1.49	(34.17)
Transfer from Equity Instrument -Other Comprehensive Income	4.09	0.16
Prior quarter expenses adjusted	(0.01)	-
Payment of dividend	(2,078.44)	(461.87)
Tax on dividend (net after set off)	-	(94.96)
As at the end of year	32,757.58	34,086.37

(v) Foreign Currency Translation Reserve

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Reserve	4,807.06	4,094.00
During the year	966.17	713.07
As at the end of year	5,773.24	4,807.06

(vi) Equity Instruments through OCI

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Reserve	(85.00)	43.00
Regrouped to Debt and other instruments through OCI	168.05	-
Addition during the year	72.12	(127.84)
Transferred to retained earnings	(4.09)	(0.16)
As at the end of year	151.08	(85.00)

(vi) Debt and other Instruments through OCI

	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Opening Reserve	-	-
Regrouped from equity instruments through OCI	(168.05)	-
Addition during the year	(1,472.16)	-
As at the end of year	(1,640.21)	-

United Shippers Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2020

19 Non-Current Financial Liabilities - Borrowings

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(i) Term loan from Bank External Commercial Borrowings (Refer Note 19.1)	-	127.07
	-	127.07
(i) Lease Liability	659.28	-
Total	659.28	-

19.1 In previous year, ECB Loan from State Bank of India were secured against Exclusive charge over two barges of the company and Floating Crane Pontoon - "Unipride", assignment of insurance policy of barges and floating crane hypothecated, and lien on fixed deposit of INR 1,90,59,316. The Company has repaid the entire loan during the year.

20 Provisions

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Provisions		
a.) Provisions for Employee Benefits Provision For Gratuity	117.86	93.97
Total	117.86	93.97

21 Deferred Tax Liabilities (Net)

(Rs.in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Deferred tax liabilities		
On account of Property, plant and equipment	1,545.22	2,417.63
Fair Value of Investment (FVTPL)	56.95	234.53
Fair Value of Investment (FVOCI)	14.28	4.68
Processing Fees amortisation	-	10.77
Dry dock expenses amortisation	-	50.68
Deferred tax Assets		
Impairment losses on investments (at cost)	(22.88)	-
Expected Credit Loss	(57.00)	(93.13)
Lease liabilities / ROU assets (net)	(8.86)	-
Total	1,527.71	2,625.16

United Shippers Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

(Rs.in Lakhs)		
Particulars	As at	As at
	March 31, 2020	March 31, 2019
a) Loans repayable on demands (i) Short Term Borrowings	7,338.16	13,425.23
Total	7,338.16	13,425.23

These term loans are secured by investment in bonds and mutual funds held with banks. These term loans are expected to be repaid within 12 months from the dates of these loans are withdrawn and bear interest ranging from 1.04% to 3.25% p.a.

(Rs.in Lakhs)		
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Trade Payables		
a) Total outstanding dues of Micro Small & Medium Enterprises (MSME)	74.67	39.38
b) Total outstanding dues of trade payable other than Micro and small enterprises	4,786.58	3,994.29
Total	4,861.25	4,033.67

(Rs.in Lakhs)		
Particulars	As at	As at
	March 31, 2020	March 31, 2019
(ii) Lease Liability	323.19	-
Total	323.19	-

Micro, small and medium enterprises disclosures -

(Rs.in Lakhs)		
Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	74.67	39.38
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(Rs.in Lakhs)		
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Other Financial Liabilities		
a) Current maturities of long-term debts;	-	1,433.83
b) Interest Payable	-	6.21
c) unpaid dividends;	0.04	0.05
d) Salary Payable	130.04	128.15
Total	130.08	1,568.25

(Rs.in Lakhs)		
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Other Current Liabilities		
Statutory Dues	110.70	209.53
Total	110.70	209.53

United Shippers Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2020

26 Revenue from Contract with Customers

(Rs.in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Contracts with Customers		
Freight	10,631.04	16,969.60
Goods Transport Service-By Road	1,860.76	6,398.07
Technical Testing & Analysis Service	342.97	-
Maintanance & Repair Service	-	20.00
Support Services to other Mining	18.00	52.46
Water Transport Service	18,879.44	22,602.97
Water Transport Service - Srilanka Division	2,791.18	2,421.89
Revenue from leasing activities		
Leasing / Rental Services (Exports)	15.87	-
Leasing / Rental Services (Barges)	35.46	29.10
Leasing / Rental Services (Shore Equipments)	137.08	286.18
Total	34,711.79	48,780.27

Reconciliation with Contract Price	For the year ended March 31, 2020	For the year ended March 31, 2019
Contract Price	35,964.14	50,414.32
Less: Demurrage Charges	1,252.35	1,634.04
Revenue recognised	34,711.79	48,780.27

27 Other Income

(Rs.in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on:		
Bank Deposits	769.64	730.42
Loans & Advances	190.84	-
Bonds & Debentures	65.09	36.89
Income Tax Refund	34.97	61.11
Dividend Income from:		
Subsidiaries	-	-
Other investments	273.82	224.59
Profit / (loss) on sale of:		
Fixed assets (net)	(137.59)	(202.47)
Investments	32.85	219.32
Gain / (loss) on change in fair value of investments	144.95	193.69
Expected Credit Loss reversal	40.03	89.91
Excess Provision of earlier year written back	146.34	-
Other Non operating income	12.39	36.32
Total	1,573.32	1,389.79

United Shippers Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

28 Other Direct Cost

(Rs.in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares parts	1,259.45	1,273.62
Vessel Expense	1,975.89	1,951.25
Port Expense	211.48	169.64
Repairs and maintenance	332.52	323.82
Dumper & Tipper, Payloader & Excavator Expenses	453.07	515.11
Fuel Charges	6,760.78	7,643.72
Port dues and other expense	3,996.11	4,246.25
Barges and tug hire charges	709.13	665.01
Marchinery Charges	812.17	902.54
Transportation	1,900.01	6,404.77
Railway Freight	-	1.75
Charter Freight Charges	7,460.39	13,961.69
Shortages	-	491.25
Stevedoring Charges	418.58	422.96
Handling Charges	169.22	286.98
Storage Charges	255.36	197.51
Water Charges	67.22	69.82
Security Charges	36.94	48.73
Weightmen Charges	27.27	47.87
Jetty Utilisation Charges	-	193.32
Jetty Repairing & Maintenance	35.61	37.68
Insurance	285.60	307.99
Bad Debts	73.20	129.10
Technical & Testing Analysis Service	102.50	-
Total	27,342.51	40,292.37

29 Employee benefits expenses

(Rs.in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and allowances	1,160.89	1,654.16
Contribution to Provident and other funds	82.62	98.97
Staff welfare expenses	17.57	20.79
Managerial remuneration	460.54	457.53
Total	1,721.62	2,231.45

30 Finance costs / Finance Income (Net)

(Rs.in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Finance Costs:		
<u>Interest Expenses</u>		
Interest paid on Term loans	285.15	476.83
Interest paid on Other borrowings	1.72	14.94
Bank & other finance Charges	106.53	104.94
Other Interest to related Party (USL Shipping DMCEST)	-	57.04
Processing Fees ammortised	30.81	33.60
Unwinding Ind AS Liability	98.32	-
Total	522.53	687.36

31 Depreciation and Amortisation **(Rs.in Lakhs)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Property, plant and equipment	3,202.26	3,417.86
Amortization of capitalised Dry Dock expenditure	1,407.76	1,153.75
Amortization of leasehold improvements -Navlakhi Jetty	109.50	97.64
Amortisation of ROU assets	478.18	-
Total	5,197.70	4,669.24

32 Other expenses **(Rs.in Lakhs)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent expense relating to short term leases	222.95	200.32
Repairs and maintenance of Building	9.81	9.75
Computer and software expenses	29.31	27.44
Electricity Charges	28.04	30.61
Insurance	9.48	8.94
Postage, courier and telephone charges	3.94	5.65
Printing & Stationery	17.35	21.71
Communication Expense	45.87	48.59
Office Expense	27.71	33.16
Vehicle Expenses	158.44	148.29
Travelling expenses	147.32	194.33
Rates & taxes	9.17	16.99
Director sitting Fees	1.41	1.20
Donations to Political Parties	-	100.00
Donations others	1.33	1.17
Gift Expense	5.33	9.46
Brokerage & Commission	0.15	0.25
Legal & Professional charges	211.07	211.80
Foreign Exchange Fluctuations	75.19	122.03
Payment to Auditors	20.68	19.16
Advertisement Charges	5.00	13.01
Corporate Social Responsibility Expense	28.00	42.00
Conference Participation fees	1.37	0.48
Entertainment Expense	4.72	4.66
Books, Periodicals & Subscriptions	8.61	1.53
Miscellaneous expenses	22.02	29.71
Total	1,094.27	1,302.24

United Shippers Limited**Notes to Consolidated Financial Statements for the year ended March 31, 2020****33 Earning Per Share****(Rs.in Lakhs)**

Particulars	As at	As at
	March 31,	March 31,
	2020	2019
Profit/(Loss) for the year for Basic Earning per share	850.87	1,128.62
Profit/(Loss) for the year for Diluted Earning per share	850.87	1,128.62
Weighted average number of shares for basic earning per share	46,18,745	46,18,745
Weighted average number of shares for diluted earning per share	46,18,745	46,18,745
Basic earning per Share (in Rupees per share)	18.42	24.44
Diluted earning per Share (in Rupees per share)	18.42	24.44

Basic Profit/(loss) per share is calculated by dividing the Profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted Profit/(loss) per share are calculated by dividing the Profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The Company did not have any dilutive shares during the year.

34 Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

1. Estimation of useful life of property, plant and equipment

Property, plant and equipment and intangibles represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

2. Estimation of defined benefit obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

3. Estimation of Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. The use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

4. Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

5. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

6. Expected credit loss

The Company determines the allowance for credit losses based on percentages derived on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss percentage, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

- 35 The company has taken certain land, building premises and Jetty under cancellable and non-cancellable operating leases. In respect of non-cancellable lease, the agreements contain lock in period of 3-5 years. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement.

The Company had entered into an agreement with Gujarat maritime Board (GMB) vide agreement dated October 07, 1998 and was obtained license to develop, complete, construct, renovate and use existing jetty/wharf including construction of offshore and onshore goods facilities and right to use jetty for 10 years on guarantee of minimum cargo to be handled 4.00 lakhs M.T. p.a. or minimum wharfage of Rs. 120/- lakhs p.a. payable to GMB. GMB had extended the right to use jetty for a further period of 5 years i.e. 23.02.2010, with stipulation of minimum guaranteed wharfage of Rs. 120 lakhs p.a.. The GMB vide letter dated December 18, 2015 had granted extension of the license period for 5 years from February 23, 2015 for the use of 101 M jetty at Navlakhi. As per the latest terms of the agreement, there is stipulation of minimum cargo of 4.00 lakhs tonnes to be handled by the company and if there is a short fall in handling the minimum cargo, then in that case, the company will have to pay additional wharfage at prevailing wharfage rate for the short fall of such minimum guaranteed cargo. The said lease has expired on February 23, 2020 and is under renewal process which has been slightly delayed due to country-wide lockdown on account of COVID-19 pandemic. The management is of the opinion, the the renewal process will be duly completed and the changes in the terms of renewal agreement, if any, are not likely to be significant or to have any material impact on the financial statements.

The Company has recognised Right of Use assets and corresponding lease liabilities in respect of leases of identified assets (other than short term lease of 12 months or less or leases for low value assets). The maturity profile of lease liabilities are as follows:

Particulars	2019-20
Lease payments due next 1 year	384.62
Lease payments due next 1-2 years	274.66
Lease payments due next 2-3 years	323.19

Lease rentals of Rs. 222.95 lakhs in respect of short term lease have been recognised in the statement of profit and loss as rent expense.

- 36 Balances of certain debtors, creditors and advances for which confirmations have not been received, are subject to reconciliation / settlement. However the management is of the opinion that the impact on such reconciliation will not be material.
- 37 During the year, Company has recognised the following amounts in the financial statements as per Indian Accounting Standard 19 "Employees Benefits" issued by the ICAI :

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year as under :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund	60.23	74.86

b) Defined Benefit Plan

The employees' gratuity fund scheme is managed by LIC which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation as gratuity.

Actuarial assumptions	Gratuity (Funded) (Rs.in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate (per annum)	0.08	0.08
Withdrawal Rate	0.05	0.05
Normal Retirement Age	60 Years	60 Years
Average Future Service	15.00	15.00
Salary Escalation	0.05	0.05

Mortality rate as given under Indian Assured Lives Mortality (2006-08) Ultimate Retirement Age 58 year

Table showing changes in present value of obligations :

Present value of obligation as at the beginning of the year	223.01	346.04
Current Service Cost	16.12	25.02
Interest Cost	15.97	24.24
Benefits payments from planned assets	(16.21)	(197.96)
Actuarial (gain)/ loss on obligations	1.66	25.66
Present value of obligation as at the end of the year	240.56	223.01

Table showing changes in the fair value of plan assets :

Fair value of plan assets at beginning of the year	263.78	371.63
Employer Contribution	3.04	68.46
Interest Income	20.29	19.00
Benefit payments from planned assets	(16.21)	(186.79)
Benefit payments from employer	-	-
Remeasurements - Return on Assets	3.16	(8.51)
Fair value of plan assets at year end	274.06	263.78

Table showing actuarial gain /loss - plan assets :

Actual return of plan assets	20.29	19.00
Expected return on plan assets	20.00	28.00
Excess of actual over estimated return on plan assets	0.29	(9.00)
Actuarial (gain) / loss-plan assets	(1.49)	34.17

Actuarial Gain / loss recognised

Actuarial (gain) / loss for the period - Obligation	1.66	25.66
Actuarial (gain) / loss for the period - Plan assets	(3.16)	8.51
Total (gain) / loss for the period	(1.49)	34.17
Actuarial (gain) / loss recognized in the period	(1.49)	34.17

The amounts to be recognized in Balance Sheet and Statement of Profit and Loss:

Present value of obligation as at the end of the period	240.56	223.01
Fair value of plan assets as at the end of the period	274.06	263.78
Funded Status	33.50	40.78
Net asset / (liability) recognised in Balance Sheet	33.50	40.78

Maturity profile of defined benefit obligation :

Year 1	60.05	48.66
Year 2	18.92	21.70
Year 3	13.98	17.79
Year 4	15.07	14.61
Year 5	20.91	15.59
Year 6	78.34	89.12
Year 7	78.34	89.12
Year 8	78.34	89.12
Year 9	78.34	89.12
Year 10	78.34	89.12

Investment Details

The company's planned assets are managed by Life Insurance Corporation of India.

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

38 Commitments and Contingencies**(a) Contingent Liabilities not provided for in respect of :**

Particulars	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Income Tax Matters	11.29	2.29
Service Tax Matters	-	100.64

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with Income Tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Group is not able to reasonably ascertain the timing of the outflow.

In addition, the Company is subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's operations or financial condition.

(b) Capital Commitments

Particulars	(Rs.in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	279.73

39 As required by Ind AS - 24 "Related Party Disclosures"

(i) Name and description of related parties

Relationship	Name of related party
(a) Holding Company	Oricon Enterprise Limited
(b) Key management personnel	Mr. S J Parekh (Chairman Cum Managing Director) Mrs. Sujata Parekh Kumar (Joint Managing Director) Mr. Paras Dakalia (Director Finance) Captain Dinyar P Karai (Director & CEO) Mr. Rajiv V Merchant (KMP of USL DMCEST) Mr. Nagendra Agarwal (Company Secretary) Mr. Manish Holani (Director Commercial and Operations) (With effect from November 14, 2018)
(c) Where KMP has controlling interest	Elian Trading Company Private Ltd (KMP has controlling interest) Practical Financial Ser Pvt Ltd (KMP has controlling interest) Parekh Integrated Services Private Limited Venkatesh Karriers Limited Sunil Family Trust (Relative of KMP are beneficiary)

Note : List of Related parties are identified by the Company and relied upon by the auditors.

(ii) Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at (Rs.in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend		
Oricon Enterprise Limited	1,336.30	296.96
Rent Paid		
Sunil Family Trust	4.20	4.20
Practical Financial Services Pvt. Ltd.	-	2.04
Venkatesh Karriers Limited	1.20	0.10
Purchase of Goods, Services & Facilities		
Elian Trading Co. Pvt. Ltd	46.16	41.43
Practical Financial Services Pvt. Ltd.	331.11	45.74
Venkatesh Karriers Limited	18.00	-
Capital Work in Progress (Purchase of Residential Premises)		
Oricon Enterprises Limited	567.98	-
Reimbursement of Expenses		
Sunil Family Trust	0.54	0.69
Practical Financial Services Pvt. Ltd.	-	0.09
Venkatesh Karriers Limited	0.07	0.04
Loans Given		
Parekh Integrated Services Private Limited	2,000.00	-
Repayment of loans received		
Parekh Integrated Services Private Limited	2,000.00	-
Remuneration to key managerial personnel		
Mr. Sevantilal J. Parekh	64.10	68.71
Mrs. Sujata Parekh Kumar	62.83	71.40
Mr. Rajiv V. Merchant	112.27	110.57
Capt. Dinyar P Karai	92.40	92.40
Mr. Paras Dakalia	60.00	78.90
Mr. Manish Holani	53.47	20.09
Mr. Nagendra Agarwal	33.10	33.22

* The above remuneration excludes provision for gratuity and leave encashment which is provided on an overall basis for the Company.

(iii). Nature of transactions - The transactions entered into with the Holding Company during the year along with related balances as at 31st March, 2020 are as under:

(Rs.in Lakhs)		
Particulars	2019-20	2018-19
Final Dividend paid	1,336.30	296.96

(iv) Balances with Related Parties:

(Rs.in Lakhs)		
Particulars	2019-20	2018-19
Trade Receivable		
Venkatesh Karriers Limited	21.77	3.66
Trade payable		
Elian Trading Co. Pvt. Ltd	8.92	8.92
Sunil Family Trust	0.32	-
Oricon Enterprises Limited	512.47	-

40 Corporate social responsibility expenses:

(Rs.in Lakhs)		
Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
Gross amount to be spent by the Company during the year	28.63	41.59
Unspent amount of earlier years	0.18	0.59
Amount spent during the year in cash	(28.00)	(42.00)
Unspent amount of current year	0.81	0.18

41 Payment to Auditors (excluding service tax and GST)

(Rs.in Lakhs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory Audit	13.34	13.75
Quarterly Limited Review	4.20	3.30
Other Services and Certifications	1.34	0.61
Tax Audit	1.80	1.52
	20.68	19.18

42 Segment Information

The Company, subsidiary are in the business of operations of ships, logistic and/or related services incidental to shipping, due to nature of business, risks and return profile: the business of the company and subsidiary is considered as a single segment. Under geographical sector within India Revenue is Rs. 21289.58 Lakhs (PY Rs.13422.21 Lakhs) and out side India is Rs. 19391.50 Lakhs (PY Rs.19391.50 Lakhs).

43 Movement in financial liabilities included under financing activities in statement of cash flows:

(Rs.in Lakhs)					
Particulars	Balance as on March 31, 2019	Cash Inflow/(Outflow)	Non Cash Movement		Balance as on March 31, 2020
			Amortisation of Processing Fees	Foreign Exchange Difference	
Non current Borrowings (including current maturities)	1,560.90	(1,598.44)	30.81	(6.73)	(0.00)
Current Borrowings	13,425.23	(6,087.07)	-	-	7,338.16

44 Income Tax

a Income Tax Expense

(Rs.In Lakhs)

Particulars	31st March 2020	31st March 2019
Current Tax		
Current Tax expense	450.00	410.00
Deferred Tax		
Increase (decrease) in Deferred tax	(1,094.40)	(451.90)
Total Income Tax Expenses	(644.40)	(41.90)

Particulars	March 31, 2020
Profit before tax as per financials	206.47
Statutory Tax rate	0.25
Tax at the Indian Statutory tax rate	51.96
Adjusted for the tax effects on:	
Change in income tax rates on opening balances	(736.31)
Income taxable at lower rates	(60.64)
Tax payable on eliminated incomes	412.80
Incomes not taxable	(45.81)
Deferred tax re-assessment on FVTPL investments and rate differences	(148.11)
Non taxable subsidiaries income	(148.69)
Other allowance / disallowance	30.40
Income tax expense	(644.40)

b Movement in Deferred Tax Liability (net of deferred tax assets)

(Rs.In Lakhs)

Movement in deferred tax (assets)/ liability	Property Plant and Equipment	Financial assets at FVTPL	Financial assets at FVOCI	Lease Liabilities / ROU assets	Others (net)	Total
As at March 31, 2019	2,417.63	234.53	4.68	-	(31.68)	2,625.16
-Transition effect of Ind AS 116 (Refer Note 3.15)	-	-	-	(6.11)	-	(6.11)
-Charged / (Credited) to Profit and loss	(872.41)	(177.58)	-	(2.75)	(48.20)	(1,100.93)
-Charged / (Credited) to Other Comprehensive Income	-	-	9.60	-	-	9.60
As at March 31, 2020	1,545.22	56.95	14.28	(8.86)	(79.88)	1,527.71

c Movement in Deferred Tax Assets (net of deferred tax liabilities)

(Rs.In Lakhs)

Movement in deferred tax assets/ (liability)	Property Plant and Equipment	Lease Liabilities / ROU assets	Total
As at March 31, 2019	55.41	-	55.41
-Transition effect of Ind AS 116 (Refer Note 3.15)	-	36.20	36.20
-Credited / (Charged) to Profit and loss	3.23	(9.77)	(6.53)
-Credited / (Charged) to Other Comprehensive Income	-	-	-
As at March 31, 2020	58.64	26.43	85.07

45 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables, . The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, investments in Mutual Fund and equity shares and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework.

Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(Rs.in Lakhs)

Particulars	Note	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2020					
Borrowings	22 and 19	7,338.16	7,338.16	-	7,338.16
Trade payables	23	4,861.25	4,861.25	-	4,861.25
Other financial liabilities	24	130.08	130.08	-	130.08
As at March 31, 2019					
Borrowings	22 and 19	13,552.31	13,425.23	127.07	13,552.31
Trade payables	23	4,033.67	4,033.67	-	4,033.67
Other financial liabilities	24	1,568.25	1,568.25	-	1,568.25

46 Management of Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. Price Risk		
<p>The company is mainly exposed to the price risk due to its investment in equity instruments (other than subsidiaries) and mutual fund. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>The price risk arises due to uncertainties about the future market values of these investments.</p> <p>(i) As at March 31, 2020, the investment in equity amounts to Rs. 264.76 Lakhs/- (March 31, 2019: Rs. 209.28 Lakhs)</p> <p>(ii) As at March 31, 2020, the investment in mutual fund amounts to Rs. 1728.66 Lakhs (March 31, 2019: Rs. 4557.45 Lakhs)</p>	<p>In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The use of any new investment must be approved by the Director (Finance).</p>	<p>As an estimation of the approximate impact of price risk investments in equity instruments, the company has calculated the impact as follows.</p> <p>(i) For equity instruments, a 10% increase in prices would affect the profit approximately by of Rs. 26.48 Lakhs for year ending March 2020 (Rs.20.92 Lakhs for year ending March 2019) in other comprehensive income. A 10% decrease in prices would have led to an equal but opposite effect.</p> <p>(ii) For mutual fund, a 10% increase in prices would affect the profit approximately by Rs. 172.86 Lakhs- for year ending March 31, 2020 (Rs. 455.74 Lakhs for year ending March 2019) in profit and loss. A 10% decrease in prices would have led to an equal but opposite effect.</p>
2. Interest Rate Risk		
<p>Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p> <p>1) Libor : During previous year, the Company had Foreign currency loan with Banks amounting to Rs. 660.90 lakh as at March 31, 2019.</p> <p>2) INR : The Company had Indian Rupee loan from banks amounting to Rs. 900 lakh as at March 31, 2019.</p> <p>3) Short Term Loans : The group has short term borrowing from bank of Rs. 7338.16 Lakhs which is to be repaid within 12 months from the dated when these loans are withdrawn. (Rs. 13425.23 Lakhs as at March 31, 2019)</p>	<p>In order to manage its interest rate risk The Company diversifies its portfolio in accordance with the risk management policies.</p>	<p>1) Libor :- A 0.25 increase in interest rates would affect the profit approximately by Rs. Nil /- loss for year ended March 31, 2020 (Rs.7.63 Lakhs loss for year ended March 31, 2019) due to additional interest cost.</p> <p>A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p> <p>2) INR :- A 0.25% increase in interest rates would affect the profit approximately by Rs. Nil - loss for year ended March 31, 2020 (Rs. 2.40 Lakhs loss for year ended March 31, 2019) due to additional interest cost.</p> <p>A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p> <p>3) Short Term Loans: A 0.25% increase in interest rates would affect the profit approximately by Rs. 18.35 Lakhs loss for year ended March 31, 2020 (Rs. 33.65 Lakhs loss for year ended March 31, 2019) due to additional interest cost. A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>
3. Foreign Currency Risk		
<p>Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities and borrowings.</p>	<p>The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which the company is primarily exposed to risk are US dollars (USD) and SriLankan Rupees (LKR).</p> <p>The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract and interest rate swap.</p>	<p>A 2% favourable change in currency rates as on March 31, 2020 will increase profit of the Company by Rs. 10.22 Lakhs.</p> <p>A 2% negative change will have equal and opposite impact of the profit of the Company.</p>

The Company's exposure to foreign currency risk at the end of thereporting period expressed in Rs. is given below

Nature of Transaction	Currency	(Rs.in Lakhs)
Borrowings	USD	-
Payables	USD	1,154.45
Payables	EURO	-
Receivables	USD	609.00
Receivables	LKR	34.31

47 Capital management

Management of Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade Receivables :

Company's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of few of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period. This credit period has been determined by considering the business environment in which the Company operates. The Company considers dealing with creditworthy customers, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Provision for expected credit loss

The Company provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simplified basis of recognition of expected credit losses in case of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. Receivables that are more than 3 years old are considered uncollectible. Further, customers declaring bankruptcy or failing to engage in repayment plan with the Company, 100% provisioning is made i.e. such customers do not form part of this impairment exercise and provided for separately.

Reconciliation of Trade Receivables

(Rs.in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Gross Amount of trade receivables	6,122.01	6,724.30
Less: Expected Credit Loss	(226.48)	(266.51)
Carrying amount of trade receivables	5,895.54	6,457.79

Capital Management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

(Rs.in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Borrowings	7,338.16	13,552.31
Current Maturities of Long Term Borrowings	-	-
Less : Cash and Cash equivalents	(2,340.71)	(3,003.51)
Total Debt	4,997.45	10,548.80
Equity	44,283.10	46,049.85
Total Capital	44,283.10	46,049.85
Capital and Total debt	49,280.56	56,598.65
Gearing ratio	0.11	0.23

(Rs.in Lakhs)

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
1) Financial Assets (Current & Non Current)						
I) Investments						
A) Equity Instruments excluding equity shares of joint venture		264.76			209.28	
B) Mutual Funds	1,728.66			4,557.45		
C) Equity Funds		297.44			323.97	
D) Debentures & Bonds		12,012.35	615.55		22,101.32	371.02
E) Preference Shares			2,250.00			2,250.00
F) Commercial Paper			-			497.72
II) Trade receivables			5,895.54			6,457.79
III) Cash and Cash equivalents			2,340.71			3,003.51
IV) Loan			12.81			4.69
V) Other receivables			163.91			383.79
Total financial assets	1,728.66	12,574.56	11,278.51	4,557.45	22,634.57	12,968.53
2) Financial liabilities (Current & Non Current)						
I) Borrowings						
A) From Banks			7,338.16			14,986.14
I) Trade payables			4,861.25			4,033.67
II) Other liabilities			130.08			1,568.25
Total Financial liabilities	-	-	12,329.49	-	-	20,588.05

49 Fair value hierarchy

Fair Value Hierarchy and valuation technique used to determine fair value are as follows:

A) Year ended March 31, 2020 (Rs.in Lakhs)

Financial Assets measured at Fair Value	Level 1	Level 2	Level 3
Financial instrument measured at FVTPL			
Mutual Fund		1,728.66	
Financial instrument measured at FVTOCI			
Bonds and similar products	12,012.35		
Equity Funds			297.44
Equity Instrument	260.26		4.50
Total Financial Assets	12,272.62	1,728.66	301.94

B) Year ended March 31, 2019 (Rs.in Lakhs)

Financial Assets measured at Fair Value	Level 1	Level 2	Level 3
Financial instrument measured at FVTPL			
Mutual Fund		4,557.45	
Financial instrument measured at FVTOCI			
Bonds and similar products	22,101.32		
Equity Funds			323.97
Equity Instrument	204.78		4.50
Total	22,306.10	4,557.45	328.47

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes equity instruments and mutual funds that have a quoted price. The mutual funds are valued using the closing NAV and equity instruments are valued at share price as at reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

50 Disclosure pursuant to Section 186 of the Companies Act, 2013:

Parekh Integrated Services Private Limited	Unsecured loan given at an interest rate of 12% per annum for the purpose of primary business activities of the company. The loan was repayable on demand along with accumulated interest thereon and the same has been repaid fully during the year.
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51 In view of the lockdown across the country due to the outbreak of COVID-19 pandemic, operations of the Company were scaled down or shut down for certain days from second half of March, 2020. The lockdown being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. As per the current assessment, no significant impact on carrying amounts of property, plant and equipment, trade receivables and other financial assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The operations have resumed at various location of the Company in compliance with Government directives in April, 2020. Further, the Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern.

52 During the year, the Company has impaired its Goodwill on consolidation which is pertaining its investment in wholly owned subsidiary, namely Shakti Clearing Agency Private Limited by Rs 200 lakhs. The impairment was based on recoverable amount of the investment in the subsidiary calculated based on the discounted estimated cash flows of the said subsidiary. While calculating the recoverable amount, the Company used a discount rate of 12.52% which is a post tax estimated weighted-average cost of capital of the subsidiary with the possible debt leveraging of 25%. The cash flow projections include specific estimates for five years and a terminal growth rate of 2% thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make. Sales growth rate has been considered based on past performance duly adjusted with future growth as envisaged by the subsidiary.

53 Previous year figures have been regrouped wherever necessary.